

Ontario Chamber Participates in Pre-Budget Consultation with Janet Ecker

On March 4, the OCC met with the Minister of Finance, **Janet Ecker** to discuss the upcoming provincial budget. The OCC was joined by other key stakeholders and associations.

The OCC reiterated some of the recommendations included in this year's Pre-Budget Submission. We continue to urge the government to remove profit-insensitive levies and are encouraged by their commitment to eliminate the capital tax.

Debt reduction remains an important issue to members of the OCC. The majority of respondents to our Pre-Budget survey indicated that increased debt reduction should be an important priority for the provincial government. The OCC continues to recommend that the government reduce the debt-to-GDP ratio to 15% by 2010.

Ontario Chamber Holds Discussions on Federal Budget With Official Opposition

On Tuesday, March 4, 2003, the Ontario Chamber of Commerce met with **Charlie Penson**, MP, for a special briefing on the 2003 federal budget.

Mr. Penson is the Official Opposition Critic for Finance and a member of the Standing Committee on Finance.

John Manley, Deputy Prime Minister and Minister of Finance Canada, delivered the nation's budget on February 18, 2003.

Mr. Penson was disappointed that the budget did not have more broad-based tax relief. He cited that the capital tax phase-out period is quite long and that the feds could have accelerated this. The OCC has long advocated that the capital tax and other profit-insensitive levies be removed as they hinder business competitiveness.

He also expressed concern with the increase in spending. If the economy were to slow down in 2003-04, as it has been showing signs of in the automotive and housing sectors, there may be negative implications to the Canadian

Ontario remains the only province without a training agreement with the feds. The province faces a disadvantage due to the stalled negotiations between the two governments regarding the labour market development agreement.

The OCC expressed support for the Toronto Board of Trade's proposal for a GTA Transportation Authority, released on February 27th. The OCC originally proposed a province-wide Authority in October 2000.

Overall, the OCC recommends that the Minister remain committed to a sustainable, competitive business environment.

The Minister provided guidance that she is committed to delivering a budget before the fiscal year end, March 31, 2003.

economy.

Regarding transportation and infrastructure issues, Mr. Penson raised the topical issue of a dedicated fuel tax for municipalities as well as border issues. He suggested that the ten cent excise fuel tax currently being charged by the feds should be made available for infrastructure investment. Mr. Penson did not provide a specific plan on how this could be achieved, but suggested alternatives including a tax transfer or through individual projects. The OCC raised concern regarding how such an allocation could be guaranteed for its intended use.

Since 45 per cent of our GDP comes from exports border crossings are a very important issue, so much so that the OCC has developed a new task force which will focus solely on these issues.

Mr. Penson also discussed other issues including health care, climate change, defence spending, employment insurance, the Dollar and the issue of bank mergers.

New Addition to the Chamber Family

The Ontario Chamber of Commerce welcomes a new addition to our family.









Ted Savelle is the new Executive Director for the Ajax Pickering Board of Trade.

Ted joins the Board with extensive experience in the not-for-profit sector. He has worked with the Red Cross, and most recently with the Canadian Diabetes Association – Durham Chapter.

We welcome Ted and wish him lots of success in his new role.

Upcoming Events

Listed below are some upcoming events that may be of interest to local Chambers and Boards:

-  **Finance Committee Meeting**, March 11, 2003
-  **Health Policy Committee Meeting**, March 14, 2003
-  **Executive Committee Meeting**, March 17, 2003
-  **Transportation & Infrastructure Committee Meeting**, March 18, 2003
-  **Deadline for submitting AGM Resolutions**, March 21, 2003
-  **OBAC with Dalton McGuinty**, March 26, 2003
-  **Education Committee Meeting**, April 1, 2003
-  **Queen's Park Liaison Forum**, April 11, 2003
-  **AGM & Convention**, May 2 – 4, 2003

For more information on all committees, please contact [Atul Sharma](mailto:Atul.Sharma@occ.on.ca) at (416) 482-5222, ext. 235.

March 21st Deadline for Submitting AGM Policy Resolutions Quickly Approaching

The Annual General Meeting & Convention is one of the OCC's most important events of the year. This AGM marks our 91st year and we are pleased to be holding it in **Brantford, Ontario on May 2nd - 4th, 2003.**

The AGM is a great opportunity for members to work together on OCC policy priorities as we develop our advocacy plan for the year ahead. It is important for our members to provide their input and policy direction to the OCC, both at the AGM and in advance by submitting resolutions.

We strongly encourage member Chambers and Boards to submit their policy resolutions before the **Friday, March 21st - 5:00pm** deadline. Policy resolutions should be directed to Atul Sharma at atulsharma@occ.on.ca. Areas of focus for the resolutions should be related to Finance & Taxation, Health Policy, Transportation & Infrastructure and Education issues.

Once the resolutions deadline has passed and the appropriate committee has reviewed them, a compendium of the resolutions will be made available on the OCC website. Prior to the

AGM a final hard copy will be distributed. More information on submitting resolutions is available online at www.occ.on.ca.

The AGM will also provide for prime networking opportunities to discuss business issues with delegates and key members of Ontario's political community. There will be a number of events where attendees can connect with others, including plenary sessions, receptions, luncheons, dinners, and other activities.

In addition to policy development and networking, the AGM is also a time when we recognize the efforts of our many volunteers. First, the **James Gordon Carnegie Memorial Award** will be presented to a member of the Ontario Chamber of Commerce Executives who has displayed exemplary efforts as a mentor and a leader. The deadline for nominations is April 15th and should be sent to Ian Cunningham.

Secondly, the **Burnie Gillespie Memorial Award** will be granted to an individual whose principle occupation is management of a Chamber or Board located in Ontario

during the past calendar year. The deadline for nominations is March 31st and should be sent to the OCC.

Further information and eligibility criteria for each award was sent to members last month but will soon be posted on our website. For more information please contact Ian Cunningham at (416) 482-5222, extension 228.

Be sure to register before March 31st to save on registration fees.

For more information or to register for the 2003 Annual General Meeting & Convention, please contact Regan Clarke at (416) 482-5222, extension 222.

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- **Health Policy Committee Meeting**, March 18, 2003
- **Transportation Committee Meeting**, March 18, 2003
- **Deadline for submitting AGM Resolutions**, March 21, 2003
- **OBAC**, March 26, 2003, Dalton McGuinty
- **Board of Director's Meeting**, April 2, 2003
- **Education Committee Meeting**, April 3, 2003
- **Finance & Tax Committee Meeting**, April 10, 2003
- **Queen's Park Liaison Forum**, April 11, 2003

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Business Survey Program Requests Your Feedback

The Ontario **Business Survey Program (BSP)** is a new initiative that the OCC has introduced this year as we continue to rejuvenate and improve our policy development and advocacy activities.

Surveys will be conducted ten times a year on relevant business issues and used to identify emerging public policy issues and enhance overall policy development.

The BSP allows members to have direct input into the OCC policy process as the results of the survey assist in making submissions and reports more substantive. Once a survey is completed a report is developed on significant findings and made available to members.

To date we have conducted two surveys, one on health issues in addition to our annual

provincial Pre-Budget survey. Both surveys received great response rates and some of the results have already been used in consultations with the government. The Health Survey Results report is available online at www.occ.on.ca.

We are currently completing the 2003 schedule for the BSP and would appreciate any feedback members may have regarding the topics under review. Some of the suggested topics include: education, borders, tourism, energy, property tax reform, red tape, government priorities, health policy and finance and taxation.

Comments and suggestions are encouraged and can be forwarded to Atul Sharma at atulsharma@occ.on.ca.

Last Day to Submit Resolutions for AGM!

Friday, March 21, 2003 is the deadline for submitting resolutions for this year's Annual General Meeting & Convention. This year's AGM will be held from May 2nd to the 4th and are pleased to be hosted by the Brantford Chamber of Commerce.

We have already received a number of topical resolutions on important provincial business issues and look forward to collecting more to ensure for interesting and active policy sessions at the AGM.

This is a great opportunity for members to directly provide their input to OCC policy positions. Policy resolutions should be emailed to Atul Sharma at atulsharma@occ.on.ca.

Once the resolutions deadline has passed and the appropriate committee has reviewed them, a compendium of the resolutions will be made available on the OCC website. Prior to the AGM a final hard copy will be distributed. More information on submitting resolutions is available online at www.occ.on.ca.

Your Opinion Counts in Shaping OCC Policy

As a member of the **OCC** you are one of our most vital resources and that's why your feedback on business issues is so important.

In order to ensure that we hear your point of view we have committed to an expanded Business Survey Program this year that will cover a wide variety of topics including Education, Borders, Tourism, Energy and Health.

The Business Survey Program allows members to directly provide their input into **OCC** policy positions and submissions.

The **OCC** is undertaking this expanded program as part of our overall initiative to rejuvenate our policy development and advocacy activities at Queen's Park.

By identifying the trends and priorities of the Ontario business community we believe we

can better serve all our members. If you have not already done so please register before March 31st to save on registration fees. Registration forms and information on hotel accommodations can all be found on our website.

For more information on the 2003 Annual General Meeting & Convention, please contact Regan Clarke at (416) 482-5222, extension 222.

Useful Border Links

In these unsettled times cross border transportation for Ontario businesses remains in flux and that why it's important to stay apprised of developments and delays. To assist you in keeping current we have posted a number of key links on the OCC web-site.

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The first survey on Finance and Tax will be published shortly, and our Education survey was launched this week.

Results from that survey will be published the week of April 11th, 2003.

The results of all surveys will be made available to the member Chambers and Boards as well as the media, and in doing so we hope to take a unified message to the legislature.

Please take a moment to complete the education survey that was sent to you and posted on the **OCC** web-site. Your contribution is greatly appreciated.

Premier Eves and Dalton McGuinty Headline March OBAC Sessions

The blue chip line-up of **OBAC** guests continues this month with Liberal leader **Dalton McGuinty** and Premier **Ernie Eves** appearing in back to back sessions just five days apart. These meetings follow previous forums with **Paul Martin** and **John Manley** and are part of an expanded **OBAC** program this year. The informal and in-camera sessions provide an ideal forum for senior executives to discuss issues with political leaders and additional blue chip guests will be announced in the coming weeks.

Upcoming Events

Listed below are some upcoming events that may be of interest to local Chambers and Boards:

- **OBAC with Dalton McGuinty**, March 26, 2003
- **Energy Committee Meeting**, March 27, 2003
- **OBAC with Premier Ernie Eves**, March 31, 2003
- **Board of Directors Meeting**, April 2, 2003
- **Education Committee Meeting**, April 3, 2003
- **Finance & Tax Committee Meeting**, April 10, 2003
- **Queen's Park Liaison Forum**, April 11, 2003

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OCC Pre-Budget Submissions Addressed in Yesterday's Budget

In general the OCC is cautiously optimistic with the budget tabled by Finance Minister **Janet Ecker** on Thursday, in which she addressed several of the key issues brought to the table in the OCC's pre-budget submission.

In speaking with the media immediately following the lock-up period the OCC characterized the budget as a mix of The Good, The Bad and The Uncertain.

The OCC's Vice President and Senior Economist, **Atul Sharma** provides this analysis.

The Good

The budget contains an emphasis on tax reductions:

- Continued personal income tax reduction beginning Jan. 1, 2004
- Re-instating corporate tax reductions beginning Jan. 1, 2004
- Eliminating the surtax for people earning less than \$75,000 by Jan. 1, 2005

The government also announced its intention to begin multi-year base funding for schools, universities and hospitals. The OCC has consistently advocated that multi-year base funding is needed to help ensure that businesses in Ontario maintain their competitive advantage.

It was also announced that the government will establish a Central Ontario Transit Authority, and although no details were provided on how that authority would be composed, the OCC is looking forward to playing an active role in the development of this plan. This again is in keeping with the OCC's pre-budget recommendation of investment in transportation infrastructure.

Other items in line with the OCC's recommendations are the intention to establish tax incentive zones in northern Ontario and rural communities, and the proposal to put capital investment in northern highways, specifically Hwys. 11 & 69.

The Bad

While there are some good initiatives in the budget, there were also a number of missed opportunities as well:

- The reinstated corporate tax reductions could have been implemented in 2003, instead of waiting until 2004.
- While the government has taken the next step in the elimination of the capital tax, they have not committed to a firm deadline.

The issue of border crossings was not addressed, an area where we would have expected more attention given the current geo-political environment and the importance of the trade relationship with the United States.

On the issue of electricity, initiatives are cosmetic and do not address the key concerns of increasing supply and competition in the sector.

The Uncertain

While the tax cuts and the investment spending in key areas are applauded, the government's plan is based upon revenue increasing by 7.8% over the next fiscal year. This could prove to be a challenge given the current level of uncertainty in the global economy.

The Conclusion

Overall the OCC gives this budget a passing grade with the expectation that the Government will take it to the legislature for final approval.

Some Budget Numbers at a Glance

- Balanced budget with expenditures of \$70.6-billion
- Public debt will be cut by \$484-million in coming fiscal year and \$5-billion over five years
- Increase the floor for Ontario surtax to \$75,000
- Reduce capital tax by 10 per cent commencing Jan. 1, 2004
- Increase base funding for hospitals by 5 per cent over the interim level for this fiscal year
- Increase health spending by \$1.9-billion
- Increase capital funding for health care by \$169-million to \$504-million
- Give tax credits of \$50-million for 165,000 families caring for infirm dependants
- Give \$7-million towards osteoporosis treatment

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