

2023 Federal Budget Submission



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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 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.

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Introduction

Dear Minister Freeland,

The Ontario Chamber of Commerce (OCC) welcomes the opportunity to provide you with recommendations on behalf of our members for the 2023 federal budget.

This year's budget comes at a critical juncture – Ontario business confidence has dropped to a record low in 2023, according to OCC's latest Ontario Economic Report (OER). Labour shortages, inflation, health care system vulnerabilities, and forecasts of an economic contraction are dampening confidence in the province's economic outlook.

With the economy continuing to face global headwinds, Canada needs competitive investments in innovation, productivity, and long-term growth. Economic growth cannot occur without significant and sustained investments from the private sector – and those dollars will flow where productivity is highest.

From the collective voice of our network's diverse 60,000 members and close to 160 chambers of commerce and boards of trade, the following submission contains 20 priority areas for the upcoming budget prepared in consultation with our members. We look forward to working with the Government of Canada to support these recommendations.

Sincerely,



Rocco Rossi

President and CEO

Ontario Chamber of Commerce



Summary of Recommendations

1. DRIVE ECONOMIC GROWTH

- a. Build resilience for hard-hit businesses and municipalities.
- b. Continue to expand immigration to support labour market needs.
- c. Continue to address Canada's supply chain crisis.
- d. Increase support for digital transformation.
- e. Reform Employment Insurance to reflect the needs of today's workforce.
- f. Support the recovery of Canada's tourism and hospitality industry.

2. BUILD RESILIENT COMMUNITIES

- a. Support a resilient health care system.
- b. Fast-track investment in transit solutions.
- c. Accelerate investments in digital and broadband infrastructure.
- d. Build and protect affordable housing.
- e. Take action on economic reconciliation.

3. MODERNIZE REGULATION AND FISCAL POLICY

- a. Remove barriers to interprovincial trade and labour mobility.
- b. Reform the federal tax system.
- c. Prioritize national privacy modernization.
- d. Develop a strategy to champion the cannabis sector.
- e. Develop a plan for fiscal balance.

4. UNLOCK THE GREEN ECONOMY

- a. Leverage Ontario's clean energy assets to achieve Canada's net-zero ambitions by 2050.
- b. Develop Canada's critical minerals supply chains.
- c. Invest in green infrastructure that is climate resilient and energy efficient.
- d. Develop clean transportation options.



1. Drive Economic Growth

2023 is a year of much uncertainty for businesses and households alike in Ontario. According to the OCC's annual [Ontario Economic Report \(OER\)](#), only 16 percent of organizations surveyed expressed confidence in the outlook of the province's economy in 2023 (down from 29 percent in 2022). The report revealed that labour shortages and inflation are top concerns and unsurprisingly workforce development strategies are the second highest priority. Small organizations want governments to prioritize policies and programs that support their immediate financial and operational challenges, while large ones are more interested in broader workforce development and health care issues.

While Canada, like other countries, contends with global challenges, there is a great deal that can be done domestically to foster competitiveness, productivity, and long-term economic growth.

a. Build resilience for hard-hit businesses and municipalities.

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

Recommendations:

1. Develop workforce development strategies in provinces and territories in high-demand sectors such as skilled trades, construction, STEM, etc.
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. Introduce debt-relief options, such as forgiving interest payments or loans for COVID-related government-backed loans for small and medium-sized enterprises (SMEs) in sectors that have been disproportionately impacted. These programs include the Canada Emergency Business Account (CEBA), the Business Credit Availability Program (BCAP), and the Highly Affected Sectors Credit Availability Program (HASCAP).
5. Make childcare an eligible business tax deduction to support entrepreneurs with children, particularly women.



6. Work with financial institutions to support diverse entrepreneurs by removing barriers that limit their access to capital.
7. Implement supplier diversity within federal procurement to improve access for diverse-owned businesses.

For more information, please see [*Capital is Key: Financing Entrepreneurship in Ontario After COVID-19*](#) and [*The She-covery Project: Confronting the Gendered Economic Impacts of COVID-19 in Ontario*](#).

b. Continue to expand immigration to support labour market needs.

As noted in the OER, the federal government's action to alleviate immigration backlogs should help soften current labour market shortages. Despite this, 56 percent of organizations still expect challenges in finding talent over the next year and 66 percent expect to see shortages in their sectors.

Recommendations:

1. Expand Immigration, Refugees, and Citizenship Canada's ability to process Express Entry and federal skilled workers applications domestically and abroad, as well as international student study permits and visas at Canadian mission offices.
2. Develop a long-term strategy for Northern, rural, and remote communities to attract and retain newcomers.
3. Modernize and address administrative burdens within the Temporary Foreign Workers program by implementing a Trusted Employers program. This should include appeals processes and better alignment with regions and industries facing long-standing labour shortages such as the agricultural sector.
4. Review the National Occupation Classification Codes to create opportunities for permanent residence for labourers and operators.
5. Increase the number of post-graduation work permits to ensure a steady flow of talent coming to Canada. This will ensure that these students are trained to Canadian standards rather than having to rely on re-qualification examinations.



c. Continue to address Canada's supply chain crisis.

The pandemic along with ongoing climate-related disasters and the Russia-Ukraine conflict continue to pose challenges to both domestic and international supply chains, which threatens Canada's economic growth and recovery, national security, and business competitiveness. Action by the federal government to address chronic underinvestment in supply chain modernization, infrastructure, labour shortages, and skills gaps in this sector are crucial to ensuring 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, and sea cargo, and other key supply chain components that better facilitate a system-wide adoption of real-time product management software and automation; and further address the need for more 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 and vulnerabilities; identify gaps for alternate air, rail, land, and marine route planning in the event of major disruptions, such as protests and climate disasters; and develop a funded strategy that can deliver on the implementation of assessment funding and identified gaps.
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 US to reduce emergency response times and keep supply chains moving.
7. Ensure Canada is prepared for future pandemics by bolstering domestic biomanufacturing and health innovation.
8. Set aside funds for the construction of a U.S. Pre-Clearance Facility at Billy Bishop Airport and work with the Government of Ontario to advance modernizing and renewing the Tripartite Agreement for the airport.
9. Expand access to public sector procurement opportunities for small businesses by addressing financial and informational barriers.
10. Open dedicated immigration pathways for truck drivers and other in-demand, supply chain related sectors.

Further recommendations and challenges are explored in our policy primer [Supply Chain Disruptions and Delays](#) and a recent report released in collaboration with KPMG, [A time for renewal for Canada's supply chains: Fortune favours the bold](#).



d. Increase support for digital transformation.

More businesses began selling their products online at the onset of the pandemic. This digital shift has provided many opportunities to grow and access new markets. Federal and provincial programs to support digitization, such as the Agri-Food Open for E-Business program, were helpful and widely accessed by businesses. A sustainable and inclusive recovery must ensure all businesses and sectors have access to the resources they need to engage in an increasingly digital economy.

Recommendations:

1. Introduce permanent funding streams to help businesses pivot online, reach customers, and tap into digital marketplaces.
2. Partner with the Government of Ontario to develop funding streams specific to the agriculture sector to support investments in online infrastructure and support e-commerce sales.
3. Support small technology firms with access to capital, procurement opportunities, and exports to help them scale up.

For more information, please see OCC policy brief, [*Broken Links: Driving Technology Adoption within Ontario's Small Businesses*](#).

e. 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. Ensure EI reforms are tripartite-led, sustainable, affordable, and based on a comprehensive review of the current system to ensure that EI's governance, programs, policies, and operations are viable and sustainable, responsive and adaptable, non-partisan, 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. The government must continue dialogue with a range of stakeholders, including employers and private insurance to ensure reforms to the PRP are meaningful and achieve the objective of greater program uptake.



f. Support the recovery of Canada’s tourism and hospitality industry.

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

Recommendations:

1. Increase the CEBA and the Regional Relief and Recovery Fund (RRRF) maximum loan forgiveness amounts by up to \$10,000 if the remaining balance of the loan is repaid by the end of the qualifying period for partial loan forgiveness.
2. Extend the interest-free repayment period (i.e., the qualifying period for partial loan forgiveness) for CEBA loans and RRRF loans to December 31, 2024.
3. Improve efficiency in processing times for the Temporary Foreign Worker Program (TFWP).
4. Revisit the Labour Market Impact Assessment (LMIA) requirements under the TFWP to remove unnecessary costs and burdensome regulations.
5. Eliminate barriers to growth by revisiting taxes for the industry, such as the annual basic beer tax increase, federal excise taxes and municipal accommodation taxes.

For more information, see the Tourism Industry Association of Ontario and OCC’s [*The State of the Ontario Tourism Industry Report.*](#)



2. Build Resilient Communities

a. Support a resilient health care system

As noted in OER, health care system vulnerabilities attribute to businesses' lack of confidence in the economy. 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, as well as crisis-level staff burnout and shortages, and exacerbated mental health and addiction challenges. Furthermore, we have a rapidly aging population, the care for whom our health system is woefully unprepared to provide. To safeguard system capacity and future resilience, Canada must work closely with provinces and territories to shift from a reactive, disjointed system to a preventative, integrated health care model.

Recommendation:

1. Continue to collaborate with provinces and territories through the Canada Health Transfer to maximize the impact of funding allotments and action on key priorities, including health human resources (HHR), equitable access to care, data sharing, and mental health, to meet the current and future pressures facing provincial and territorial health systems.
2. Take immediate action on the promised Canada Mental Health Transfer to support access to urgently needed mental health and addictions supports and services, including tools to address the opioid overdose crisis. See [Mental Wellness in the Workplace: A Playbook for Employers](#).
3. Work closely with provinces and territories on the rollout of the dental care and forthcoming [pharma care programs](#) to ensure equitable, timely access, fill existing coverage gaps, avoid program duplication by leveraging the strengths of public and private system stakeholders, and ensure an outcomes-oriented approach that promotes the sustainability and efficacy of the broader health care system.
4. Pursue a national licensure strategy to allow physicians and other regulated health care professionals (i.e., nurses, paramedics, etc.) to work in Ontario and other jurisdictions to help address the HHR crisis and improve access to care.
5. Implement a federal rare disease strategy.
6. Build on best practices from the COVID-19 pandemic to renew and resource the National Advisory Committee on Immunization (NACI).
7. Redesign and relaunch the National Immunization Strategy to close immunization coverage gaps, strengthen NACI to bring vaccines to patients faster, leverage technology and social media to highlight the importance of vaccines, and expand disease surveillance systems.
8. Allocate funding for a revitalized National Immunization Strategy to deliver expanded and equitable access of all recommended adult vaccines to all Canadians, regardless of where they live.



b. Fast-track investment in transit solutions.

Efficient transportation systems benefit Canada's economy – supporting the movement of goods, services, and labour which in turn drive economic growth and further job creation. Throughout the pandemic, transit systems have seen historic low ridership. As we work towards recovery, key investments in transportation infrastructure will be key to supporting the recovery of municipalities, economic growth in rural communities, and meeting the federal government's climate actions goals.

Recommendations:

1. Work with provincial and municipal governments to develop additional rail capacity and invest in long-term transit infrastructure projects including VIA 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. Provide funding for critical rail projects, such as the replacement of the fleet used for long hauls and regional services in both Northern and Southern Ontario, leveraging the Canada Infrastructure Bank.
4. Establish a national autonomous vehicle policy and regulatory framework while taking a lead on establishing norms and harmonizing standards across borders.

c. Accelerate investments in digital and broadband infrastructure.

As more businesses and consumers adopt new technology and shift to online marketplaces, continued investments in pre-requisite 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. Partnering with the Province to further expand broadband infrastructure in rural communities will be critical to supporting access to new markets, jobs, virtual healthcare services, and education opportunities, and spur regional economic growth.

Recommendations:

1. Continue fast-tracking funding commitments and incentivize further private sector investments in broadband.
2. Further improve coordination with stakeholders to ensure public funds are addressing gaps in private sector expansion plans.
3. 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.



4. Support providers by developing an effective federal regulatory framework for carrier access to passive infrastructure.
5. Consult with the provincial government to identify how financial tools can be leveraged to offset investment and provide affordable, equitable access to underserved communities.

d. Build and protect affordable housing.

Housing affordability has reached a crisis point across Canada. For businesses, the 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 country, with workers increasingly priced out of their communities. Despite important commitments to significantly reduce rates of homelessness and core housing need through the National Housing Strategy, federal investments to date have not led to sufficient development or protection of affordable housing options along the housing continuum.

Recommendations:

1. Identify opportunities to leverage National Housing Strategy investments to build and preserve affordable housing options along the housing continuum and plan complete communities, including through the Housing Accelerator Fund.
2. Create distinct strategies to address regional challenges in housing supply and affordability in rural, remote, Northern, and Indigenous communities.
3. Continue to support skilled workforce development strategies and increased economic immigration to attract and retain skilled workers to build the needed housing supply.



e. Take action on economic reconciliation

Canada's prosperity is dependent on the socioeconomic wellbeing and success of Indigenous Peoples in the country. As the youngest and fastest growing demographic, Indigenous Peoples will be a critical part of the solution to Canada's labour market challenges 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. Support mutually beneficial partnerships, including resource revenue sharing and equitable opportunities for Indigenous procurement, employment, and economic development. This could include committing to [a 5 percent Indigenous procurement target](#) for federal procurement activities.
2. Support Indigenous entrepreneurship by providing direct support as well as financing, legal advice, mentorship, training, and supplier diversity programs for Indigenous-owned small businesses. This could include reassessing provisions under the Indian Act restricting the mortgage of property on-reserve, strengthening the capacity of Aboriginal Financial Institutions, and removing other barriers to access capital.
3. Establish a national Indigenous loan guarantee program to facilitate Indigenous equity ownership in major infrastructure, natural resource, and clean energy projects.
4. Fill the Indigenous education gap by providing equal funding for Indigenous education and improving access to culturally based experiential learning and other training opportunities.



3. Modernize Regulation and Fiscal Policy

a. 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 it 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 the provinces and territories to fully implement the existing Canada Free Trade Agreement and accelerate the further removal of trade barriers through the Regulatory Reconciliation and Cooperation Table.

b. Reform the federal tax system.

The federal tax system has not kept up with the dramatic changes that have taken place across domestic and international economies and the tax policies introduced by our trading partners or being discussed at the Organization for Economic Co-operation and Development. As a result, Canada continues to lag in its ability to attract foreign direct investment, drive domestic business growth and innovation.

Recommendations:

1. Conduct a comprehensive and independent review of Canada's tax system, rooted in the principles of competitiveness, simplicity, fairness, and neutrality. Reforms should focus on streamlining the system and incentivizing increased business investments.
2. Update Canada's marginal effective tax rate to reflect recent tax changes that have been made that could impact the competitiveness of Canada's tax environment.



c. Prioritize national privacy modernization.

Canadians increasingly access digital services to support their work, connect with friends and family, engage in e-commerce, and access government services. Organizations of all sizes use data to operate, innovate and serve their customers. With cybersecurity risks at an all-time high, ensuring consumers and businesses are protected must be a priority. Effective frameworks are necessary to support business operations and economic growth.

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.
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.

Further recommendations pertaining to privacy are discussed in the OCC's 2020 report - [*In Data We Trust: Unlocking the Value of Data in Ontario.*](#)

d. Develop a strategy to champion the cannabis sector.

In the three years since recreational cannabis has been legalized in Canada, it has quickly emerged as one of Canada's fastest-growing sectors, uniquely positioned as a home-grown industry with an entirely domestic supply chain from seed to sale. During that time, and against the backdrop of a pandemic, the cannabis sector contributed \$43.5 billion to Canada's GDP, generated \$15.1 billion in government tax revenue, and sustained 151,000 jobs. Yet major hurdles – including an overly restrictive regulatory regime – are inhibiting economic growth, deterring investment, and squeezing margins for producers and retailers alike.

Recommendation:

1. Consult with stakeholders on amending restrictions relating 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 product offerings that can effectively compete with illegal actors.
2. 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.
3. Consider utilizing the 2.3 percent regulatory fee imposed on the revenues of license holders. The fees could support a range of activities that would help improve public education and awareness on the impacts of cannabis through research, clinical trials, and consumer education programs.



4. Develop and implement a standardized procedure for analysis, validation, testing, and labelling requirements across different cannabis classes.
5. Develop a single, common 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.

See OCC's [Health Canada's Statutory Review of the Cannabis Act](#) submission.

e. Develop a plan for fiscal balance.

As interest rates and debt servicing costs rise, it is important for the federal government to have a transparent debt management strategy with public policies focused on long-term growth. This includes modernizing regulatory frameworks and the aforementioned recommendations around workforce development strategies, critical infrastructure, health care system capacity, and green initiatives, etc.

Recommendations:

1. Develop a sustainable path to reduce the federal debt-to-GDP ratio to ensure long-term fiscal sustainability, and balance, and the capacity to address future economic shocks.



4. Unlock the Green Economy

a. Leverage Ontario's clean energy assets to achieve Canada's net-zero ambitions by 2050.

Globally, investments in clean energy are ramping up in response to growing calls for climate action, electrification, and energy security. The United States recently signed the Inflation Reduction Act of 2022, which includes over \$370 billion for clean energy and decarbonization over 10 years, providing investors with greater confidence to invest in US markets. With the right policy supports in place, Ontario's clean energy assets can be a strategic advantage for Canada – both economically and environmentally.

Recommendations:

1. Formally recognize nuclear power as green infrastructure and include various forms of nuclear technology within relevant federal programs, including the proposed Investment Tax Credit for Clean Technologies, the Green Bond Framework, the Zero-Emission Technology Manufacturing tax reduction program, and the Appreciated Capital Cost Allowance.
2. Revise the national Greenhouse Gas Offset Credit System eligibility to include incremental low-carbon energy output (including nuclear power).
3. Continue to build Public-Private Partnerships through the Canada Infrastructure Bank to invest in energy storage, clean energy, building retrofits, and other forms of low-carbon infrastructure.
4. Facilitate the transition to low-carbon fuels, through existing support for carbon capture and by introducing new measures to improve the economic viability of low-carbon fuel production relative to conventional fuels.
5. Modernize and streamline environmental impact assessment processes around clean energy generation projects.

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



b. Develop Canada's critical minerals supply chains.

Critical minerals are the building blocks for the future of our low-carbon and digital economy. While Canada has an opportunity to lead in the development and processing of these minerals, it needs competitive regulatory and fiscal measures to unlock that potential.

Recommendations:

1. Work with industry and Indigenous communities to implement Canada's Critical Minerals Strategy to bolster the full value chain, from research and exploration to final products.
2. Streamline and expedite environmental reviews and approvals related to critical minerals projects.
3. Actively promote the Ring of Fire, along with other mining projects, in the global arena as a trade and investment opportunity through Global Affairs Canada.
4. Work with mining companies and Indigenous communities in Northern Ontario and mining companies on environmental sustainability approaches, as well as providing critical infrastructure upgrades in Indigenous communities in the Ring of Fire region (i.e. water treatment facilities).
5. Facilitate forums for collaboration around battery value chains between the mining sector, electric vehicle producers, and cell manufacturers.
6. Invest in research and educational institutions to develop talent and advance technology around critical mineral supply chains.

c. Invest in green infrastructure that is climate resilient and energy efficient.

Buildings generate 18 percent of Canada's greenhouse gas emissions, and most are not adapted to withstand the impact of extreme weather events caused by climate change. In 2022, the Government of Canada consulted stakeholders on green buildings, recognizing the need to work with the private sector to both decarbonize our built infrastructure and ensure it is climate resilient.

Recommendations:

1. 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.
2. Consider a more widescale approach to retrofits, such as the '[energiesprong](#)' model used in the Netherlands.



3. De-risk deep retrofits in the commercial sector, with adequate and sustained funding and incentives. Notably, programs that provide upfront capital tend to be most helpful as they support businesses that would not otherwise have been able to invest in retrofits. The recent financial support from the Canada Infrastructure Bank to post-secondary institutions for deep retrofit projects is an example of accelerated emissions reductions.
4. Connect the proposed federal Low-Carbon Building Materials Innovation Hub with federal procurement and building retrofit efforts to support domestic commercialization of low-carbon technologies and materials.
5. Support workforce training programs geared towards low-carbon construction, architecture, urban design, and engineering – recognizing that the retrofit economy requires many different skillsets. Such efforts should build on existing micro-credential programs and partnerships between colleges, universities, and industry to help upskill and reskill workers.

d. Develop clean transportation options.

Efficient and sustainable transportation systems underpin Canada’s economic growth by supporting the movement of goods, services, and labour across regions and supply chains. Low-carbon transportation is especially critical to achieving net-zero targets, particularly as transportation accounts for 36 percent of Ontario’s greenhouse emissions.

Recommendations:

1. Develop a strategy for zero-emission vehicles that integrates electric, renewable natural gas, hydrogen, and hybrid technologies for a variety of vehicle types, including heavy-duty utility trucks to support commercial fleet electrification.
2. Work with provincial and municipal governments to expand rail capacity and invest in long-term transit infrastructure projects including VIA Rail, Light-Rail Transit, and Bus Rapid Transit.
3. Partner with the private sector and leverage the Canada Infrastructure Bank to raise capital for high-frequency rail lines that serve more communities and modernization of fleets.



Conclusion

This submission prioritizes four areas through which further action by the federal government can drive Ontario and Canada's prosperity. This year's OER makes it clear that leaders in the public and private sectors must invest strategically in productivity, resilience, and long-term growth. The OCC and its members look forward to continuing to work with your government and key stakeholders in the development of policies that drive sustainable investment and job creation now and into the future.

