

2024 Federal Budget Submission



About the Ontario Chamber of Commerce

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 150 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 inclusive, sustainable economic growth in the province.

The OCC is the indispensable partner of business.

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A Message from the President and CEO

Dear Minister Freeland,

The Ontario Chamber of Commerce (OCC) welcomes the opportunity to participate in Canada's 2024 budget consultation process. This year's federal budget comes at a critical juncture as Ontario's business community continues to grapple with inflation, labour shortages, supply chain disruptions, and broader economic uncertainty.

In the face of heightened economic and geopolitical challenges, we urge your government to continue to take a responsible and targeted approach to build a stronger economy and prioritize growth-enabling investments.

Budget 2024 must focus on strengthening Canada's productivity, resilience, and growth. From the collective voice of our network's diverse 60,000 members and close to 150 chambers of commerce and boards of trade, the following submission contains 18 recommendations for the upcoming budget.

We look forward to continuing to work with businesses of all sizes and the Government of Canada to bolster economic well-being and sustainable growth.

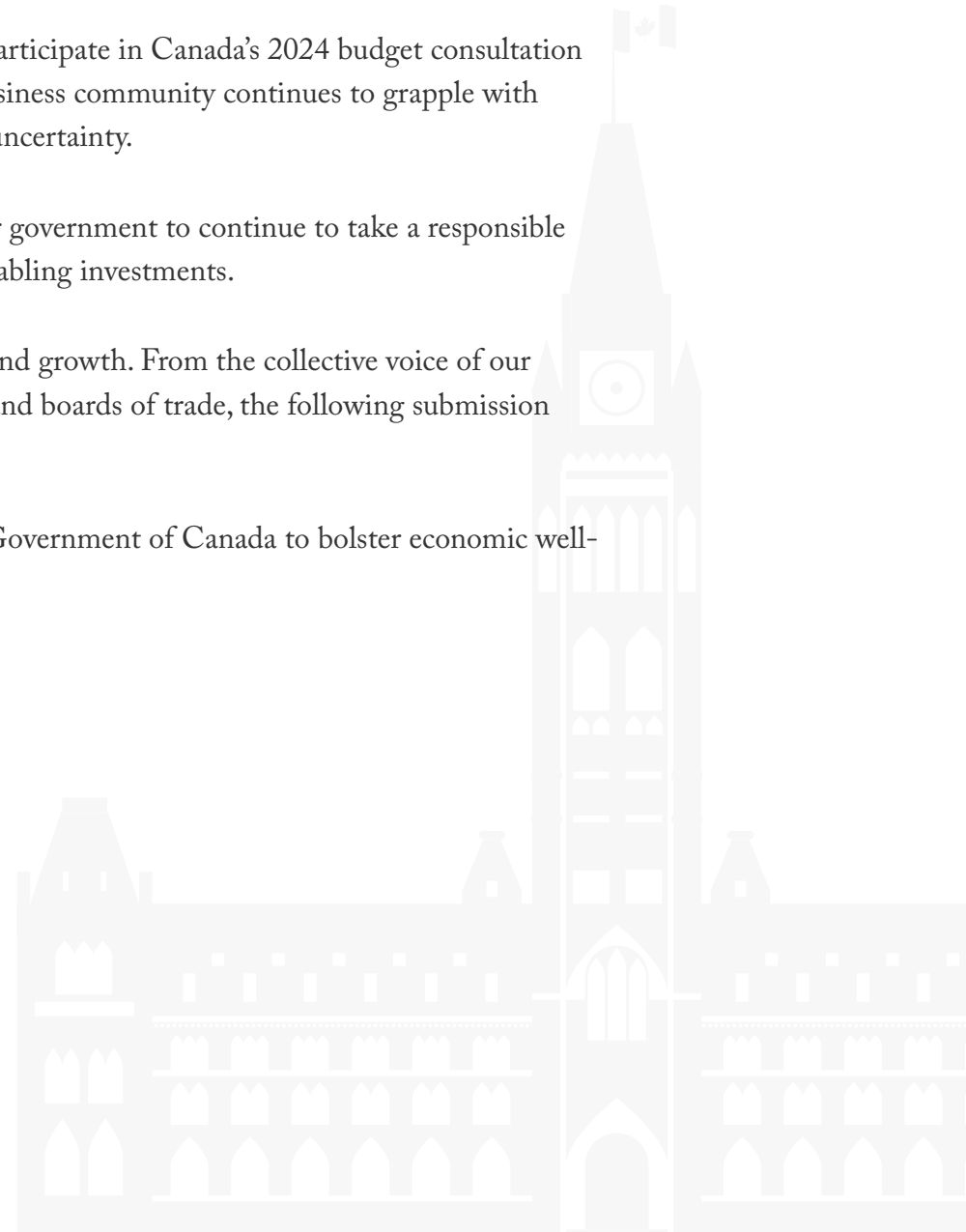
Sincerely,



Daniel Tisch, APR, FCPRS, ICD.D

President and CEO

Ontario Chamber of Commerce



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1. CULTIVATING BUSINESS COMPETITIVENESS AND INCLUSIVE, SUSTAINABLE GROWTH

a. Support economic recovery for the hardest hit businesses, including small and medium-sized enterprises (SMEs).

The COVID-19 pandemic and resulting economic crisis had a disproportionate impact on certain sectors of our economy, including SMEs. Emergency grants, loans, and tax relief programs helped them stay afloat, but challenges remain as inflation, rising interest rates, and labour shortages continue to hamper recovery.

Recommendations:

1. Build upon recently announced debt-relief options for SMEs in sectors that have been disproportionately impacted by economic headwinds.
2. Perform cost-benefit analyses for all existing and new small business financing programs to advance evidence-based policy decisions.
3. Provide additional liquidity to asset-based finance lenders by launching a securitization program through the Business Development Bank of Canada.
4. Make childcare an eligible business tax deduction to support entrepreneurs with children.
5. Work with financial institutions to support diverse entrepreneurs by removing barriers that limit their access to capital.
6. Expand access to public sector procurement opportunities for small and diverse-owned businesses by addressing financial and informational barriers.

For more information, see our reports, [*Capital is Key: Financing Entrepreneurship in Ontario After COVID-19*](#), [*The She-covey Project: Confronting the Gendered Economic Impacts of COVID-19 in Ontario*](#), and [*Power of the Purchase Order: Modernizing Public Sector Procurement in Ontario*](#).



b. Accelerate clean energy and sustainability projects as part of Canada's net-zero transition.

Amid growing supply gaps and the global transition to a green economy, Canada must attract competitive investments in low-carbon energy and adaptation projects to drive climate action and sustainable economic growth.

Recommendations:

1. Work with Ontario to address concerns around the timelines and limits on natural gas generation under Canada's Clean Electricity Regulations to ensure they do not compromise the reliability of the province's electricity grid.
2. Advance public-private partnerships through the Canada Infrastructure Bank to invest in energy storage, clean electricity, clean fuels, building retrofits, carbon capture and storage, and other forms of low-carbon infrastructure.
3. Streamline approval processes around clean energy projects and work with governments across Canada to harmonize them (e.g., by ensuring a provincial impact assessment can form the basis for approval through the federal process).
4. Facilitate the transition to low-carbon fuels, both through existing support for carbon capture and storage and by introducing new measures, such as a Production Tax Credit, to improve the economic viability of low-carbon fuel production relative to conventional fuels.
5. Use carbon contracts for difference to reduce risk for private sector investments in the green economy.
6. Formally recognize nuclear power as green infrastructure and clean energy technology, and put nuclear on a level playing field with other zero-emitting technologies in relevant federal programs (including the Federal Green Bond Framework, the Zero-Emission Technology Manufacturing tax reduction program, and the Appreciated Capital Cost Allowance).
7. Revise the national Greenhouse Gas Offset Credit System eligibility to include incremental and new nuclear energy output.
8. Work with municipal, provincial, and territorial governments to implement Canada's National Adaptation Strategy and advance the work of the federal Task Force on Flood Insurance and Relocation.
9. Consider a more widescale approach to retrofits, such as the 'energiesprong' model used in the Netherlands, and de-risk deep retrofits through adequate and sustained funding and incentives.
10. Connect the proposed federal Low-Carbon Building Materials Innovation Hub with federal procurement and retrofit efforts to support domestic commercialization of low-carbon technologies and materials.

For more information, see our [submission](#) on pathways to decarbonization and our report, [Climate Catalyst: Ontario's Leadership in the Green Global Economy](#).



c. Take meaningful action on economic reconciliation.

The Indigenous economy is strong and growing, making action toward economic reconciliation an urgent imperative. To realize the full benefits of shared prosperity between Indigenous and non-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. Expedite the co-development and implementation of the Economic Reconciliation Framework to support mutually beneficial partnerships with Indigenous nations, communities, and businesses, including equitable opportunities for Indigenous procurement, employment, and economic development.
2. Work with industry, including financial institutions, to provide Indigenous businesses and entrepreneurs with direct support as well as financing, legal advice, mentorship, training, and supplier diversity programs. This could include reassessing provisions under the Indian Act restricting the mortgage of property on-reserve, strengthening the capacity of Indigenous Financial Institutions, and removing other barriers to accessing capital.
3. Build on the National Benefits-Sharing Framework to facilitate greater Indigenous equity ownership in major infrastructure, natural resource, and clean energy projects. This should include following through on the commitment made in the 2023 Fall Economic Statement to establish a national Indigenous loan guarantee program.
4. Increase funding through the Reserve Land and Environment Program and Northern Participant Funding Program to support Indigenous-led environmental assessments, training and skills development programs, and community consultation.
5. Fill the Indigenous education gap by providing equal funding for Indigenous education and improving access to culturally based experiential learning and other training opportunities.
6. Ensure the timely and fair resolution of land-related claims and issues to remove systemic barriers to Indigenous sovereignty and self-determination, and enable opportunities for engagement, collaboration, and economic development.

For more information, see our report, [*Sharing Prosperity: An Introduction to Building Relationships for Economic Reconciliation in Ontario.*](#)



d. Remove barriers to interprovincial trade and labour mobility.

The lack of consistent or harmonized regulation across provinces and territories not only harms productivity and workers but also costs Canadians money. A national strategy to tackle this issue would boost long-term economic growth and avoid a patchwork of policies across provinces and territories endeavouring to tackle this issue on their own.

Recommendations:

1. Create a public repository of information about trade barriers in Canada to help policymakers prioritize their efforts and strengthen their case for reform.
2. Collaborate with the private sector, subject matter experts, and provinces and territories to fully implement the existing Canada Free Trade Agreement and accelerate the removal of trade barriers through the Regulatory Reconciliation and Cooperation Table.

e. Establish modern data, privacy, and artificial intelligence (AI) frameworks.

Data and data-related technologies are rapidly transforming our economy and daily lives, with wide-ranging potential benefits. Policymakers will need to develop principles-based frameworks, in line with international best practices, that encourage data-driven innovation while protecting against risks to privacy, security, labour markets, ethics, public discourse and social well-being.

Recommendations:

1. Prioritize the modernization of Canada's privacy framework to set a single standard for privacy, preventing a costly and confusing patchwork of rules across provinces and territories.
2. Ensure Canada's privacy framework retains adequacy status under the European Union General Data Protection Regulation to ensure Canadian businesses remain competitive and able to expand globally.
3. Implement a flexible, principles-based legal framework for AI technology that is aligned with other international approaches.
4. Work with provinces, territories, patient stakeholders, Indigenous Peoples, and industry to expedite progress on the Pan-Canadian Health Data strategy to support innovation in health data collection, sharing, and reporting between patients, providers, governments, and industry, with robust privacy protections.

For more information, see our report, [*In Data We Trust: Unlocking the Value of Data in Ontario.*](#)



f. Develop a strategy to modernize the cannabis sector.

Having an established and competitive legal cannabis sector will be the cornerstone to combatting the illicit market, which is still responsible for a sizeable share of all household cannabis purchased in Canada. Despite the significant contributions the sector has made to Canada's GDP, major hurdles, including an overly restrictive regulatory regime, are inhibiting economic growth, deterring investment, and squeezing margins for producers and retailers alike.

Recommendations:

1. Reassess the rigid minimum per-gram tax structure of the federal government's excise duty on cannabis to ensure the legal sector can compete effectively against prices in the illegal market.
2. Develop a single, digital, standardized excise stamp that can be adhered to cannabis products regardless of province or territory, to reduce the administrative burden of requiring producers to manually apply an excise stamp when the product enters a new jurisdiction. This will help with enforcement and cost savings.
3. Consult with stakeholders on amending restrictions related to packaging, labelling, promotion, and THC limits on edibles to ensure regulations strike the appropriate balance between safeguarding public health and ensuring cannabis companies can develop a distinct brand and competitive product offerings.



2. INVESTING IN RESILIENT, HEALTHY COMMUNITIES

a. Prioritize federal, provincial, and territorial (FPT) collaboration to ensure equitable access to health care across the country.

Ongoing collaboration with provinces and territories through the Canada Health Transfer and FPT health ministers' meetings is critical to maximize the impact of funding allotments and action on key priorities to meet the current and future pressures facing provincial and territorial health systems, including the health human resources (HHR) crisis, equitable access to care, the aging population, and mental health and addictions.

Recommendations:

1. Expedite efforts to address immediate HHR workforce shortages by pursuing a national licensure strategy and removing barriers to foreign credential recognition for internationally educated professionals, including physicians, nurses, paramedics, laboratory technologists, and specialists.
2. Work closely with provinces, territories, industry, and patient stakeholders on the roll-out of the national dental care program, forthcoming pharmacare agreement, and implementation of the national strategy for drugs for rare diseases.
3. Work with provinces and territories to ensure they are prepared to administer emerging disease-modifying treatments for Alzheimer's disease by investing in critical health care infrastructure, including diagnostic capacity, access to team-based primary and specialist care, and public education and awareness.
4. Partner with provinces, territories, and Indigenous Peoples to deliver additional mental health resources as part of the Canada Mental Health Transfer.



b. Drive innovation in Canada's life sciences ecosystem.

Canada's life sciences sector ensured we had access to life-saving vaccines, personal protective equipment, and other critical goods and services throughout the pandemic. With adequate supports and ongoing partnerships between government, industry, healthcare, and academia, Canada can become a leading jurisdiction in life sciences innovation and advancements.

Recommendations:

1. Prioritize investments throughout the life sciences ecosystem, including renewing existing envelopes and creating new funding streams that encourage innovation and higher-risk ventures.
2. Work with provincial, territorial, industry, and patient stakeholders to expedite and streamline the review and approval processes for medical devices, pharmaceuticals, and other healthcare products to ensure timely access to life-saving drugs and devices.
3. 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 to a preparedness model focused on proactively preventing shortages.
4. Continue to develop a strong clinical trials environment through regional collaboration.
5. Work with provinces and territories to unlock additional funding to support and grow our medical isotope ecosystem and establish Canada's strategic global advantage, including partnering with Indigenous communities, post-secondary institutions, hospitals, and industry.

For more information, see [*Building Ontario's Resiliency: Empowering the Life Sciences Ecosystem*](#).



c. Revitalize the National Immunization Strategy.

The COVID-19 pandemic demanded the acceleration of new approaches for vaccine distribution and administration, data collection and sharing, and public education and awareness. With significant backlogs of routine immunizations, Canada needs to apply best practices to ensure all Canadians have timely, equitable access to immunizations, close health gaps, maintain health system capacity, and support the well-being of our workforce and the broader economy.

Recommendations:

1. Build on best practices from the COVID-19 pandemic to renew and resource the National Advisory Committee on Immunization (NACI).
2. Redesign, revitalize, and relaunch the National Immunization Strategy to close immunization coverage gaps and allocate funding for a renewed Strategy to deliver expanded and equitable access to all recommended adult vaccines to all Canadians, regardless of where they live.
3. Ensure Canada is prepared for future pandemics by bolstering domestic biomanufacturing and health innovation.
4. Ensure supply chain resilience for vaccines and related devices and expand disease surveillance systems.
5. Support provincial and territorial public health programs to update adult vaccination programs with the newest innovative vaccines as they become available and recommended by NACI to adequately protect older Canadians from increasing rates of infectious respiratory and other diseases, including pneumococcal disease, respiratory syncytial virus, and shingles.



3. EMPOWERING CANADA'S WORKFORCE

a. Continue to expand immigration and support labour market needs.

Many employers in Ontario are facing labour shortages and expect them to continue in 2024. Some of the biggest gaps are seen in construction, manufacturing, transportation and healthcare sectors.

Recommendations:

1. Expand Immigration, Refugees, and Citizenship Canada's ability to efficiently process Express Entry, Temporary Foreign Worker Program (TFWP), and federal skilled workers' applications domestically and abroad, as well as international student study permits and visas at Canadian mission offices.
2. Work with northern, rural, and remote communities, engaging governments, businesses and the non-profit sector, on a long-term strategy to attract and retain newcomers.
3. Review the National Occupation Classification Codes to create opportunities for permanent residence for labourers and operators.
4. Initiate constructive dialogue with provinces, territories, and educational institutions to establish clear guidelines and timelines to implement the cap on international student study permits, and how this cap aligns with previous commitments to develop a trusted institution framework.
5. Delay the implementation of the requirement for a letter of attestation until such a time as the provinces can put one in place to allow students who have already been accepted into programs and paid their fees to proceed with their enrollments.
6. Continue to fund and enhance work integrated learning opportunities for students prior to graduation to ensure we are both leveraging the domestic talent pipeline and fostering closer connectivity between SMEs and academia.
7. Expand the Post-Graduation Work Permit Program to ensure a steady supply of talent and ensure better retention of students already trained according to Canadian standards.
8. Work with the Ontario government to eliminate the current requirement for Labour Market Impact Assessments for Ontario Immigrant Nominee Program participants to be hired in communities with populations under 200,000.
9. Revisit the Labour Market Impact Assessment requirements under the TFWP to remove unnecessary costs and burdensome regulations.



10. Permanently lift the 20-hour-a-week cap on international students working to allow for student financial and professional growth.
11. Offer training programs to equip workers in the oil and gas sector with competitive skills in the energy transition.

b. Reform Employment Insurance (EI) to reflect the needs of today's workforce.

Canada's economic recovery can only be realized with all eligible workers participating in our labour force. Employers are committed to reforming EI to help ensure we have a modern, productive, and inclusive workforce.

Recommendations:

1. Apply a tripartite-led approach to EI reforms, based on a comprehensive review of the current system, to ensure EI's governance, programs, policies, and operations are sustainable, affordable, inclusive, and relevant for current and future generations of Canadian employers and employees.
2. Pursue reforms of the Premium Reduction Program (PRP) to develop a streamlined process for employers to access this rebate in recognition of providing sick benefits to employees.
3. Continue dialogue with stakeholders, including employers and private insurers, to ensure reforms to the PRP are meaningful and achieve the objective of greater program uptake.



4. BUILDING A STRONG FOUNDATION THROUGH INFRASTRUCTURE

a. Recommit to tackling the housing affordability crisis by leveraging partnerships and innovative solutions.

Housing has reached a crisis point across Canada, impacting businesses' ability to attract and retain workers. With fewer affordable options, communities across the country are facing increasing rates of homelessness, leading to deep inequities and higher health, justice, and social service costs. Tackling the housing affordability crisis will require an all-hands-on-deck approach, leveraging the strengths of the private, public, and non-profit sectors.

Recommendations:

1. Enhance the National Housing Strategy by recommitting to deeper market and non-market housing affordability along the housing continuum, including non-profit, co-operative, student and supportive housing, purpose-built rentals, mixed-use and mixed-income buildings, and “missing middle” housing, by:
 - a. Fostering a framework for private lending institutions to provide low-interest loans and other financing options tied to affordable housing production targets while continuing to fund housing development through new and existing programs such as the Housing Accelerator Fund, the Affordable Housing Fund, and the Apartment Construction Loan Program.
 - b. Continuing to expedite approvals and funding disbursements, which could include exploring automatic approvals for applications that meet specific affordability criteria.
 - c. Developing a rental housing acquisition program to preserve existing low-end of market rental housing, including by supporting community land trusts.
 - d. Continuing to identify surplus public lands and other assets for affordable housing development through the Federal Lands Initiative.
 - e. Accelerating investments in and implementation of the Urban, Rural, and Northern Indigenous Housing Strategy.
2. Work with all levels of government and industry to establish common definitions of affordable and attainable housing, with a focus on outcomes and considerations for regional variation in market rates, income levels, and cost of living.



3. Accelerate the establishment of the Department of Housing, Infrastructure and Communities and take a whole-of-government approach to harmonize housing policies and targets with other interrelated policy areas to build complete, sustainable communities. This should include close collaboration and alignment with Indigenous Peoples, provinces, territories, municipalities, and industry to collect, analyze, and share relevant data to assess policy impacts and outcomes.
4. Work with provinces and territories to develop climate-resilient building codes that accommodate various low-carbon technologies and energy sources.

For more information, see our report, [*Home Stretched: Tackling Ontario's Housing Affordability Crisis Through Innovative Solutions and Partnerships*](#).

b. Prioritize resilient and growth-enabling infrastructure.

To build resilient, sustainable communities, Canada needs to take immediate action on a robust nation-wide infrastructure strategy, including predictable infrastructure funding and flexibility in how that funding is allocated.

Recommendations:

1. Implement the National Infrastructure Assessment (NIA) to guide the long-term strategy for addressing infrastructure needs in communities across Canada. This should include assessing current infrastructure assets, establishing long-term goals for future infrastructure needs, providing a roadmap for implementation with regional specificity, and regularly reviewing, re-evaluating, and updating the NIA.
2. Renew funding for the Investing in Canada Infrastructure Program or unveil its successor program to ensure stability and certainty for infrastructure projects and proponents.
3. Ensure future infrastructure investment plans allow for multi-project applications based on sound asset management planning, as well as individual project applications.
4. Work with provinces and territories to implement resilient maritime strategies, including investing in waterway infrastructure repairs and maintenance to ensure ongoing viability and community and economic growth.
5. Build and maintain resilient and reliable energy infrastructure that can guarantee uninterrupted supply to homes and businesses.
6. Work with the City of Toronto and Government of Ontario to advance modernizing and renewing the Tripartite Agreement for Billy Bishop Airport.



c. Invest in climate-resilient natural infrastructure.

Investing in nature is one of the most cost-effective ways to protect against the effects and costs of climate change. Building robust public infrastructure and maintaining a state of good repair has a direct impact on communities, facilitating the day-to-day operation of the economy and society, as well as providing the capacity to deal with challenges that arise.

Recommendations:

1. Collaborate across the country to ensure that built natural infrastructure is informed by the latest science, best practices, and expertise. This includes investments for capacity development and technical support for natural infrastructure practitioners.
2. Establish a reliable, long-term Natural Infrastructure Fund for municipalities to support mainstreaming natural infrastructure projects and natural asset management.
3. Incentivize watershed-scale projects to mitigate flooding and erosion, which will require collaboration among jurisdictions to model nature-based solutions. Similar collaborations are needed to protect groundwater supplies.

d. Build more resilient supply chains across Canada.

The aftermath of the pandemic, along with growing climate-related disasters and geopolitical unrest, continue to pose challenges to domestic and international supply chains. This threatens Canada's economic growth, national security, and business competitiveness. The federal government needs to address chronic underinvestment in supply chain infrastructure, technologies, and labour to protect economic resilience and growth.

Recommendations:

1. Offer targeted financial support to help small and medium-sized businesses address supply chain issues by adopting risk management and diversification strategies and implementing technology that helps improve visibility, predictive analytics, and real-time management across their supply chains.
2. Work with the private sector to invest in the digitization of infrastructure, air, freight, sea cargo, and other key supply chain components that better facilitate a system-wide adoption of real-time product management software and automation. This could include leveraging AI to better manage resources and ensure greater efficiencies and communication throughout the entire network.



3. Direct funding through federal infrastructure programs to help ensure the necessary capacity exists across all modes and channels of distribution and expand the availability of logistics and warehousing facilities.
4. Conduct a formal supply chain infrastructure assessment to identify bottlenecks, vulnerabilities, and gaps for alternate air, rail, land, and marine route planning in addition to safe and reliable energy supply and transportation in the event of major disruptions.
5. Use the Federal National Trade Corridor Fund to provide funding for critical component ports of the global supply chain, including airports with cargo capacity, which can provide increased resilience to the global supply chain network.
6. Explore contingency planning in partnership with key trading partners such as the United States to reduce emergency response times and keep supply chains moving.

For more information, see our policy primer, [*Supply Chain Disruptions and Delays*](#) and [*A time for renewal for Canada's supply chains: Fortune favours the bold*](#).

e. Accelerate investments in digital and broadband infrastructure.

As more businesses and consumers adopt new technology and shift to online marketplaces, continued investments in broadband infrastructure are necessary to ensure all Ontarians can access goods and services online. To meet the federal government's goal to connect all Canadians to high-speed internet by 2030, broadband investments should be coordinated with the private sector to avoid duplication and maximize the impact of public programs.

Recommendations:

1. Work with industry partners to build greater redundancy resiliency into broadband networks to ensure equitable, ongoing access to critical broadband infrastructure.
2. Collaborate with provinces and territories to identify future federal government goals for broadband connectivity beyond existing targets (e.g., Quebec provincewide 5G connectivity goal).
3. Assess opportunities to promote greater competition and private sector investments in the broadband sector.
4. Continue fast-tracking funding commitments and improve coordination with stakeholders to ensure public funds are addressing gaps in private sector expansion plans.
5. Expand investments in broadband through the Universal Broadband Fund to allow more access and higher internet speed in rural and remote communities through initiatives such as the Southwestern Integrated Fibre Technology.
6. Support providers by developing an effective federal regulatory framework for carrier access to passive infrastructure.
7. Consult with provinces and territories to identify how financial tools can be leveraged to offset investment and provide affordable, equitable access to underserved communities.



f. Support the adoption of low-carbon vehicles.

With transportation being Ontario's largest source of greenhouse gas emissions, accelerating the adoption of low-carbon vehicles will be critical to meeting Canada's net-zero target and attracting businesses looking to meet their ambitious climate goals.

Recommendations:

1. Expand and incentivize investments in charging and refueling station infrastructure for low-carbon commercial fleets across major supply chain and commercial transportation routes.
2. Invest in low-carbon vehicle research and development programs at Ontario's post-secondary institutions to support the advancement and commercialization of new technologies for medium- and heavy-duty vehicle classes.
3. Work with industry to standardize electric vehicle plugs, as seen in Europe and China.

For more information, see our policy primer, [*Transitioning to Carbon-Neutral Fleets in Ontario*](#).

g. Fast-track investments in rail and transit solutions.

Efficient transportation systems benefit Canada's economy – supporting the movement of goods, services, and labour, which in turn drive economic growth and job creation. Key investments in transit and rail infrastructure are critical to supporting urban and rural prosperity as well as meeting the federal government's climate action goals.

Recommendations:

1. Work with municipal, territorial, and provincial governments to develop additional rail capacity and invest in long-term transit infrastructure projects, including VIA Rail, High Frequency Rail, Light-Rail Transit, Bus Rapid Transit, and electrification of fleets.
2. Partner with the private sector to raise capital for high-frequency rail lines that serve more communities in Ontario, including rural, northern, and southern communities.
3. Fund critical rail projects, such as the replacement of the fleet used for long hauls and regional services in Northern and Southern Ontario, including by leveraging the Canada Infrastructure Bank.
4. Promote energy efficient transit solutions including electrification and vehicles blending renewable natural gas and hydrogen.

