

Rapid Policy Update: 2018 PC Party Platform “*People's Guarantee*”

In October, the Ontario Chamber of Commerce released [Vote Prosperity](#), a platform for the 2018 provincial election campaign. The release of our platform nine months prior to the election was intended to ensure that all parties have an opportunity to address the most important issues to business within their own platforms.

Vote Prosperity is based upon four fundamental pillars of a strong Ontario:

- Strengthening Business Competitiveness
- Fostering Job Creation
- Building Healthy Communities
- Improving Government Accountability

This past weekend, the Ontario PC Party released their platform, [The People's Guarantee](#), the first to be released among the major political parties. The document highlights accountability and affordability as key themes and details five measures that the PC Party promises to achieve within their first mandate, if elected:

- 22.5% lower income taxes for the middle class;
- 75% refund for child care expenses;
- 12% reduction in the average residential hydro bill;
- \$1.9 billion commitment for mental health; and
- *A Trust, Integrity, and Accountability Act.*

What Businesses Need to Know:

Health Care

The Ontario PCs have committed \$1.9 billion to build a comprehensive mental health system, as well as promise to inject an additional \$1.6 billion into frontline health care above current spending levels, by the end of their mandate.

Energy

The Ontario PCs will lower the average hydro bill by an additional 12 percent to save the average household, small business owner, or farmer over and above the existing 25 percent reduction from the Fair Hydro Plan. This will be achieved by:

- Rebating the Hydro One dividend;
- Moving conservation funding to the tax base;
- Putting a moratorium on new contracts;
- Renegotiating or cancelling pre-notice to proceed contracts where feasible.

They will also enable privately-funded natural gas expansion to access more communities. Additionally, the PCs have expressed an intent to create a competitive and stable electricity system for businesses, through a single stable industrial rate, providing support for combined heat and power programs, and/or exploring fuel switching programs.

Vote Prosperity Platform:

The OCC identified the rising cost of electricity as a fundamental challenge to business competitiveness in Ontario. In order to address this challenge and strengthen business competitiveness the OCC recommends that all parties should:

1. Allow Ontario businesses to purchase surplus electricity at rates equal to or better than the exported price to other jurisdictions and
2. Conduct and publish the results of a comprehensive review of the electricity sector, including an objective economic impact analysis assessing the full range of inputs that make up the Global Adjustment (GA), and then pursue cost-reducing measures based on the results.

Environment

To avoid the risk of duplicative carbon taxes, while ensuring that any revenue from a carbon price stays in Ontario, the Ontario PCs intend to make the following changes:

- Cancel the Climate Change Action Plan, dismantle cap and trade, and withdraw from the Western Climate Initiative (WCI).
- Opt in to the federal carbon price backstop.
- Return 100 percent of carbon price revenue back to taxpayers in the form of corresponding tax relief.

Vote Prosperity Platform:

In *Vote Prosperity* the OCC highlights that tackling GHG emissions and climate change is critical to the sustainability of our planet. We recommend that, regardless of public policy approach chosen, the next government should pursue efforts to reduce Ontario's greenhouse gas (GHG) emissions in a manner that effectively mitigates risk to business competitiveness.

Taxes and the Economy

The Ontario PCs will reduce the small business tax rate to 2.5 per cent. They also intend to create a debt repayment plan in which budget surpluses go towards paying down the provincial debt.

They promise to commit more than \$1 billion towards debt repayment during their first mandate, and have committed to returning to a balanced budget in the second year of their mandate, and run surpluses to pay down the debt in the next two years.

Vote Prosperity Platform:

The OCC has long advocated that Ontario's current fiscal environment deters investment, reduces the government's capacity to make productivity-enhancing investments, and compromises the province's ability to respond to future economic slowdowns. This is why in *Vote Prosperity* we urge all parties to create a meaningful plan to tackle the debt and move towards balanced or surplus budgets.

Accountability

The Ontario PCs will introduce a *Trust, Integrity, and Accountability Act*, as well as establish clear performance targets for Ministers. These performance targets will be set for a minimum of three years with future years showing improvements in the relevant benchmark, or progress toward a specific, measurable goal.

Vote Prosperity Platform:

In *Vote Prosperity* we note that a lack of measurable targets in strategic planning is the ability of key provincial sectors to flourish. We ask that a newly elected government's long-term planning cycles include a framework for specific and measurable growth targets, as well as a timeline to achieve those goals (a practice adopted by many other jurisdictions). For these reasons, the OCC believes that to improve government accountability all parties must establish criteria for measuring progress toward the attainment of strategic goals and publicly publish these targets to ensure transparency.

Infrastructure and Transportation

The Ontario PCs will make broadband and cellular infrastructure projects eligible under the Ontario Community Infrastructure Fund. They also intend to execute the existing transit commitments to two-way all-day GO train service and complete the construction of major transit projects that are already underway.

They also promise to upload the Toronto Transit Commission subway lines to the province, taking over responsibility for expansion and maintenance by investing \$5 billion in the system. This move would also mean priority projects like the Downtown Relief Line and the Scarborough line would have the backing of the province in terms of access to resources, along with continuing expansion of the Yonge line north to Richmond Hill.

Vote Prosperity Platform:

In our election platform the OCC recommends that Ontario establish a single transportation authority to serve the GTHA. Under this plan, authority for Toronto's subway and light rail lines should be uploaded to Metrolinx (or another, new regional transit authority). A single transportation authority would operate to implement and develop transportation planning and infrastructure in a cost effective and timely manner

Skills and Education

The Ontario PCs will double the Loans for Tools program and improve access to apprenticeships, and have committed to continuing the expansion of the financial literacy pilot program into all secondary schools.

Vote Prosperity Platform:

Our election platform highlights the severity of the skills and talent mismatch in Ontario, noting that 82 percent of businesses in the province experienced at least one challenge in recruiting staff in 2016. To help address this challenge and to foster job creation, the OCC recommends that the next government:

1. Modernize the apprenticeship system
2. Work with industry and post-secondary institutions to ensure that program offerings remain responsive to the changing labour market dynamics and the regional and sectoral needs of Ontario's business community.

Ontario Chamber of Commerce in the Platform:

The policy and thought leadership of the OCC was explicitly highlighted in the PC Party Platform. OCC reports [Top 3 Obstacles to Small Business Success](#), [Closing the Tourism Gap: Creating a Long-Term Advantage for Ontario](#), and [Beneath the Surface: Uncovering the Economic Potential of Ontario's Ring of Fire](#) were cited.

OCC Mentions:

"Ontario's small businesses employ nearly three million Ontario workers, yet these businesses are struggling because of the increased cost of doing business." Pg. 46

"The Ontario Chamber of Commerce has highlighted that Canada ranks 33rd in the world when it comes to available speed, and its broadband shortcomings are weighing on the ability of suburban and rural small businesses to compete." Pg. 56

- [Top 3 Obstacles to Small Business Success](#), Ontario Chamber of Commerce (2016).

"Tourism in Ontario brings in as much as \$28 billion a year to the province, supporting nearly 360,000 jobs." Pg. 51

- [Closing the Tourism Gap: Creating a Long-Term Advantage for Ontario](#), Ontario Chamber of Commerce (2016)

"There is an estimated \$60 billion worth of mineral deposits in the Ring of Fire, with the Ontario Chamber of Commerce estimating that the development in the Ring of Fire region can sustain 5,500 jobs annually and contribute almost \$2 billion in government revenues." Pg. 59

- [Beneath the Surface: Uncovering the Economic Potential of Ontario's Ring of Fire](#), Ontario Chamber of Commerce (2014).

[Read the PC's full platform here.](#)