

## Recover – Creating the Conditions for Growth

### **Ontario's Action Plan: Protect, Support, Recover *provides \$4.8 billion to protect and create jobs now and in the future***

Supporting people through COVID-19 is the government's top priority, but there are some critical barriers to Ontario's long-term growth that must be addressed for the province to recover from the pandemic. Failing to act now would put Ontario at a disadvantage at a time when governments around the world will be focused on recovery from the deep global economic impacts of COVID-19. By investing \$4.8 billion to lay the foundation for recovery, jobs will be created and protected now and in the future.

### **A comprehensive plan to address Ontario's job-killing electricity prices**

Time and time again, employers considering Ontario as a place to invest, create jobs and do business end up going somewhere else due to the province's high commercial and industrial electricity prices. The source of the problem is high-cost contracts for electricity from wind, solar and bioenergy entered into by the previous government for electricity Ontario does not need at a price that employers cannot afford. While this was a major issue before COVID-19, it will be an even more significant obstacle as the entire world focuses on recovering from the pandemic.

The government is outlining a comprehensive plan to reduce job-killing electricity prices once and for all. Starting on January 1, 2021, a portion estimated at 85 per cent of these high cost contracts will be funded by the Province, not ratepayers. Removing these costs will result in medium-size and larger industrial and commercial employers saving about 14 per cent and 16 per cent, respectively, on average, on their electricity bills. Ontario will go from having some of the least competitive electricity prices, to prices that are more competitive than the U.S. average. This is good news for job creation.

While this is a significant \$1.3 billion investment over three years to address this problem, it is necessary for recovery from COVID-19. The cost burden of these energy contracts will be responsibly wound down, and by about 2040, no further government subsidy for these contracts will be required.

It took a generation to create this problem. Unfortunately, it will take a generation to fix it. The plan starts now.

## Reducing and eliminating taxes on jobs

Over the past two years, the government has taken significant steps to improve Ontario's investment climate by reducing taxes and cutting red tape. To build upon this strong pre-pandemic economic foundation, create a more attractive business environment for job creation and support the province's long-term growth, the government is:

- Ending a tax on jobs for an additional 30,000 employers by proposing to make permanent the Employer Health Tax (EHT) exemption increase from \$490,000 to \$1 million. With this additional relief about 90 per cent of employers would pay no EHT, saving them \$360 million in 2021–22 that could be reinvested in jobs and growth.
- Responding to requests from local governments by proposing to provide municipalities with the ability to cut property taxes for small businesses and a provincial commitment to consider matching these reductions. This would provide small businesses as much as \$385 million in total municipal and provincial property tax relief by 2022–23, depending on municipal adoption.
- Reducing property taxes on job creators and levelling the playing field by lowering high Business Education Tax (BET) rates for over 200,000 employers, or 94 per cent of all business properties in Ontario, to a rate of 0.88 per cent. This is creating \$450 million in immediate annual savings and representing a reduction of 30 per cent for many businesses currently subject to the highest BET rate in the province.

## Retraining and skilled trades

Many Ontario workers lost their jobs as a result of COVID-19, with sectors such as tourism and hospitality among the most impacted. The government is investing \$180.5 million over three years to help workers affected by the pandemic retrain and upgrade their skills to find good employment, with initiatives including:

- Committing \$100 million in dedicated funding in 2020–21 through Employment Ontario for skills training programs to help more workers and job seekers get advice, training and other assistance.
- Modernizing the province's skilled trades and apprenticeship system through Ontario's Skilled Trades Strategy, which includes work to break the stigma around skilled trades, simplify the system and encourage employers to sponsor and hire apprentices.
- Investing \$59.5 million over three years to support Ontario's first micro-credentials strategy, which will help people quickly retrain and upgrade their skills to find new employment.
- Redesigning the Second Career program to support workers laid off due to COVID-19, including prioritizing access to the program for laid-off workers in sectors most impacted by COVID-19.

## Building critical infrastructure to create jobs

As the COVID-19 pandemic is having a profound effect on the economy, the Province is moving forward with key infrastructure investments and accelerating project delivery to strengthen communities and create jobs.

But Ontario cannot carry the entire financial load on its own. This is why Ontario, along with all provinces and territories, is calling on the federal government to reduce delays in federal approvals for current infrastructure projects and step up with an additional \$10 billion per year over 10 years for shovel-ready projects.

Ontario's planned capital investments over the next 10 years total \$142.9 billion, including \$13.6 billion in 2020–21, with projects including:

- Making additional investments of over \$680 million over the next four years in broadband infrastructure which, combined with its prior commitments, increases Ontario's investment to a historic nearly \$1 billion to ensure communities across the province are connected.
- Investing \$62.7 billion over 10 years for public transit projects, including the largest subway expansion in Canadian history, the GO Rail Expansion program and other major projects such as the Hurontario Light Rail Transit Project.
- Partnering with the federal government to rebuild the economy and build healthy and safe communities across Ontario through federal–provincial programs like the Investing in Canada Infrastructure Program (ICIP) that provides up to \$30 billion in total funding, including \$10.2 billion in provincial funding, over 10 years. The Province will continue to work closely with the federal and municipal governments to support strategic investments to support jobs and economic growth.
- Allocating more than \$22 billion over 10 years to expand and repair highways and bridges across Ontario.

## Modernizing government

The world has changed, and government must change with it. The government is working to make Ontario's programs and frontline services more convenient, reliable and accessible by providing \$500 million over four years through the Ontario Onwards Acceleration Fund to make government services more digitally accessible. Examples include allowing driver's licence renewal online, reducing red tape and simplifying policies, improving government purchasing and creating more responsive and flexible public services.