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Archived - September 2016 Mandate letter: Economic Development and Growth

Premier's instructions to the Minister on priorities.



September 23, 2016

The Honourable Brad Duguid
Minister of Economic Development and Growth
900 Bay Street
8th Floor, Hearst Block
Toronto, Ontario
M7A 2E1

Dear Minister Duguid:

Welcome back to your role as Minister of Economic Development and Growth. As we mark the mid-point of our mandate, we have a strong and new Cabinet, and are poised to redouble our efforts to deliver on our top priority — creating jobs and growth. Guided by our balanced plan to build Ontario up for everyone, we will continue to work together to deliver real benefits and more inclusive growth that will help people in their everyday lives.

We embark on this important part of our mandate knowing that our four-part economic plan is working — we are making the largest investment in public infrastructure in Ontario's history, making postsecondary education more affordable and accessible, leading the transition to a low-carbon economy and the fight against climate change, and building retirement security for workers.

Building on our ambitious and activist agenda, and with a focus on implementing our economic plan, we will continue to forge partnerships with businesses, educators, labour, communities, the not-for-profit sector and with

all Ontarians to foster economic growth and to make a genuine, positive difference in people's lives. Collaboration and active listening remain at the heart of the work we undertake on behalf of the people of Ontario — these are values that ensure a common purpose, stimulate positive change and help achieve desired outcomes. With this in mind, I ask that you work closely with your Cabinet colleagues to deliver positive results on initiatives that cut across several ministries, such as our Climate Change Action Plan, Business Growth Initiative, and the Highly Skilled Workforce Strategy. I also ask you to collaborate with the Minister Responsible for Digital Government to drive digital transformation across government and modernize public service delivery.

We have made tangible progress and have achieved the following key results:

- Launched the Jobs and Prosperity Fund (JPF), including an objective and robust evaluation framework and risk-based governance model. Since January 2015, signed 19 JPF contracts, with government commitment totaling \$422 million, leveraging \$4 billion in total investment and supporting over 27,000 total jobs.
- Launched the Business Growth Initiative (BGI), a \$400 million strategy over five years that will (i) drive innovation through research and development and adoption of disruptive technologies, (ii) scale-up innovative companies and (iii) reduce the cost of doing business in Ontario.
- Reached agreement in principle on the Canada Free Trade Agreement with the other provinces, territories and the federal government.
- Partnered with key employers such as GE, FCA, Jlabs and others to anchor signature investments and high skilled jobs in the province.
- Developed and deployed new strategies for Ontario's auto sector including the appointment of an Auto Advisor and the signing of a Memorandum of Understanding with the State of Michigan for greater co-operation in supporting the Great Lakes auto cluster.
- Continued the Southwestern Ontario Development Fund (SWODF) and Eastern Ontario Development Fund (EODF). Since January 2015, signed 80 contracts among the two funds, with government commitment totaling \$60 million, leveraging \$737 million in total investment, and supporting over 14,000 total jobs.
- Held the opening roundtable of the Ontario-Toronto Burden Reduction Working Group, which brought leaders from the municipal and provincial governments together with the business community to explore ways to reduce regulatory, administrative and compliance burdens.
- Under BGI, launched the Red Tape Challenge, a new online crowd-sourcing platform that will allow Ontarians to work with us to reduce regulatory burdens.
- Introduced the *Burden Reduction Act, 2016* on June 8, 2016, which includes changes to 50 different statutes to reduce regulatory burdens and practices that cost businesses time and money, while protecting environmental, health standards and enhancing worker safety.
- Implemented an inaugural Social Enterprise Strategy, which included the launch of the \$4 million Social Enterprise Demonstration Fund, the Social Impact Voucher Pilot Program, the \$4 million Rate Drop Rebate Program, and selected two leading Social Impact Bond ideas for further exploration and development.
- Reviewed Ontario's support for social enterprises across the province, and launched a renewed five-year Social Enterprise Strategy.

Your mandate is to help to grow a strong, innovative economy that provides jobs and prosperity for all Ontarians. Your specific priorities include:

Creating an Innovation-Driven Economy

- Aggressively accelerating the growth of the innovation economy in Ontario including the successful scale-up of high-potential, high-growth companies.
- Supporting the implementation of the Highly Skilled Workforce Strategy, including working with the Minister of Advanced Education and Skills Development to establish the Planning and Partnership Table by fall 2016.
- Launching Ontario's Strategic Investments Office, led by a new Chief Investment Officer by fall 2016.

Supporting Scaling Up Innovative and High Growth Companies

- Working with the financial services community, including the Toronto Financial Services Alliance, to identify options that increase the amount of capital invested by financial institutions and pension plans in innovative, high-growth companies.
- Collaborating with the Minister of Research, Innovation and Science, launch the Scale-Up Ventures program to help growth-oriented firms with the highest potential to scale into large employers by providing them with the tools necessary to get their products to the global marketplace by the end of 2016.
- Collaborating with the Minister of Research, Innovation and Science to launch a pilot project that will enhance the government's role as an early adopter of innovation procurement while at the same time helping small- and medium-sized firms demonstrate their innovative solutions and improve their profile in domestic and international markets.
- Collaborating with the Minister of International Trade to ensure that the Going Global Export Strategy helps more small- and medium-sized enterprises access international markets.

Modernizing the Regulatory System and Reducing the Cost of Doing Business

- Introducing a burden reduction bill on an annual basis as a tool to help ministries modernize and update their existing legislation.
- As part of BGI, issuing the first sector-specific report from the Red Tape Challenge on options for improvement in the auto parts sector, by the end of 2016, followed by reports on food processing, financial services, and mining through 2017.
- Delivering Red Tape Challenge reports on chemical manufacturing and forestry in early 2018 and potentially additional sectors.
- Setting up a new Regulatory Centre of Excellence to champion international best practices for regulatory quality, simplicity, alternatives to regulation and cost-benefit analysis while continuing to protect the environment, health and safety of workers.
- Reporting on the government's continued progress in reducing burdens on business and external stakeholders through the Annual Burden Reduction Report.

Developing a Provincial Economic Strategy

- Developing regional economic development plans by 2017, in partnership with private, not-for-profit, educational, municipal and indigenous partners. These plans would include strategies for addressing economic challenges specific to each region, including low performing sectors or clusters.
- Proposing, consulting on and implementing cluster plans, as required under the *Partnerships for Jobs and Growth Act*, and working with regional stakeholders to improve the performance of identified economic clusters around the province.

Supporting Ontario Businesses by Improving Internal Trade in Canada

- Advancing Ontario's internal trade interests by continuing to work with other provinces and territories to improve the conditions for internal trade within Canada:
 - Finalizing the Canada Free Trade Agreement with the other provinces, territories and federal government.
 - Working with Ontario businesses and ministries to identify regulatory burdens in other provinces and territories that impede the competitiveness of Ontario firms.

Accelerating the Growth of Ontario's Social Enterprise Sector

- Implementing the renewed five-year Social Enterprise Strategy which will:
 - Equip social enterprises with solid business fundamentals in order to serve communities today and tomorrow.
 - Connect social enterprises to markets and capital to maximize their potential to grow the economy and create social and environmental impact.
 - Demonstrate the value of social enterprise and social finance to attract investor, government and community support.
- Pilot one or more Social Impact Bonds in the province to improve social outcomes.

Supporting the Climate Change Action Plan

- Working with the Minister of the Environment and Climate Change to implement Ontario's Climate Change Action Plan in a manner that maintains competitiveness by spurring innovation and rewarding efficiency, which will make businesses more competitive, and create conditions for new sectors to emerge and new businesses to thrive in a competitive low-carbon economy including the establishment of:
 - A Green Bank with a technology deployment function for the purposes of deploying and financing ultra-low carbon technology.
 - An accelerated capital cost allowance for technologies that reduce greenhouse gases (GHGs), in partnership with the Minister of Finance.
 - A Global Centre for Ultra Low Carbon Mobility in 2017, branded under the Brain Belt Initiative.
 - An Electric and Hydrogen Vehicle Advancement Program, commencing in 2017, that will drive demand for zero emission vehicles, and will include consumer and dealership engagement campaigns and a zero emission provincial sales target of five per cent by 2020.

In addition to the priority activities above, I ask that you also deliver results for Ontarians by driving progress in the following areas:

- Work with the Minister of Infrastructure on expanding broadband infrastructure and improving connectivity in communities across the province.
- Work with the Minister of Research, Innovation and Science to enhance core entrepreneurship programs, resources, and partnerships to help youth build skills, start a business or find work.

As you know, taking action on the recommendations contained in the Truth and Reconciliation Commission report is a priority for our government. That is why we released *The Journey Together*, a document that serves as a blueprint for making our government's commitment to reconciliation with Indigenous peoples a reality. As we move forward with the implementation of the report, I ask you and your fellow Cabinet members to work together, in co-operation with our Indigenous partners, to help achieve real and measurable change for Indigenous communities.

Having made significant progress over the past year in implementing our community hubs strategy, I encourage you and your Cabinet colleagues to ensure that the Premier's Special Advisor on Community Hubs and the Community Hubs Secretariat, at the Ministry of Infrastructure, are given the support they need to continue their vital cross-government work aimed at making better use of public properties, encouraging multi-use spaces and helping communities create financially sustainable hub models.

Responsible fiscal management remains an overarching priority for our government — a priority echoed strongly in our 2016 Budget. Thanks to our disciplined approach to the province's finances over the past two years, we are on track to balance the budget next year, in 2017–18, which will also lower the province's debt-to-GDP ratio. Yet this is not the moment to rest on our past accomplishments: it is essential that we work collaboratively across every sector of government to support evidence-based decision-making to ensure

programs and services are effective, efficient and sustainable, in order to balance the budget by 2017–18, maintain balance in 2018–19, and position the province for longer-term fiscal sustainability.

Marathon runners will tell you that an event's halfway mark is an opportunity to reflect on progress made — but they will also tell you that it is the ideal moment to concentrate more intently and to move decisively forward. At this halfway mark of this government's mandate, I encourage you to build on the momentum that we have successfully achieved over the past two years, to work in tandem with your fellow ministers to advance our economic plan and to ensure that Ontario remains a great place to live, work and raise a family.

I look forward to working together with you to build opportunity and prosperity for all Ontarians.

Sincerely,



Kathleen Wynne
Premier

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