



# NEWS RELEASE

## Major tax, labour and energy reforms needed to make Ontario competitive and open for business

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For immediate release

**TORONTO**—Ontario’s new provincial government has pledged to make Ontario “open for business,” but doing so will require significant reforms on taxes, electricity pricing and labour regulation, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“There’s no silver bullet for the wide range of problems facing Ontario, and making the province competitive again will require big changes on many different policy fronts,” said Ben Eisen, Fraser Institute senior fellow for Ontario prosperity studies and editor of *Creating policy calling cards to attract business to Ontario*.

The study, a collection of essays, outlines a number of areas for reform:

- **Cut corporate taxes:** The government could reduce its provincial corporate tax rate from 11.5 per cent to 8 per cent for a combined federal/provincial rate of 23 per cent, making it the 7<sup>th</sup> lowest combined rate among all provinces and states.
- **Cut personal taxes:** The government could introduce a flat provincial personal income tax rate of eight per cent to reduce Ontario’s top combined federal/provincial personal rate—currently the 2<sup>nd</sup> highest in North America at 53.53 per cent—to 41 per cent.
- **Reduce corporate welfare:** Cutting some of the \$4.9 billion in annual business subsidies—as identified by the province’s Financial Accountability Office earlier this year—would reduce overall government spending and free up fiscal room to help pay for tax cuts.
- **Lower hydro costs:** Between 2008 and 2016, electricity costs in Ontario increased 71 per cent—more than double the national average increase. The government could cancel contracts with renewable generators (wind, solar, etc.) under the Green Energy Act—a significant reason for the price increase—and reduce electricity costs for residents and industry.
- **Introduce worker choice laws:** The government could consider worker choice legislation, similar to the right-to-work laws in 28 U.S. states, which according to research, helps attract manufacturing investment, increase employment opportunities and raise average wages for workers.

“Over the past few years, Ontario has made policy choices that have put the province at a disadvantage relative to competing jurisdictions in a number of important areas, be it taxes, electricity prices or labour regulations,” Eisen said.

“To open the province for business again, the new government must consider big, bold changes to regain those advantages—for the benefit of Ontarians, their families, and the province as a whole.”

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### **MEDIA CONTACTS:**

Ben Eisen, Director, Ontario Prosperity Initiative  
Fraser Institute

*To arrange media interviews or for more information, please contact:*

Bryn Weese, Media Relations Specialist  
(604) 688-0221 ext. 589

[bryn.weese@fraserinstitute.org](mailto:bryn.weese@fraserinstitute.org)



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