

2021

PRE-BUDGET SUBMISSION



About

Newmarket Chamber of Commerce:

Newmarket Chamber of Commerce (NCC) is the voice of business in Newmarket. It represents the interests of approximately 800 members through member programs and services, government representation and the development of public policy.

Vaughan Chamber of Commerce:

The Vaughan Chamber of Commerce (VCC) is the leading business association in Vaughan. The VCC proudly represents over 800 businesses from all sectors of the economy, including large businesses and small-to-medium enterprises (SMEs). The VCC is a strong voice on public policy issues of importance to the local business community, such as infrastructure, transportation and opportunities for business growth.

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Introduction

From the onset of the pandemic, the Newmarket Chamber of Commerce and the Vaughan Chamber of Commerce have consulted and collaborated with partners, stakeholders and Governments at all levels. This collaboration ensured businesses across York Region had access to the resources necessary to see through the COVID pandemic.

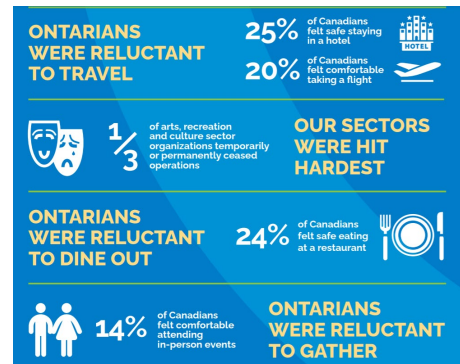
However, York Region's hardest hit sectors of Hospitality and Tourism are not expected to see any form of recovery until several years after the pandemic. Our Manufacturing sector continues to experience volatility which subsequently, is having an ongoing ripple effect on our Logistics and Warehousing industries.

Economic revitalization will require active investment and pro-growth policies from our Provincial policymakers. For economic recovery to succeed, the private sector must be able to create jobs and drive economic activity. This will require investment in key areas of economic growth, the removal of regulatory barriers and streamlining government processes.

The following submission provides key policies which will help York Region's business community become more resilient, foster revitalization and chart a path towards economic recovery. The Newmarket and Vaughan Chambers of Commerce look forward to working with the Government of Ontario to help strengthen York Region's business community.

Tourism Hospitality

We were encouraged to see the Ministry of Tourism, Heritage, Sport and Culture launch the ‘Reconnecting Ontarians’ Whitepaper on December 17th, 2020¹. Having assessed this whitepaper, we still believe the Government can take further steps to support the Tourism and Hospitality sector. The Province must ensure that there is an actionable plan in place to enable businesses within this sector to successfully rebound once the economy reopens. Something which is acutely necessary given how heavily the sector has been impacted by the pandemic.



Post-Shutdown Support for the Tourism and Hospitality Sector

As noted, the tourism and hospitality sector is among the most severely affected by the pandemic due to the high-touch nature of many of the businesses within the sector such as event spaces, hotels and museums. Even once the shutdown ends, there is still no certainty as to when mass gatherings will be able to resume. As shown in the graphic above, just 14% of Ontarians currently feel confident heading to outdoor events and it will take time for those confidence levels to rise.

Businesses within this sector have been shut since March, leaving them in a precarious long-term financial position. It is only through a combination of Provincial programs² (e.g. the electricity/tax rebate and the Ontario Small Business Support Grant) and Federal support (e.g. CEWS and CEBA) that these businesses have been able to stay afloat. Most of these programs will end in June, when the economy is expected to reopen, leaving these businesses without a viable revenue stream. Even the newly introduced Federal HASCAP³ is unlikely to provide enough support for the sector to effectively rebound.

The Government must take the following actions to support the sector:

- Provincial measures must be extended specifically for the tourism and hospitality sector once the rest of the economy is able to open.
- The Ontario Small Business Support Grant should be repurposed to specifically support this sector by making additional funding available to eligible businesses.

¹ http://www.mtc.gov.on.ca/en/Reconnecting_Ontarians.pdf

² <https://www.ontario.ca/page/businesses-get-help-covid-19-costs>

³ <https://www.bdc.ca/en/special-support/hascap>

A Multi-Faceted Recovery Effort for the Sector

There will also need to be further planning by the Government regarding both the short and long-term recovery of this sector. The recommendations in the whitepaper provided limited information on how MTHSC will support this rebound.

For example, in the most recent Provincial Budget, a 20% 'staycation' rebate plan⁴ was announced to encourage people in Ontario to explore their own province. While the whitepaper notes that \$150 million has been set aside to support this initiative, there is still a lack of detail surrounding the technical information and logistics of this rebate. While there are action items hinting at a revival for the tourism sector there are no specific details nor announced funding allocated. Without a clear action plan for attracting both domestic and international tourists, businesses in the sector will have neither the information nor the confidence to plan and invest. While the whitepaper notes there is an on-going consultation process on how to best disperse the \$150 million to support local tourism, no such amount has been put in place for international tourism. International tourists consist of roughly a third of all Ontario tourism and it is vital that MTHSC develop a long-term plan to re-engage these visitors.

There are estimates that pre-pandemic travel numbers may not return until 2024⁵, and it is vital that the Provincial Government work to take up as much of a market share as possible to ensure the sector is not left behind. Some steps that must be considered include:

1. The Government should outline the details of how this rebate will operate so businesses can effectively plan for this year.
2. We recommend that at minimum, the Government matches the \$150 million local tourism investment and designs a campaign to promote overseas tourism once it restarts later this year.



⁴ <https://budget.ontario.ca/2020/index.html>

⁵ <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/reimagining-the-9-trillion-tourism-economy-what-will-it-take#>

Healthcare

The COVID-19 pandemic has had a significant impact on the health and wellness of individuals while exposing gaps in care across Ontario's healthcare system. A focus on closing these gaps to improve the wellness of our communities will be key to enabling better health and a more productive workforce. This means ensuring the right services are in place, with the appropriate mechanisms to enable access and equity across our communities, while empowering people with the information and tools to proactively self-manage their health.

Developing Remote Care in Ontario

We have seen a recent rise in the use of remote care to connect patients with the supports they need. As we look to the future, this will be a key area for growth to enable self-management, access to care, improved patient experience and better health outcomes.

By adapting how care is delivered and enabling access to health resources across the system, community members can be empowered to manage their care, with information at their fingertips to make informed care decisions and connect to the services they need. This proactive approach to care can make it easier and faster to connect to care supports, contributing to healthier communities. While the Ontario Government has already invested \$14.5 million⁶ to expand virtual care, there are a number of limitations in the way care is delivered. These limitations can contribute to longer wait times and challenges in getting resources needed, such as medications. Digital health capabilities can help to break down these barriers by enabling people to take greater control of their care and access many services from their home environment⁷. Some of the steps the Government can take on this issue include:

- Instead of providers directing where a patient should go through a referral, patients could be given the choice and resources to make an informed decision on where to seek care, with opportunities to access providers across the system and not just within their local region. Modernized digital referral systems can also allow patients to track progress on referrals, minimize the time for processing, and help to centralize specialty procedures to level-load demands and improve timely access to care.
- With respect to medication management, this can mean providing patients a common platform to find where their medications are available, put in orders, and have prescriptions sent to their homes. Many vulnerable populations currently have difficulties accessing medications, resulting in poor outcomes and preventable escalations in care. Improved mechanisms to get the resources people need at home can enable better adherence to care plans and help shift toward a preventative approach to health. To enable these types of services and ensure equal access for our communities, it will be important to ensure the affordable infrastructure is in place, such as high-speed broadband internet. This could involve providing free high-speed access in public spaces to ensure local supports for those who cannot otherwise afford these resources.

⁶ <https://news.ontario.ca/en/release/59437/ontario-expanding-innovative-home-and-community-care-services>

⁷ <https://occ.ca/wp-content/uploads/COVID19-Policy-Brief-Virtual-Care-final.pdf>

- The pandemic has demonstrated the need for greater harmonization across the Ontario healthcare network to ensure a more seamless flow of data. Without this flow of data, the Government will be unable to react to future health crises quickly enough to prevent economic disruption. The Government will need to effectively examine the current legislation relating to the privacy of patient data. Specifically, the Government will need to examine *The Personal Health Information Privacy Act, 2004*⁸ to strike a balance between patient privacy and a more efficient delivery of healthcare. Successfully reviewing and amending *The Personal Health Information Privacy Act, 2004* will enable the Province to interconnect more of its hospital data which is imperative for developing a coherent form of virtual care.

Further Funding of Mental Health in the Workplace

The acute need for mental health services has been demonstrated by the pandemic and recognized by the Provincial Government, which has already spent \$194 million in this area⁹. This funding will need to support a workforce that is liable to live through the biggest economic downturn for over 90 years¹⁰. While we support the already allocated funding, much of the access still revolves around private support, rather than targeting the workforce. As noted, the pandemic has further interlinked the issues of mental health and the workplace in a way that has never previously occurred.

The Government must continue to work with organizations such as CAMH to ensure that there are adequate resources available for both employers and employees to easily access mental health resources in the workplace.



⁸http://www.health.gov.on.ca/en/common/ministry/publications/reports/phipa/phipa_mn.aspx#:~:text=The%20Personal%20Health%20Information%20Privacy,security%20of%20personal%20health%20information.

⁹ <https://news.ontario.ca/en/release/59716/ontario-increasing-mental-health-and-addictions-services>

¹⁰ <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>

Information and Communication Technology

Developing Ontario's ICT Sector

Reports from multiple agencies, including the World Economic Forum¹¹ and the Brookfield Institute¹², have noted the necessity of businesses moving to an online platform as being a central component to the post-COVID-19 global economic recovery.

Ontario will be no exception to this and it will be vital that the Provincial Government support the development of the local Information Communications and Technology (ICT) sector. The Province will need to invest in the development of funding and resources to ensure that businesses are able to adapt to the new online landscape.

To ensure a full economic recovery, we recommend the Provincial Government:

- Consult with local tech-leaders (e.g. Newmakit, MaRS and VentureLab) to understand the best steps the Government can take to support and develop the sector.
- Continue investment in programs such as Digital Main Street¹³ and collaborations with municipalities (such as Digital Boost¹⁴, used by the City of Vaughan) to provide businesses with more resources to make the move online.
- Support scaling start-ups by creating programs that connect tech founders with business professionals once they pass a certain threshold in sales, e.g. \$1M. An example exists at Rotman's Creative Destruction Lab¹⁵ which pairs tech founders with current business students.

ICT Project Funding

While this is a concern across multiple sectors, difficulties in acquiring funding are acutely felt in ICT. As noted above, new tech businesses will be critical to allowing the Ontario economy to recover. For this to occur successfully, there needs to be a robust system in place to recognize and support ICT entrepreneurs. At present, most grants in Ontario only allow entrepreneurs a single application to secure funding. As 96% of first-time businesses fail¹⁶, this severely limits the applicants eligible to receive funding, especially since it usually takes entrepreneurs multiple attempts to launch a successful venture.

The Provincial Government should overhaul the provisions of current grant approvals to ensure each application is judged on its merits rather than by referring to past applications. This will encourage a greater depth of quality in applications, thus increasing the chances of entrepreneurs launching successful businesses.

11 http://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf

12 <https://brookfieldinstitute.ca/canadas-digital-trajectory-are-we-doing-enough-to-support-business-tech-adoption-amidst-covid-19/>

13 <https://digitalmainstreet.ca/>

14 <https://vaughanbusiness.ca/digitalboost/>

15 <https://www.creativedestructionlab.com/>

16 <https://www.thebalancesmb.com/why-do-small-businesses-fail-2948582>

Revise Payment Schedules

For the ICT sector, the current process of having to wait months to receive injections of cash acts as a deterrent to businesses that may not have the financial capacity to wait for support. Alternative payment models for start-ups already exist in other jurisdictions. As an example, businesses in BC that have received approval for projects are provided funding every two-weeks. Promoting the funding model will assist with cash flow concerns and make it easier for businesses to hit their benchmarks.

It is imperative that the Government works on revising its current funding model to better incentivize entrepreneurs to start businesses within the ICT sector.

IP Generation and Protection

Without assistance, Ontario SMEs are currently forced to choose between basic survival and long-term instruments for competitiveness like IP generation and protection. Prioritizing IP rights early on ensures commercialization rights and freedom to operate in key markets in the future. A model the Ontario Government could try is the Patent tax policy, which has already been tried in both Quebec and BC¹⁷.

The Government should implement a Patent Box tax policy that allows regional corporations to receive tax rebates on income derived from qualifying IPs.



¹⁷ <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/tax/ca-en-RD-16-1-patent-box-AODA.PDF>

Construction & Infrastructure Development

Funding of Infrastructure Projects

We have repeatedly called for a commitment by the Provincial Government to sufficiently fund key infrastructure projects across Ontario. Many of these projects have been postponed indefinitely due to COVID-19. There are estimates that if these projects are not reconvened, over 117,000 of Ontario's construction jobs will be lost¹⁸.

We encourage the Provincial Government to work with their municipal and federal counterparts to ensure there is sufficient funding for these projects and to prevent unemployment in the construction sector.

Further Inventory in the Real Estate Market

The resilience in the housing market has contributed to the on-going housing affordability challenges in the GTA, as a result of an inadequate and inappropriate housing supply and mix. As we have previously advocated, the best long-term solution to housing affordability is to increase the supply of available housing and to encourage a more balanced mix of housing types, especially the “missing middle”.

A total of 95,151 sales were reported in 2020, representing an increase of 8.4 per cent year-over-year¹⁹. The overall average selling price increased by 13.5 per cent to \$929,699. The first quarter of 2020 started very strong relative to 2019, until the declaration of the worldwide COVID-19 pandemic in mid-March and the necessary public health-related shutdown of most in-person economic activity. After a pronounced dip in market activity between mid-March and the end of May, housing market conditions improved dramatically in the second half of 2020.

While the housing market as a whole recovered strongly in the second half of 2020, it is important to note that there was a dichotomy between the single-family market segments and the condominium apartment segment. The supply of single-family homes remained constrained resulting in strong competition between buyers and double-digit price increases. In contrast, growth in condo listings far-outstripped growth in sales, as many investors arguably listed their units for sale. Increased choice for condo buyers ultimately led to more bargaining power and a year-over-year dip in average condo selling prices during the last few months of the year. A recent report found that one of the most significant impediments to the development of more affordable housing, such as the missing middle, is the number and extent of fees exacted on such forms of development greater than those charged on conventional single-family homes. The cost of securing the planning permissions for ‘missing middle’ housing can present a significant financial barrier, particularly for homeowners wishing to make alterations to their existing home, or adding a laneway suite. They can also act as a barrier for projects undertaken by developers.

To tackle this issue, the Government should take the following policy measures:

- To draft legislation to designate specific areas of land that can be exclusively developed with housing that would constitute the ‘Missing Middle’.

¹⁸ <https://rccao.com/research/files/RCCAO-Averting-a-Crisis-Nov-19-2020.pdf>

¹⁹ <https://creastats.crea.ca/board/treb>

- Use of tax-breaks to incentivize developers to move away from building high-rise condos or detached housing to building ‘the Missing Middle’ instead.
- A comprehensive strategy developed in conjunction with developers to designate building zones solely for the construction of missing middle housing.

Approval of Upper York Sewage Solution

The issue of the Upper-York Sewage allocation still needs to be addressed by the Provincial Government. In the most recent update presented to the York Region Council, it was found that all Government-led environmental assessments supported the Upper York Sewage Solution. Despite having a world-class solution, rigorously determined through the UYSS Environmental Assessment process, Provincial approval is yet to be granted.²⁰

The Provincial Government must continue to work with York Region to approve the current plans for the Upper York Sewage Solution.



²⁰ <https://yorkpublishing.escrimemeetings.com/filestream.ashx?DocumentId=18808>

Logistics & Warehousing

A Move to a Local Centralized Supply Chain

Given China's previous role as the key logistical supplier in the world²¹, the pandemic has demonstrated key concerns within Ontario's local supply chain. Some areas of logistics and warehousing have already moved back to Canada, specifically in regards to producing PPE. By exploring further options to move the supply chain back to Canada and Ontario, the Provincial Government can move to support the local economy. This will have the dual effect of limiting Canada's reliance on foreign markets but also strengthening its domestic capacity. The Government has announced an updated procurement process²² to make this more efficient, which represents a vital first step in ensuring that Ontario's supply chain is adequately supported.

The Provincial Government must continue to undertake a sector-by-sector review to assess areas where the local supply chain can be moved back to Ontario and strengthened. The introduction of a first refusal policy to ensure that local manufacturers in the supply chain are considered for all projects should also be explored.

Modernizing the Local Supply Chain

It will be vital to utilize new technologies (e.g. 5G) to modernize logistics and warehousing to create more efficient supply chains, something that pertains to the on-going broadband funding.

While the Provincial Government has promised \$1 Billion in support for broadband funding, much of this has been targeted at expanding broadband networks in rural communities²³. Additional funding is required to bring Canada's current 5G infrastructure to a capacity that will support the evolution of the current supply chain. While this is something that will require federal collaboration, there are areas of Provincial policy that can be addressed.

Specific steps that can be taken include:

- Expand the provincial broadband strategy to support a 5G network. Failure to successfully fund and expand the Provinces' broadband strategy will undermine any future attempts to develop Ontario's local supply chain.
- The Ontario Made program also offers an option for boosting the local supply chain. However, for this program to effectively support homegrown manufacturing in Ontario, the program will need to be significantly expanded beyond its \$500,000 budget²⁴.

²¹ https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/finance/Supply-Chain_POV_EN_FINAL-AODA.pdf

²² <https://news.ontario.ca/en/release/59227/ontario-launching-new-agency-to-centralize-government-procurement>

²³ <https://news.ontario.ca/en/release/59057/ontario-investing-nearly-1-billion-to-expand-and-improve-broadband-and-cellular-access>

²⁴ <https://news.ontario.ca/en/release/57553/proudly-supporting-ontarios-manufacturing-sector>

Energy Sector

Developing Infrastructure for the Expansion of the Ontario Electric Vehicle Market

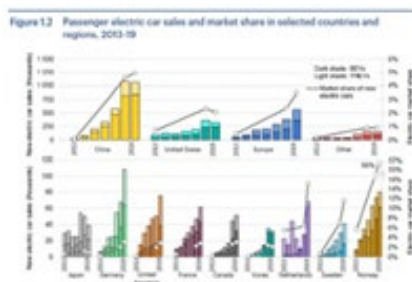
Ontario's current infrastructure and rate-base classification is ill-equipped to manage the growth of the Electric Vehicle (EV) market. The lack of involvement of Local Distribution Companies (LDCs) in any electrification strategy may cause unintended system consequences and delays in meeting the provinces' electrification goals.

While EVs currently consist of a limited portion of vehicles sold in Ontario, their worldwide share grew by 40% between 2018 and 2020²⁵. The Government of Ontario has already signaled its intentions to support the growing EV market by agreeing to work with the Federal Government to co-fund the production of these vehicles at the Ford and GM plants in Oakville and Oshawa respectively²⁶. Ontario will need to increase its public charging network to support the growth of this market. While private charging would be ideal for EV ownership, this is likely more difficult in densely populated areas including the GTHA²⁷.

Currently, there are just 1300²⁸ publically available charging stations available across Ontario. Comparatively, BC has almost 1000 charging stations despite purchasing half as many EVs; as demonstrated in table above²⁹.



The Government will need to engage electrified infrastructure cost-effectively, reliably, and expediently to support the industry's growth. By allowing LDCs to manage the charging infrastructure, it enables the local grid to be more responsive and nimbler to the significant growth in demand that will undoubtedly result in electrification and an increased uptake of EVs. Further consideration should be given towards the rate-base classification for charging EVs, with at least one alternative rate needed for EV charging. This is also technical advice that LDCs can provide through an understanding of the kW requirements for different charging classes. Failure to effectively plan for the expanding EV market will result in the Province having to play catch-up, to the detriment of both the Government and customers.



Future Government policy on the issue must consider the following steps:

- LDCs should be enabled and encouraged to support electrified transportation through infrastructure developments. While the contracts for these individual stations can be optioned out to private companies, LDCs should be consulted regarding the

²⁵ International Energy Agency Global EV Outlook 2020 - <https://www.iea.org/reports/global-ev-outlook-2020>

²⁶ <https://news.ontario.ca/en/release/58736/historic-ford-canada-investment-transforming-ontario-into-global-electric-vehicle-manufacturing-hub>

²⁷ <https://cleantechnica.com/files/2018/04/EV-Charging-Infrastructure-Guidelines-for-Cities.pdf>

²⁸ <https://www.nrcan.gc.ca/energy-efficiency/energy-efficiency-transportation-and-alternative-fuels/electric-charging-alternative-fuelling-stationslocator-map/20487#/find/nearest?country=CA&fuel=ELEC>

²⁹ https://www.google.com/url?q=https://www.eda-on.ca/Advocacy/Research-and-Reports&sa=D&source=hangouts&ust=1613242888187000&usg=AFQjCNF5DQEm8x-TNpj7DGL-_EVkPoncuQ

locations of these proposed EV charging stations to ensure they are compatible with the current grid.

- LDCs should have the ability to rate-base strategic investments in electrification technologies, such as EV and transit-oriented charging stations, where the LDC business case balances customers' needs, government policy objectives, and supports the Province's robust electricity systems.
- LDCs should review existing customer rate classes and establish a specific rate class for public fast charging. This review should be conducted in coordination with the OEB, who will have approval authority once the rate class is designed.



Strengthening Government Support

Provincial Statutory Termination and Severance Pay Fund

On repeated occasions, the Provincial Government has extended the ESA temporary lay-off period to ensure that businesses do not have to terminate employees and provide statutory termination pay and severance pay pursuant to the ESA³⁰. The government needs to consider that a final date will need to be set for this lay-off period once the pandemic has ended. While the expected post-pandemic economic recovery will hopefully enable businesses to bring their employees back onto the payroll, many may still not be in a financially viable situation to keep their staff. This will particularly be true in some of the hardest-hit sectors.

Accordingly, companies will eventually have to provide statutory termination pay and severance pay to terminated employees, which will result in mass insolvencies within hard hit sectors. We recommend that the Government establish either a fund or a grant to assist businesses that will be faced with insolvency once statutory termination pay and severance pay is required. Businesses remaining open is central to any provincial economic recovery and it is imperative that those unable to afford statutory payouts are provided with a support mechanism to keep their doors open.


Digitization of Legal Processes

Across the globe, courts have rapidly implemented and adapted their practices and procedures in response to the COVID-19 pandemic. In March 2020, the judiciary came to a complete halt as its functioning until then was primarily paper-based and “in-person” even though the plans of its digitization had been on the horizon for many years. This sudden shutdown expedited the digitization process and within a few months’ time, the legal system witnessed the new landscape in this sector with its digitized model. It was welcomed with an overwhelming response and a hope for a faster and smoother access to justice. The first couple of months moved well with quick response times, but this was unsustainable. The backlogs and the transition took a toll on the court staff and the front-line workers of this industry as the resources were not sufficient to address the overwhelming demands of the digital platform and the daunting backlogs³¹.

Despite the Ministry's best efforts, delays in processing times started hampering the justice system. There are now consistent delays in filing, acceptance, and issuance of documents through the online portal. With a paper filing system in place earlier, the documents could be filed and issued within one day, but on the digital platform, it now takes from 7-15 days to get them accepted and issued. The Court Orders with mandatory timelines are not getting issued and with the delays, its compliance is becoming a bigger issue. The scheduling of court dates and trials are taking many more months as compared to pre-COVID times.

³⁰ <https://www.ontario.ca/laws/statute/00e41>

³¹ <https://www.thestar.com/news/gta/2021/02/06/covid-19-brought-a-revolution-to-ontarios-courts-next-up-they-have-to-deal-with-the-unprecedented-backlog.html>



While the digitization process should have expedited legal procedures, it has in fact slowed them down. This is not because the platform is not good, or there is a lack in its vision and/or implementation, it is because the resources are limited. The Court staff are overwhelmed with this sudden change and lack of sufficient training.

It is imperative that the Government allocates more resources and funding towards this vision and its implementation as the delay is causing irreparable harm and hardship to the litigants. The glaring issues towards better access to the justice system requires immediate attention.

We recommend the Government take the following steps:

- Conduct a full review into which areas of the legal sector can move to a digital platform.
- Implement a training program to ensure that all court staff are prepared for this move to digitization to prevent any further backlogs arising due to digitization of the legal process.

Expansion of Municipal Entrepreneurship Opportunities

A key step to successfully restarting the economy is to ensure that entrepreneurs are effectively incentivized to start businesses and contribute to the economic recovery.

A step the Government can take to support businesses is to enable more municipalities to administer existing programs. At present, municipalities in urban areas are limited in the number of methods they can use to support business development, in comparison to their rural counterparts. An example of such a program is the OMAFRA Rural Economic Development (RED) program³², which enables municipalities to support prospective entrepreneurs and other business ventures. This approach makes sense outside of a pandemic, given the limited opportunities normally available to entrepreneurs in these areas. However, COVID-19 has changed these circumstances and businesses from urban areas are also in need of such investment. As noted, the Province's economic recovery needs to promote entrepreneurship and the current narrow selection criteria inhibits potential growth. There is currently a strong business case for expanding these options to urban municipalities to allow them to assist businesses within their jurisdiction.

In the long-term, the Provincial Government should work with municipalities to provide them with greater incentives to support and implement incubators. This process will ensure that businesses and start-ups have access to funding, regardless of their location. Supporting these incubators will ensure that municipalities have a sustainable mechanism in place to support business development and maintain the growth of the post-pandemic economy.

³² <https://www.ontario.ca/page/rural-economic-development-program>

Reconvene the Smart Government Approach

While we respect that COVID-19 has caused a shift in the priorities of the Province, streamlining processes is a useful tool in assisting with Ontario's final re-opening and economic recovery. The Smart Government Approach was first announced in the 2019 Fall Economic Statement³³ and needs to be revisited and refined to support this re-opening.

Prior to COVID-19, the Provincial Government had outlined this 'Smart Government Approach' to enable businesses to suggest areas of red-tape that can be altered/removed and other ways to make Government more efficient. Not only should this approach be revisited but it will need to be expanded upon in comparison to its original iteration. As mentioned in previous submissions, a lack of detail surrounding this approach left many businesses unsure of its viability. Based on the information provided by the Government, businesses made 15,000 submissions under this approach, which resulted in 15 projects³⁴. This represents a limited turnover of projects in comparison to the number of submissions made. Moving forward, more resources will need to be dedicated to this approach as we understand that each submission was only assessed by staff at PO.

We recommend the Government assign staff at the Ministry of Finance and the Ministry of Small Business and Red-Tape Reduction to manage the caseload of the program. This will give businesses a sufficient option to provide the Government with the information they need to effectively approve policy and pass legislation. In-turn, the Government can enable business development, thus supporting the recovery of the Ontario economy.



³³ <https://budget.ontario.ca/2019/fallstatement/contents.html>

³⁴ <https://www.ontario.ca/page/building-smarter-government-works-you>

Addressing the Ontario Skills and Labour Shortage



All information thus far has pointed to the pandemic as having exacerbated the problems already being experienced in the skilled-trades. Nationally 70% of manufacturers faced a labour shortage³⁵, up from the 39% that provinces were experiencing 2 years ago, as shown in the accompanying map³⁶. While we have been encouraged by the \$37 million approved to support 15,000 in-demand trades³⁷, more steps and funding will be needed to address the on-going skills gap.

Connect Young People with Industry

As few as 26%³⁸ of young people consider a career in the trades despite the widespread shortages. As noted, this \$37 million investment represents a start but more funding and efforts will be needed to encourage young people to enter the trades. As noted in a previous submission, the Newmarket Chamber has run a career pathways program to connect young people with industry professionals, which provides a viable model for the Government to use.

We continue to ask the Government to consider adopting this model, firstly on a virtual basis and then as in-person sessions, to ensure that young people are sufficiently aware of the opportunities skilled trades can provide them.

Support Re-Skilling Efforts

The ability to quickly retrain workers will be critical for economic success as the economy continues to recover from the COVID-19 pandemic. More needs to be done to encourage mid-career employees and those whose jobs are at risk of automation to expand their skill sets.

At present, the \$37 million is distributed across 30 specific programs, a number that needs to be expanded upon. Several academic institutions have the capacity to work with businesses to deliver this program and provide these opportunities. Estimates before the pandemic showed that up to 59%³⁹ of existing jobs were at risk of automation. Canada lags behind in training, with less than one-third of Canadians receiving job-related non-formal education and only 49 hours of instruction annually.

The Government of Ontario must adopt the following steps to support re-skilling:

- The priority of this \$37 million investment should be given to low-skilled unemployed workers or those whose jobs are at high-risk for innovation.

³⁵ <https://www.ctvnews.ca/business/eight-in-10-canadian-manufacturers-face-skills-shortage-report-1.5212421>

³⁶ https://www.bdc.ca/en/documents/analysis_research/labour-shortage.pdf

³⁷ <https://news.ontario.ca/en/release/58232/ontario-providing-in-demand-skills-training-to-over-15000-people>

³⁸ <https://www.mileniostadium.com/opinioa/the-skilled-trades-dilemma/>

³⁹ <https://www.newswire.ca/news-releases/59-of-canadian-workers-believe-ai-and-automation-will-have-no-impact-on-their-job-833102561.html>

- The Ontario Government should also work on highlighting programs such as the Federal Canada Training Benefit⁴⁰, which provides workers with funding to upgrade their skills.
- A further incentive would be for the Provincial Government to set up an equivalent Ontario-based fund.

Promote the Completion of the Apprenticeships

Prior to the pandemic, less than 50% of apprentices completed their trade certification, with companies often poaching them prior to them achieving journey person status. The current \$2000 Provincial Completion Grant⁴¹ represents the only Government incentive for those learning a skilled trade to complete their designation. This grant is also directly administered through the Federal Government with no Provincial input.

We recommend The Provincial Government also contribute to the completion of apprenticeships by matching the value of this grant with Provincial funding. This additional funding would result in an increase in the completion of apprenticeships and ensure that this \$37 million investment is prudent.

Support the Provincial Nominee Program (PNP)

We continue to support the recent amendments to the PNP, which will hopefully enable a greater influx of workers to alleviate the skills and labour shortage. The Federal Government has announced that it aims to increase the Canadian workforce by 1.2 million through immigration by 2023⁴². The Provincial Government must work with their Federal counterparts to ensure there are sufficiently skilled workers to support the post-COVID economy. Beyond this, there are still concerns that new immigrant workers are not currently evenly distributed evenly across Ontario, something the PNP was designed to address.

The Provincial Government must work with their federal and municipal counterparts to ensure that the PNP is able to adequately meet the needs of businesses by both supplying and fairly distributing new immigrant workers.

Gender Balance in Re-Skilling

The promised skilled trades funding is an important first step but there are other issues within this sector that the Provincial Government must address. Specifically, women only make up 4% of the national skilled trades workforce⁴³. The Federal Government has sought to combat this by launching the Apprenticeship Incentive Grant for Women which offers up to \$6000 to women who enter the skilled trades⁴⁴ but again there is no provincial equivalent.

40 <https://www.budget.gc.ca/2019/docs/themes/good-jobs-de-bons-emplois-en.html>

41 [https://www.ontario.ca/page/finish-apprenticeship#:~:text=This%20%242%2C000%20taxable%20cash%20grant,in%20a%20trade%20that%20either%3A&text=has%20only%20a%20provincial%20\(non,Seal\)%20Certificate%20of%20Qualification%20exam](https://www.ontario.ca/page/finish-apprenticeship#:~:text=This%20%242%2C000%20taxable%20cash%20grant,in%20a%20trade%20that%20either%3A&text=has%20only%20a%20provincial%20(non,Seal)%20Certificate%20of%20Qualification%20exam)

42 <https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/10/government-of-canada-announces-plan-to-support-economic-recovery-through-immigration.html>

43 <https://www.cbc.ca/news/business/women-in-trades-1.5215384>

44 <https://www.canada.ca/en/employment-social-development/services/funding/apprenticeship-incentive-women-overview.html>

We recommend the following steps be considered to address this issue:

- Develop a marketing campaign specifically targeted at women to encourage applications to the skilled trades.
- Fund a grant similar to that provided by the Federal Government to provide a financial incentive for women to enter the trades.



Conclusion

York Region and broadly Ontario businesses, will continue to be affected by COVID-19 and the subsequent impacts resulting from the pandemic. Hardest hit sectors will continue to struggle and will require short, medium and long term support.

The Newmarket and Vaughan Chambers have jointly developed this submission to focus on key areas where the Province can have the most impact in supporting our businesses and laying the foundational support for economic recovery. The recommendations that have been provided in this submission were developed with extensive consultation with SMEs across sectors and industries, business associations and Chamber partners within York Region.