

# 2023 Provincial Budget Submission



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# About the Ontario Chamber of Commerce

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The Ontario Chamber of Commerce (OCC) is the indispensable partner of business and Canada’s largest, most influential provincial chamber. It is an independent, non-profit advocacy and member services organization. The OCC has 60,000 members, including large multinational corporations, small-to-medium-sized enterprises, labour unions, postsecondary institutions, non-profits, associations and close to 160 chambers of commerce and boards of trade.

The OCC’s mission is to convene, align and advance the interests of its members through principled policy work, value-added business services and broad engagement to drive competitiveness and economic growth in the province.

The OCC is the indispensable partner of business.  
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## Introduction

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Dear Minister Bethlenfalvy,

The Ontario Chamber of Commerce (OCC) welcomes the opportunity to participate in Ontario's pre-budget consultation process. This year's provincial budget comes at a critical juncture for Ontario as businesses face major headwinds: inflation, labour shortages, supply chain disruptions, and a looming recession threaten to dampen economic growth and recovery.

Economic growth cannot occur without significant and sustained investments from the private sector – and those dollars will flow where productivity is highest. Budget 2023 must focus on strengthening Ontario's productivity, resilience, and growth.

From the collective voice of our network's diverse 60,000 members and over 155 chambers of commerce and boards of trade, the following submission contains 23 recommendations for the upcoming budget prepared in consultation with Ontario's business community and our Chamber Network.

Our recommendations fall under the following pillars: Sustainable Growth, Complete Communities, and Modernization.

As interest rates rise this year, governments must maintain fiscal prudence. However, as the province has locked in low long-term rates, the cost of servicing the province's public debt should not grow significantly as a portion of the budget. Eliminating the debt need not take priority over growth-enabling investments.

We look forward to continuing to work with businesses of all sizes and the Government of Ontario to bolster economic well-being, growth, and recovery across the province.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce



# Summary of Recommendations

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## 1. SUSTAINABLE GROWTH

- a. Help small businesses access the resources they need to compete and grow.
- b. Support succession planning for Ontario's aging business owners.
- c. Develop an integrated energy plan that balances reliability, affordability, and sustainability.
- d. Support businesses and communities with the transition to a net-zero economy.
- e. Support mining, forestry, and other trade exposed industries.
- f. Strengthen Ontario's food supply.
- g. Drive the recovery of Ontario's tourism and hospitality industry.
- h. Address Ontario's labour market challenges.
- i. Foster a diverse and inclusive workforce.
- j. Take meaningful action on economic reconciliation.

## 2. COMPLETE COMMUNITIES

- a. Continue to prioritize and accelerate the rollout of broadband across Ontario.
- b. Build affordable housing.
- c. Invest in resilient and growth-enabling infrastructure.
- d. Protect Ontarians' health and strengthen health care system capacity and resilience.

## 3. MODERNIZATION

- a. Innovate government services and regulatory frameworks.
- b. Foster a business environment that promotes growth, confidence, and predictability.
- c. Design an effective and efficient portable benefits program.
- d. Continue to develop an integrated health data system.
- e. Advance Ontario's data strategy and avoid fragmented privacy legislation.
- f. Modernize Ontario's supply chains and public sector procurement.
- g. Bolster interprovincial and international trade.
- h. Modernize and champion the cannabis sector.
- i. Protect municipalities' fiscal capacity and develop a plan for fiscal balance.



# 1. Sustainable Growth

Following the COVID-19 pandemic, businesses are looking for ways to foster sustainable growth and resilience over the immediate- and long-term. High inflation, persistent labour shortages, and a slowdown in economic activity signal the need for supply-side policies and investments that lead to greater market capacity, efficiencies, and productivity.

## a. Help small businesses access the resources they need to compete and grow.

Small businesses are grappling with inflation and rising interest rates, debt, supply chain challenges, labour shortages, and a looming recession. It is incumbent on governments to support their survival as a key driver of jobs and economic development.

### Recommendations:

1. Develop and scale [digitization funding and training programs](#) for small businesses and make it easier for businesses to access them.
2. Improve [access to private capital and credit](#) for small businesses through a combination of tax policies, capital market reforms, and loan guarantees.
3. Offer targeted supports to help small businesses invest in workplace mental health.
4. Continue to procure from non-profits, non-profit social enterprises and co-operatives to meet the provincial government's target of \$3 billion in contracts awarded to small businesses by 2026.

## b. Support succession planning for Ontario's aging business owners.

As nearly three-quarters of business owners are poised to retire within the next decade,<sup>i</sup> there is a growing need for succession planning and support for the next generation of entrepreneurs. Having an appropriate continuity plan in place will help better preserve the value of the business and safeguard employment during the transition phase.

### Recommendations:

1. Begin work on an employee ownership policy framework to reduce barriers, promote awareness, and create targeted incentives to complement the federal government's approach.
2. Support greater business adoption of co-operative conversion as a method for succession planning through education and financial incentives.



**Co-operative conversions:** When a business or organization chooses a co-operative model as its method of succession.

**Four main types:**

**1. Worker Co-operatives**

Workers become the business owners, so they both operate and own it.

**2. Consumer Co-operatives**

Customers purchase shares and then become member owners of a co-operative. This is often done to ensure that services or products continue to be available in their community.

**3. Producer Co-operatives**

Producers join forces to process, market, and distribute their products to bring down costs.

**4. Multi-Stakeholder Co-operatives**

Multiple stakeholders are interested in forming a co-operative. For example, the customers and the vendors at a local farmer's market form a co-operative to purchase a building to operate the market.

**c. Develop an integrated energy plan that balances reliability, affordability, and sustainability.**

Demand for electricity is rising rapidly in Ontario, driven by economic growth and electrification. On the supply side, resource availability will be constrained by the retirement of the Pickering Nuclear Station, nuclear refurbishments, and contract expirations for other resources. As Ontario confronts major [energy supply gaps](#) over the next decade, significant investments in generation, storage, and conservation will be needed to ensure access to energy remains reliable, affordable, and sustainable for businesses and households.

**Recommendations:**

1. Continue to work with industry and the Independent Electricity System Operator (IESO) to procure clean, reliable electricity. Procurement should optimize existing clean energy assets (including nuclear, biomass, and hydroelectricity generation); provide long-term certainty to attract new competitive investments in clean energy; and be technology-agnostic with respect to all forms of supply, including new nuclear.
2. Develop a long-term energy plan that integrates low-carbon fuels with electricity planning, using insights from the Electrification and Energy Transition Panel and the IESO's Pathways to Decarbonization Study.
3. Take a more proactive approach to investing in [transmission and distribution infrastructure](#) across Ontario and ensuring the resiliency of the grid writ large.
4. Incorporate conservation and demand management into long-term energy planning forecasts and frameworks.



#### d. Support businesses and communities with the transition to a net-zero economy.

The low-carbon economy is filled with opportunities for innovation, job creation, and regional economic development. While there is no silver bullet solution to climate change, Ontario has competitive advantages that it can leverage globally, including its clean energy, world-renowned post-secondary institutions, talented workforce, sustainable natural resources, and cleantech sector.

##### Recommendations:

1. Implement a climate adaptation and mitigation strategy, including strategies that value nature and ecosystem services, support the federal Task Force on Flood Insurance and Relocation, strengthen protections of wetland and natural infrastructure, and commit to providing communities with adequate and sustained funding for climate resilience.
2. Support policies that enable further growth and innovation in the [hydrogen economy](#).
3. Expand energy efficiency and climate retrofit programs for businesses, homeowners, and institutions including the Business Energy Audit program, and explore policies that incentivize builders and municipalities to lower the carbon footprint and improve the climate resilience of new buildings.
4. Support the adoption of electric and zero-emission vehicles (ZEVs) by private and public sector entities, including municipalities as they replace their existing fleets, and continue to expand electric vehicle charging stations and other ZEV infrastructure.
5. Continue working with industry to develop a competitive and sustainable framework for carbon capture, utilization, and [storage](#) in Ontario.
6. Support cleantech research and innovation at post-secondary institutions, with an emphasis on initiatives that connect research with industry needs.
7. Provide additional guidance and support for waste producers to facilitate the transition to extended producer responsibility and reduce inconsistencies across jurisdictions.
8. Reconsider the proposal to ban organic material from landfills or exempt landfills that convert waste emissions to renewable natural gas.

For more information, see our report: [\*The Climate Catalyst: Ontario's Leadership in the Green Global Economy\*](#).





## e. Support mining, forestry, and other trade exposed industries.

Ontario has competitive advantages in several key industries critical to Canada's export capacity and regional economic development, including energy, forestry, mining, and critical minerals. Policies that support the growth of these industries will drive innovation, job creation, decarbonization, and community revitalization across the province, particularly within northern, rural, and Indigenous communities.

### Recommendations:

1. Increase the relative government-to-industry funding ratio for mining innovation, ensure support for projects throughout their entire lifecycles, and encourage leveraging post-secondary research and innovation.
2. Provide funding for projects that support research and educational institutions to develop talent and advance mining technology implementation and commercialization.
3. Streamline environmental approvals, permitting, and land leasing around key development projects that will support biodiversity, ecological corridors, and Ontario's leadership in the green economy while also ensuring Indigenous communities are active participants and proponents of these long-term projects.
4. Implement Ontario's Forest Sector Strategy with the oversight of its Advisory Committee, focusing on key competitiveness measures, cost reductions, increased use of forest biomass, and removing trade and market barriers.
5. Establish an Ontario Commercial Loan Guarantee Program that encourages continued investments in Ontario's forestry industry and broaden the eligibility criteria to qualify for these loans to allow more organizations within the forestry industry to apply.



## f. Strengthen Ontario's food supply.

Recent global events, supply chain constraints, and extreme weather have again underscored the importance of ensuring a [resilient and secure food supply chain](#) in Ontario that meets current and future demand. The changing economic landscape, ongoing uncertainty, and higher input costs have put a strain on farmers across the province. Supports for this industry must therefore evolve to ensure producers are equipped with the right tools, talent, and resources.

### Recommendations:

1. Work with the federal government and other provinces and territories to increase the payment cap available through the AgriStability program while developing systems to assess claims and process payments quickly.
2. Work with the federal government and consult with the agricultural industry to streamline the Canadian Agricultural Partnership program application process and reduce administrative burdens to improve program uptake.
3. Increase funding available through programs such as the Agri-Food Open for E-business to help local agri-food businesses invest in online infrastructure to expand their online presence and e-commerce sales.
4. Curb food fraud by identifying key areas in need of particular attention (i.e., certain supply chains and/or food products) through the Food Integrity Initiative and develop an action plan accordingly.
5. Address rising food costs and seek to invest in the resiliency and preservation of farm and agricultural lands to ensure a secure, reliable, adaptive, and sustainable food supply.
6. Partner with employers, post-secondary institutions, and government stakeholders to support the long-term viability of the food and beverages, farming, and agriculture industries, including through [talent development](#) and research and innovation initiatives.
7. Educate youth on the high-skilled, tech-driven careers available in the agri-food industry and address barriers that deter youth from pursuing farming careers, including access to land, training, and capital.



## g. Drive the recovery of Ontario's tourism and hospitality industry.

With the onset of the COVID-19 pandemic, Ontario's tourism industry was one of the hardest-hit—and it will be one of the last to fully recover and rebuild. The crisis continues to have a severe and enduring [impact on the tourism industry](#) in Ontario. Border closures, capacity restrictions and lockdowns exacerbated structural issues that have left the sector far from recovery.

### Recommendations:

1. Invest in workforce development initiatives that communicate the business case for careers in the tourism industry, retain and attract international talent, and optimize work placement opportunities for post-secondary students.
2. Revisit tourism industry taxes, including the elimination/deferral of the annual basic beer tax increase scheduled to take effect in March and revisiting Municipal Accommodation Taxes.
3. Explore emerging markets and support the growth of promising new tourism areas, including intercultural exchanges with Indigenous and Francophone tourism sectors, as well as cannabis tourism and agri-tourism.
4. Address gaps in public transportation within and between Ontario destinations.
5. Work with the tourism industry and government partners to ensure seamless travel for all visitors. This includes digitizing and streamlining processes to reduce passport and visa application backlogs and creating strategies for seamless travel in the event of border disruptions.
6. Incentivize local travel and tourism through initiatives similar to the Ontario Staycation Tax Credit.
7. Invest in trails, hiking and cycling routes and related tourism infrastructure and local attractions to bolster rural economies.



## h. Address Ontario's labour market challenges.

Many businesses – particularly in the transportation, construction, child care, tourism, retail, and health care sectors – continue to face significant labour shortages exacerbated by a lack of transportation options, complex immigration processes, and rising living costs. Immigration backlogs are also a factor, with over 2.2 million immigration applications in December 2022 awaiting processing, including future citizens, permanent residents, and international students, as well as a significant three-year backlog in the skilled immigrant category. Resolving labour shortages is critical for ensuring economic growth and will require a comprehensive approach that identifies [current and future workforce needs](#) and implements workforce development strategies.

### Recommendations:

1. Continue taking steps to recognize foreign credentials for both regulated professionals and skilled trades by enhancing online training, fast-tracking in-school credentials, and developing financial support for underemployed populations to access training opportunities.
2. Work with the federal government to consider additional pathways to permanent residency for public post-secondary students.
3. Work with the federal government to increase Ontario's allocation of immigrants under the Ontario Immigrant Nominee Program and make regional immigration pilots permanent in small, rural, and remote communities.
4. Revise the current journeyman-to-apprentice ratio to allow for greater flexibility and continue promoting the skilled trades as a viable career option for young people through applied learning and training.
5. Work with post-secondary institutions and employers to expand enrolment and introduce new programs and micro-credentials to foster lifelong learning and secure the talent pipeline.
6. Explore options to [incentivize greater participation](#) in experiential learning programs from employers, especially small businesses and employers in remote regions.



## i. Foster a diverse and inclusive workforce.

Diversity, equity, accessibility and inclusion in the labour market are preconditions to Ontario's economic prosperity. We encourage the government to develop direct [supports for women](#) and other equity-deserving groups to help meet these objectives. An equitable socioeconomic recovery will only be achievable if all stakeholders rally behind measurable goals.

### Recommendations:

1. Provide financial, legal advice, mentorship, and skills training programs for equity-deserving groups.
2. Adopt supplier diversity programs to ensure government procurement creates opportunities for diverse entrepreneurs and businesses that demonstrably support diversity and inclusion.
3. Scale interventions proven to increase women's representation in skilled trades, STEM, and other traditionally male-dominated occupations and sectors.
4. Expand free training opportunities and awareness campaigns in partnership with the business community to ensure all employers and staff have the requisite resources and training to meet accessibility requirements.
5. Reinstate the Basic Income Pilot program to evaluate whether it can strengthen Ontario's workforce and economic outcomes.



## **j. Take meaningful action on economic reconciliation.**

Ontario's prosperity depends on the socioeconomic well-being and success of Indigenous Peoples in the province. As the youngest and fastest growing demographic, Indigenous Peoples are critical to Ontario's labour market and overall economic growth. However, to ensure equitable opportunities for Indigenous Peoples, meaningful action must be taken on the Truth and Reconciliation Commission's Calls to Action and the National Inquiry into Missing and Murdered Indigenous Women and Girls' Calls for Justice.

### Recommendations:

1. Build on opportunities, such as the Three Fires Nations-Ontario Southwestern Ontario Infrastructure and Economic Opportunities Table, to support mutually beneficial partnerships with Indigenous communities and businesses, including equitable opportunities for Indigenous procurement, employment, and economic development.
2. Provide Indigenous entrepreneurs with direct support as well as financing, legal advice, mentorship, training, and supplier diversity programs.
3. Improve Indigenous education, learning, and training opportunities to increase labour market participation and drive entrepreneurship, including by ensuring the long-term sustainability of Indigenous Institutes in Ontario and improving access to culturally based experiential learning and other training options.



## 2. Complete Communities

Communities are the foundation of our economy, and their well-being requires adequate infrastructure and resources to withstand current and future risks. Continued investments are needed to accelerate [broadband connectivity](#), expand low-carbon transit and transportation systems, support asset management and state-of-good-repair, improve housing affordability, and strengthen the health care system.

### a. Continue to prioritize and accelerate the rollout of broadband across Ontario.

While access to reliable broadband internet has been a longstanding issue in Ontario, particularly in northern, rural, and remote areas, it has been magnified by COVID-19. Without it, many businesses and workers cannot access digital resources, services, healthcare, talent, and markets. Continued investments are needed to accelerate rollout and expand broadband infrastructure in underserved areas to support competitiveness and spur regional economic growth.

#### Recommendations:

1. Work with municipalities, internet service providers, telecommunication stakeholders, and local distribution companies to address inefficiencies and barriers to private sector broadband rollout while ensuring close alignment with federal government plans and funding. This includes resolving locate backlogs and identifying opportunities to streamline standards and processes related to pole attachments and make-ready work.
2. Explore “dig once” strategies, futureproofing of digital infrastructure, and opportunities for better data sharing around broadband gaps.



## b. Build affordable housing.

For businesses, a lack of affordable housing options has become a top competitiveness concern, impacting their ability to attract and retain a diverse, talented workforce. While previously considered an urban problem, access to affordable housing is now a socioeconomic issue in communities of all sizes across the province, with workers increasingly priced out.

Over the coming months, the OCC will host a series of targeted regional consultations to identify key challenges to addressing housing affordability, formulate policy recommendations, and highlight innovative solutions that will bolster the economy and support inclusive growth.

### Recommendations:

1. Preserve and build affordable housing options along the housing continuum to ensure equitable access to housing, including by leveraging innovative solutions from all levels of government and the private and non-profit sectors (e.g., public-private partnerships, mixed-income/use buildings, community land trusts, etc.).
2. Work with municipalities to ensure Official Plans include a mix of accommodation types for new housing market entrants, populations traditionally excluded from the housing market, aging demographics, and other marginalized groups.
3. Optimize existing settlement areas and minimize disruption to natural assets and agricultural lands to help safeguard sustainable growth over the short- and long-term, including by planning infrastructure around complete communities, encouraging densification, investing in transit infrastructure that supports high-density, and overhauling brownfield legislation in small town Ontario.
4. Maintain the protection of Provincial Plan areas and the Growth Plan for the Greater Golden Horseshoe to sustainably manage growth in this region.
5. Create distinct strategies to address regional challenges in housing supply and affordability in rural, remote, northern, and Indigenous communities.
6. Continue to support targeted workforce development in the skilled trades and increased economic immigration to attract and retain workers to build the needed housing supply.
7. Continue working closely with municipalities to streamline the development and permitting process to accelerate new supply.
8. Remove barriers for non-profits and post-secondary institutions to build critical infrastructure, including affordable housing, on- and off-campus student housing, childcare centres, long-term care homes, and other community amenities.





### c. Invest in resilient and growth-enabling infrastructure.

Infrastructure plays a key role in Ontario's economy and is critical in determining where people choose to live and where businesses choose to invest. Ontario is facing an infrastructure deficit, limiting access to jobs, healthcare, and investment opportunities, particularly in Northern Ontario. The province faces a municipal infrastructure backlog of \$52 billion. According to a recent report by the Financial Accountability Office of Ontario, the cost of maintaining public buildings will increase by \$6 billion between 2022 and 2030 due to climate hazards.<sup>ii</sup>

Governments must continue investing in [infrastructure throughout Ontario](#) to [connect communities](#) and spur economic activity. They must also work to maintain natural infrastructure, which provides an affordable solution to building resilience against the effects of climate change and a range of economic, environmental, and social benefits.

#### Recommendations:

1. Work with federal and municipal governments and the private sector to expand low-carbon public transit systems, including GO transit, and to improve regional fare integration.
2. Ensure greater integration with existing transportation infrastructure, including last-mile connections between the Ontario Line and Billy Bishop Airport and between the Eglinton West LRT Extension to Toronto Pearson.
3. Work with the federal government to address municipal infrastructure backlogs and state-of-good-repair projects by supporting municipalities with investments in the maintenance, repair, and resiliency of infrastructure assets.
4. Review current infrastructure approvals, environmental assessments, and community consultation processes to ascertain opportunities for reducing friction and delays without compromising public accessibility to project consultations and the integrity of the environment, protected areas, and agricultural lands.
5. Work with Ontario One Call to address locate backlogs and consider how partnerships with independent contractors that provide locate services can assist in moving projects ahead. This includes increasing the supply of skilled locate service providers by recruiting from other jurisdictions, and expanding and promoting training programs.
6. Provide project pipeline information regularly and in a timely manner to enable consulting engineering firms to implement government infrastructure plans successfully.
7. Invest in winter road safety, road development, and all-season roads in remote northern Ontario, including continued investments to complete the four-laning of Highway 69 and Highway 11/17.
8. Work with industry partners to explore opportunities to enhance Ontario's Forest Access Roads Funding Program and build modernized, multi-use forest road infrastructure.



9. Build the requisite infrastructure to provide travellers with an efficient and convenient experience, including improvements to regional and last-mile public transit connections and the construction of a [pre-clearance facility](#) at Billy Bishop Airport.
10. Invest in wetlands through a natural infrastructure program while enhancing their role in protecting both people and property from an increasing frequency of extreme weather events.

#### **d. Protect Ontarians' health and strengthen health care system capacity and resilience.**

The COVID-19 pandemic exposed and exacerbated the vulnerabilities in our health care system, leading to unprecedented emergency room wait times, delayed treatments, diagnostics, surgeries, and routine medical procedures, crisis-level staff burnout and shortages, and increasing mental health and addiction challenges. As Ontario's population ages, chronic diseases and conditions are projected to increase, which will put increased demand on families, communities, and the health care system.

We are pleased to see the Ontario government take steps to attract more health care workers and reduce wait times for surgeries, procedures, and other healthcare services. To safeguard health system capacity and ensure future resilience, the Province must continue to build on its *Plan to Stay Open* and its *Plan for Connected and Convenient Care* through short- and long-term strategies that support positive patient outcomes, improve patient and provider experiences, and create a more streamlined, integrated system.

This will require a shift to a more collaborative, preventative, and sustainable health care model that harnesses the experience, expertise, and innovation of health care providers, institutions, and the life sciences industry. At the same time, ongoing efforts to champion innovative, local models of care that empower patients closer to home through alternative options are essential to support Ontario's aging population, reduce pressure on our primary and long-term care systems, and support seniors, their families, and caregivers.

##### Recommendations:

1. Develop a robust strategy to tackle the [health human resources \(HHR\)](#) crisis by leveraging technology and health innovations, collecting HHR data to improve health services and planning, incentivizing upskilling/training across HHR roles, supporting the next generation of health care professionals, and continuing to address immediate workforce shortages.
2. Continue to address the backlog of surgeries and [routine immunizations](#), as well as [deferred cancer treatments](#), diagnostics, and procedures to reduce reliance on over-burdened hospitals and emergency departments. This should include accountable, accessible, and timely data on the backlogs and progress being made.



3. Combat the mental health “echo pandemic” by supporting Ontario workers, businesses, post-secondary institutions, and the community mental health and addictions sector to address increasing challenges, including the opioid overdose epidemic.
4. Implement Ontario’s life sciences strategy by committing to strategy milestones, such as immediately establishing the life sciences council with representation from industry, post-secondary institutions, and health care, and a framework to achieve the 2030 anchor goal.
5. Develop strategies in partnership with industry to ensure a reliable supply and inventory of healthcare supplies in the event of health crises and shortages, including by shifting towards a preparedness model focused on proactively preventing shortages through cooperation with key stakeholders.
6. Define [Alzheimer’s and dementia](#) as a public health priority, with a focus on early detection and support for those living with dementia and their caregivers.
7. Continue to enable and intensify investments toward innovative home and community care models to ensure adequate, predictable, and sustainable funding and reduce reliance on costly, institutional-based care settings, especially across rural and remote communities and northern Ontario. This should include incentivizing collaboration between Ontario Health Teams, stakeholders, and municipalities in the development of innovative local service delivery models.
8. Ensure equitable access to care for under-served populations across the province by expanding funding and alternative care options where traditional points of care do not exist or are inaccessible.
9. Work closely with the federal government and industry stakeholders on the roll-out of the national dental care program, forthcoming agreement, and development of a rare disease strategy.



### 3. Modernization

Red tape reduction and the modernization of government programs, services, and regulatory frameworks remain critical for business growth and productivity. Beyond this, modernization leads to improved outcomes and better value for taxpayer dollars, making Ontario a more attractive place to invest, work, and live.

#### a. Innovate government services and regulatory frameworks.

By expanding digital offerings, investing in customer service, and streamlining regulations and compliance systems, Ontario can improve its competitiveness and help businesses prosper. We encourage the government to continue modernizing regulatory frameworks, programs, and services and break down silos across government.

##### Recommendations:

1. Implement the One Ontario concept to be used by municipalities, provincial ministries, and other approval agencies in the province for the development and building permitting processes.
2. Improve government service delivery by building greater staffing capacity, advancing digital design and delivery, undertaking internal reviews, and collaborating with industry partners to identify best practices.
3. Modernize real estate legislation and work with industry stakeholders to close long-standing loopholes and deliver an enhanced regulatory framework that will protect Ontarians looking to buy or sell real estate.
4. Improve the efficiency of the justice system by providing Ontarians with the option of making court appearances virtually and expanding on the ability to file and access documents electronically.
5. Improve the regulatory approval and access pathway for medications and medical products to ensure that all Ontarians can access the same level of care throughout the province.

#### b. Foster a business environment that promotes growth, confidence, and predictability.

With the introduction of the Inflation Reduction Act in the US, it has become increasingly important for Ontario to foster a [business environment](#) that attracts investments, promotes greater competitiveness, and is more predictable. Uncertainty about future government policies is one of the main barriers that deters the private sector from making major investments. Businesses need a stable policy environment with clear timelines, contracts, consultations, and strategies to help them plan for the future and make long-term investments.



#### Recommendations:

1. Commit to undertaking thorough consultations prior to introducing regulations or legislation that significantly impact the business community and create mechanisms to protect and/or compensate parties for the cancellation or revision of contracts with provincial government.
2. Modernize regulations, ensure timelines and consultations are transparent, and give sufficient time for businesses to plan for the future. Publishing a cost-of-doing-business index would be an effective means to track and improve business competitiveness relative to other jurisdictions.
3. Ensure proposed changes are focused on outcomes and supported by cost-benefit analyses.

### c. Design an effective and efficient portable benefits program.

The OCC supports the government's intention to develop and implement a [portable benefits program](#) in Ontario for workers who fall outside of traditional employer-provided benefit programs. Such a program would better allow the Province to anticipate the needs of employers and workers, safeguard the resiliency of our economic recovery, and position Ontario for greater competitiveness and productivity. To ensure the program is effective and efficient, we encourage ongoing opportunities for public and private perspectives from labour and health experts to be involved in program development and implementation. It will also be important to guard against unintended consequences (i.e., disruptions to existing insurance markets or employee coverage) and ensure small-to-medium-sized enterprises (SMEs) can remain competitive and low-income workers can equitably benefit from the program.

#### Recommendations:

1. Leverage internal (e.g., Ministry of Health) and external (e.g., private insurance companies) expertise related to the design and delivery of health benefits programs in Ontario.
2. Define program scope and governance to determine the types of workers that would be covered, the types of benefits that would be available, the roles of stakeholders in administering, funding, and managing the program, and the intended program outputs.
3. Proceed with a time-limited pilot project in a specific industry and/or covering a certain type of worker to gather relevant data on the program's efficacy and outcomes.
4. Prioritize portability, proportionality, flexibility, and affordability in program design, considering the unique challenges facing SMEs and low-income workers.
5. Avoid unintended consequences to existing public sector programs and private sector markets by focusing on filling benefit gaps.



#### d. Continue to develop an integrated health data system.

Sharing health data more effectively and efficiently is essential to empowering patients and providers, and ultimately, improving patient outcomes along the continuum of care. Without a base level of interoperability standards or common health data infrastructure, disconnected pools of data cannot be appropriately leveraged to understand the effectiveness of health interventions on patient outcomes and public health or the readiness, capacity, and effectiveness of the health care system itself.

As we look toward recovery from the COVID-19 pandemic, improved [health data interoperability](#) will also be critical to supporting capacity and resilience in our health care system while setting the stage for a more agile, connected health data ecosystem across provincial boundaries.

##### Recommendations:

1. Increase data interoperability, including by leveraging the Ontario Health Data Platform to increase data accessibility and transparency and pursuing alignment with other provinces (where possible) to facilitate standardization and information dissemination in support of the Pan-Canadian Health Data strategy.
2. Allow industry stakeholders to access health data (with robust privacy protections) to spur new insights, efficiencies, and innovation.
3. Continue to engage all relevant health sector stakeholders (including patient advocates, health information custodians, and industry) to inform all phases of health data system policy development and implementation.
4. Establish a provincial health data strategy that underpins the advancement of health and social services. This should include an equity lens that considers the social determinants of health, access, experience, and outcomes among and across populations, as well as a recognition of health data as a public good.
5. Work to allow all Ontarians access to their health data.
6. Provide greater transparency with respect to publishing health data, public health information, and utilization of public health programs (e.g., Ontario Drug Benefit, Ontario Trillium Benefit, and Ontario Disability Support Program).
7. Accelerate the rollout of health navigation services to assist Ontarians in finding the right care at the right time.
8. Aim to remove siloes between ministries, including Health, Finance, and Treasury Board Secretariat, to better determine priorities, goals, legislative changes, and overall ownership of digital health initiatives.



## e. Advance Ontario's data strategy and avoid fragmented privacy legislation.

Businesses of all sizes use data to operate, innovate, and serve their customers. They need clear and effective legal frameworks to operate, innovate responsibly, and continue advancing our economic and social progress with data and technology. At the same time, digitization of government and improved use of data can transform outcomes in the public and private sectors alike. Ontario should adopt an environment for scalability rather than one-off adoptions requiring too much intervention to reach maturity. Without a basis for scalability, future adoptions will have little foundation to build interoperable compatibility. We encourage the government to continue building on efforts to lead government's digital transition.

### Recommendations:

1. Advance Ontario's Digital and Data Strategy through improvements to the province's open data framework and a government-issued digital identity.
2. Refrain from a patchwork of privacy legislation that duplicates federal legislation.

For more information, see our recent [submission](#) on privacy modernization, our [joint association letter](#), and our report, *[In Data We Trust: Unlocking the Value of Data in Ontario](#)*.

## f. Modernize Ontario's supply chains and public sector procurement.

As supply chain backlogs and disruptions continue to constrain business operations in Ontario, immediate [relief and longer-term infrastructure investments](#) are critical to ensuring the timely and reliable movement of goods. Additionally, procurement within Ontario's broader public sector is often narrowly focused on short-term cost considerations at the expense of long-term value creation. A lack of competitive contracting options means businesses are less likely to invest in the province, weakening our domestic supply chains.

### Recommendations:

1. Offer targeted financial supports to help small and medium-sized businesses adopt supply chain [risk management and diversification strategies](#) and technology to improve visibility, predictive analytics, and real-time management.
2. Direct funding through provincial and municipal infrastructure programs to ensure the necessary capacity exists across all modes and channels of distribution, including aviation and marine.
3. Invest in trade-enhancing infrastructure writ large and identify gaps for alternate air, rail, land, and marine route planning in the event of major disruptions, such as protests, border disruptions, and climate disasters.



4. Launch a government education campaign to promote careers in transportation and supply chain operations, along with financial training incentives, and open dedicated immigration pathways for truck drivers and other in-demand careers.
5. Work with the health care sector to identify opportunities to modernize procurement processes to support Ontario innovation, attract investments, and improve long-term value creation.
6. Provide greater clarity to healthcare suppliers around product need forecasting, improve contingency planning in response to geopolitical events, and consider incentives that promote greater domestic manufacturing.
7. Expand access to public sector procurement opportunities for small businesses by addressing financial and informational barriers.

## g. Bolster interprovincial and international trade.

Interprovincial barriers to trade and labour mobility continue to limit Ontario's competitiveness and deter further investment. Inconsistent rules around transportation, the environment, securities, professional certification, marketing, and more hamper economic activity. According to a study by Deloitte, removing interprovincial trade barriers would increase Ontario's GDP by \$23 billion and annual provincial tax revenues by \$5 billion.<sup>1</sup> The global market for Canadian goods and services is also ripe with opportunity. We encourage the government to work with its federal counterpart to expand export opportunities for Ontario's most competitive sectors.

### Recommendations:

1. Take [bold action on interprovincial trade](#) by signing mutual recognition agreements and/or unilaterally recognizing standards in other parts of the country, where appropriate, to promote trade and labour mobility. For example, consider entering a bilateral agreement with the Government of Quebec for meat and meat products, recognizing the equivalency of inspection systems.
2. Work with the federal government to adopt a bold strategy for low-carbon exports that positions Ontario's energy, cleantech, and natural resource sectors as strategic tools in the transition to net zero.
3. Continue working with the federal government to ensure trade negotiations and/or disputes with the US are not detrimental to Ontario's forestry industry.



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<sup>1</sup> Deloitte Canada. 2021. "The Case for Liberalizing Interprovincial Trade in Canada." <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/finance/ca-en-the-case-for-liberalizing-interprovincial-trade-in-canada-aoda.pdf>.



## h. Modernize and champion the cannabis sector.

In the three years since recreational cannabis was legalized in Canada, it has quickly emerged as one of Canada's fastest-growing sectors and has since contributed over \$43 billion to our national GDP. Yet major hurdles – including an overly restrictive regulatory regime – inhibit economic growth, deter investment, and squeeze margins for producers and retailers alike.

### Recommendations:

1. Work with the federal government to ensure regulations strike the appropriate balance between safeguarding public health and ensuring cannabis companies can develop a distinct brand and product offerings that can effectively compete with illegal actors.
2. Modernize regulations to allow licensed producers and retailers to have a direct relationship.
3. Pursue lost tax revenues from underground markets, and establish tougher penalties for noncompliance, coupled with intensified audits.
4. Require the Ontario Cannabis Retail Store to provide quarterly updates on their progress around the 16 recommendations in the Auditor General's value-for-money audit report released in December 2021.
5. Facilitate cannabis consumption establishments and implement special occasion permits.
6. Address issues related to the clustering of cannabis retailers by:
  - a. Informing the prospective store owner what stores are or may be opening around their proposed location at the start of the application process.
  - b. Developing a heat map on the Alcohol and Gaming Commission of Ontario's (AGCO) website, which includes newly approved stores and applications that have been submitted for a retail license, to allow for more informed business decisions.
  - c. Allowing for the market forces of supply and demand to take effect.

Please see our [AGCO submission](#) and reports, [Supporting Ontario's Budding Cannabis Industry](#) and [Guiding Policy Principles for Tobacco and Vaping Products](#), for more details.



## i. **Protect municipalities' fiscal capacity and develop a plan for fiscal balance.**

The continued challenges of the pandemic have necessitated significant spending from all levels of government to support businesses and individuals. Supporting the [fiscal capacity of municipalities](#) is important to ensure they have sufficient resources and infrastructure, given their responsibilities have grown over the past two decades. The Province must also have a transparent, long-term debt management plan and path to fiscal balance in place to protect taxpayers.

### Recommendations:

1. Work with municipalities to review revenue generation and spending mechanisms, including property taxes, to ensure communities can continue investing in local economic development opportunities.
2. Adopt value-based procurement and alternative service delivery, digitize government, reduce administrative burdens, pursue lost revenue from untaxed economic activity, and implement a formal policy on asset recycling.



## Conclusion

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The past few years have been characterized by a significant amount of uncertainty. The ongoing pandemic, high inflation, persistent labour shortages, geopolitical risks, and a slowdown in economic activity signal the need for investments and policies that will create the right conditions for competitiveness, productivity, and growth.

This year's submission outlines recommendations for building greater economic resilience and success across regions, sectors, and demographics while ensuring adequate resources are in place to support these objectives. Chambers of commerce and boards of trade throughout the province continue to advocate on behalf of their local businesses and communities and look forward to working closely with government to realize sustainable economic growth and recovery.

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<sup>i</sup> Ontario Chamber of Commerce. Survey of 1,912 organizations conducted online by Golfdale Consulting from October 18 to November 30, 2022.

<sup>ii</sup> Financial Accountability Office of Ontario. 2021. Costing Climate Change Impacts to Public Infrastructure. [https://www.fao-on.org/web/default/files/publications/EC2105%20 CIPI%20Buildings/CIPI%20 Buildings-EN.pdf](https://www.fao-on.org/web/default/files/publications/EC2105%20CIPI%20Buildings/CIPI%20Buildings-EN.pdf).

