

Breaking down the provincial budget for business

By: Sandra Dueck, Policy Analyst, Greater Peterborough Chamber of Commerce

With the provincial budget now in the public domain and with the help of our Ontario Chamber of Commerce colleagues, we have broken down the budget pieces that will have an impact on our business community and offered a Peterborough perspective.

Tax Changes

The Ontario Government is harmonizing with the federal government's eligibility criteria, leaving over 20,000 employers paying \$100 million more in Employment Health Tax over the next three years. In addition, businesses will be phased out of the small business deduction if they earn between \$50,000 and \$150,000 of passive investment income, resulting in an additional \$350,000 million in new taxes for Ontario businesses over the next three years.

In an effort to support businesses making significant, long-term investment in research and development (R&D), the provincial government will enhance the Ontario Research and Development Tax Credit (ORDTC). Companies qualifying for the ORDTC will be eligible for an enhanced 5.5 percent exemption (from 3.5 percent) on expenditures over \$1 million in a taxation year.

The government is also enhancing the Ontario Innovation Tax Credit (OITC) in an effort to encourage



smaller companies to make investments in R&D that will aid growth. If a company qualifies for the OITC and has a ratio of R&D expenditures to gross revenues above 20 percent, it will be eligible for an OITC rate of 12 percent.

Peterborough Chamber Perspective
We have significant concerns about the impact the tax changes will have on the cumulative burden of doing business and growing a business in Ontario. We are concerned that following the path of the federal guidelines will not encourage business investment and reinvestment.

The enhancements to improve the Research and Development and Innovation Tax Credits are welcome. Innovation is an area on which Peterborough has chosen to focus. Cleantech Commons will be a prime example of industry, post-secondary, and municipal government collaboration while there are numerous companies building their business through the Innovation Cluster with deep connections to industry, Fleming and Trent University.

The hope is that these changes will encourage continued commercialization of new ideas and innovations in a timely manner.

Digital Infrastructure

In Budget 2018, the government is providing \$500 million over three years to expand broadband connectivity in rural and northern communities. This will include an investment of up to \$71 million towards improving cellular coverage in Eastern Ontario and up to \$20 million to Telesat to support a Low Earth Orbit (LEO) satellite constellation project.

Peterborough Chamber Perspective
The Peterborough Chamber understands the importance of broadband to our economy in the City and County of Peterborough. In fact, at the 2016 Ontario Chamber

Annual General meeting we asked that broadband be considered as infrastructure. To stay competitive in Peterborough's core sectors, including agriculture and tourism, reliable digital infrastructure is the key to future success.

Good Jobs and Growth Fund/Skills Development

In Budget 2018, the government has made investments in a variety of areas to expand skills and workforce development and Ontario's apprenticeships. These investments include \$935 million over the next three years for the Good Jobs and Growth Plan and \$170 million over three years in the new Ontario Apprenticeship Strategy. Ontario is also investing an additional \$12 million to extend the Career Ready Fund to 2020-21, supporting 28,000 more experiential learning opportunities for students and employers.

Other investments include innovative post-secondary programming to match Ontario's changing labour market, institutional and employer partnerships for experiential learning, bridge training programs for new Ontarians, services to increase access to labour market information, and skills training services for employers.

In order to prioritize investments and growth to help Ontario businesses grow and retain jobs, the Province will renew, enhance, and extend the Jobs and Prosperity Fund (JPF) with an increase of \$900 million over the next 10 years. In addition, the Province's New Economy Fund will help companies stay at the leading edge of innovation and industry to create and retain over 20,000 jobs and attract \$5.7 billion in investments.

Peterborough Chamber Perspective
Without a doubt access to talent is the most common ailment we hear impacting employers. While it is

good to see investment in a new Apprenticeship Strategy we encourage the government to include the impact of ratios in the discussion.

Programs for students and those new to the workforce are not the only way to develop a resilient workforce. We are encouraged by initial announcements to revamp the Canada Jobs Grant and Second Career program to help transition workers into new and developing sectors.

The Peterborough Chamber is a member of several committees of the Local Employment Planning Council pilot project and we look forward to learning more about our local market through this process.

Regional Economic Development

The Good Jobs and Growth Plan includes an investment in the Southwestern Ontario Development Fund and the Eastern Ontario Development Fund to support the needs of all businesses, particularly those in rural and small communities. The Province will invest an additional \$100 million in these funds over the next 10 years and will aim to create and retain approximately 19,000 jobs and attract more than \$800 million in investments.

Peterborough Chamber Perspective
The Eastern Ontario Development Fund has been very good to businesses in the Peterborough area in the past and the program is a good example of public and private sector investment working together to boost the economy. We look forward to celebrating and connecting our members to more of these partnerships.

Our analysis also covers health care and child care, debt and deficit, and government transparency and accountability.

The full analysis can be found: peterboroughchamber.ca/blog

Experience China 2018 October 12-22

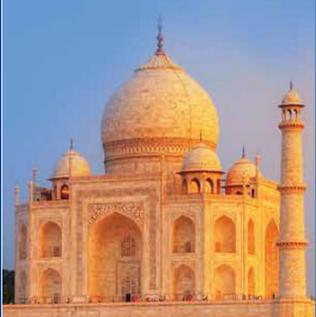


merit travel

GREATER Peterborough Chamber of Commerce

More: peterboroughchamber.ca

Enchanting India 2018 November 5-14



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Celebrations & Congratulations

- Peterborough Kia's Brian Norman and Lynn Hill have retired and sold the business to Paul Seminara
- Kawartha Golf and Country Club has hired Jamie Carter as its new general manager, effective this week
- MicroAge Technology Solutions will be presenting a FREE webinar about outsourcing your IT department

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Gwyneth James, Chartered Professional Accountant
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GREATER Peterborough Chamber of Commerce

- BWXT Nuclear Energy Canada landed a \$168M contract extension to manufacture fuel for Ontario Power Generation's (OPG) Darlington and Pickering nuclear generating stations

Featured Member Discount Program: Save on Merchant Services

Merchant Services
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First Data.

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Happy retirement to Peterborough Kia's Lynn Hill and Brian Norman

Chamber members, send your Member Milestones to reception@peterboroughchamber.ca or call 705-748-9771 x0.

#LOVE LOCALPTBO
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Madeleine Hurrell @PtboMaddieH · 4h
Excited to be at the launch of #SmallBusinessAccess site hosted this afternoon by @ptbochamber to assist our small businesses in our community #lovelocalptbo

www.peterboroughchamber.ca

Event Calendar

CHAMBER AM TUESDAY April 10th, 2018

The Carousel
116 Lansdowne Street East
Coffee's on at 7:00am
Speakers from 7:30-8:30am

Cost: Pay for your breakfast

Speaker: Lindsay Stroud, GreenUp

Details: Come prepared to hear a great speaker and be ready with your 30 second elevator speech to introduce yourself to the crowd.

Note: Pre-registration encouraged

WORKSHOPS WEDNESDAY April 11th, 2018

Marketing Bootcamp with Sofie Andreou & Associates
Chamber Boardroom
175 George Street North
10:30am - 2:30pm

Details: Are your social media efforts not producing results? Then it's time to roll up your sleeves with Sofie Andreou in her half-day bootcamp. This workshop is very much hands-on, leaving you with a sustainable, actionable plan, and a followup session one month out.

Cost: \$97/registrant

Note: Pre-registration required

LUNCHBOX LEARNING WEDNESDAY April 18th, 2018 (Chamber & WBN Members only)

Financial Planning for Business Owners: Not Your Traditional Financial Plan!



Chamber Boardroom
175 George Street North
12:00pm - 1:00pm

Speaker: Charline Westbye, Investors Group

Details: You've built a business or are starting one.

You work for yourself and can't rely on an employer to help fund your retirement.

So, you can't rely on traditional financial planning, can you?

The discussion will centre around how your personal financial plan is dependent on your business plan.

Cost: Free (Bring your lunch)

Note: Pre-registration required

Full Events Calendar can be found at:
peterboroughchamber.ca/events

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