

[Check Against Delivery]

Thank you Bob, for that kind introduction.

I am so honoured to be speaking here today at the Empire club.

For over 100 years, the Empire club has been bringing together some of the most influential thinkers of our time to debate the issues of the day.

So, when I was invited here to speak about the Ontario economy, I was very flattered to be gracing the same podium that has seen the likes of two of the greatest politicians of the last century Pierre Trudeau and Winston Churchill.

And when I heard that I would be speaking on May the 4th, well I knew my intro joke was basically written for me.

So since we are here on May the 4th, at the Empire club, just as Yoda said to a young Jedi, let me also say to all of you, May the 4th be with you.

And in keeping with the Empire theme, let me quote straight from the movie The Empire Strikes Back, and from Yoda himself referring to Luke Skywalker I think:

“This one a long time have I watched. All his life has he looked away... to the future, to the horizon. Never his mind on where he was.”

Now, I know I don't do Yoda justice, but that quote in some way conveys where Ontario is looking when it comes to our economy

We are never standing still. We are always looking forward.

Always looking for ways to compete in today's fiercely competitive global economy.

In fact, the three pillars of our government's economic strategy reflect exactly that.

We are investing in our people, investing in a modern infrastructure, and building a dynamic business environment.

The good news is: our plan is working.

Not only have we created 524,500 net new jobs since the recession, Ontario remains number one in North America for foreign direct investment for the third straight year.

A testament to the work we are doing to make the right investments in our people is the fact that we have the highest post-secondary school attainment rate in the OECD.

That has helped build one of the most skilled and educated workforces in the world today.

Add that to our efforts to make Ontario an innovation leader and that's a pretty unbeatable combination.

We are also making unprecedented investments in our infrastructure.

Ontario must have modern, reliable infrastructure in order to compete in today's economy.

Ontario workers don't want to spend needless hours on the road away from their families commuting to and from work.

And gridlock is costing Ontario businesses billions of dollars as clogged roads impact our ability to move people and goods around our Province.

It's easy for a politician to talk about infrastructure.

What we need are governments that are willing to make the tough decisions to fund and build that infrastructure.

In the past few weeks, we made some very tough decisions so that our government can build the infrastructure our province and our economy needs to stay competitive.

In all we will invest \$130 billion in transit, roads, bridges and core infrastructure over the next 10 years.

That is a record investment not just for Ontario, but for Canada.

We are able to do that by taking the advice of a business expert- Ed Clark and we are unlocking the value that would have been wasted by retaining 100% Hydro One ownership.

Let me talk for a minute about Ed Clark.

He served as a Deputy Minister in Ottawa and is one of the most respected business leaders in North America today.

Now, during my time in government, I have learned that when you're dealing with complex issues, one of the best things you can do is to get the best possible advice.

And that is what we did with Ed Clark.

But then you also need to have the courage to take that advice.

And sometimes it does take political courage to do what is best.

As you know, in Ontario, we're very fortunate to have a Premier who has that courage, in Premier Kathleen Wynne.

Let me be very upfront about this; broadening ownership in Hydro One hasn't, and it won't be, easy politics.

But the business argument that Ed Clark made is irrefutable.

So we're taking Ed's advice. We're making a smart business decision to maximize the value of Hydro One, and we're investing in building up our infrastructure to make us more competitive.

We all know that Ontario was hit hard by the recession.

I firmly believe that one of the reasons Ontario is outpacing other jurisdictions is that we have built our economic strategy by taking the advice of our business community.

That has enabled us to build a very strong climate for investment and is the reason we are the number one destination for foreign direct investment in North America.

Let me share with you some tangible examples:

As a government, we have been through 12 budgets, and in the lead up to every single one of those budgets, there was a voice from the left saying 'raise corporate taxes, it's the answer to everything.'

And 12 out of 12 times, we have shot that voice down because it is wrong and misguided.

A competitive tax environment is crucial to maintaining our competitive edge when it comes to attracting investment, creating jobs, and growing our economy.

And the fact is, a strong economy is a pre-requisite to a fair society and a great quality of life.

Today, I want to assure you that our government is still very much committed to keeping our competitive advantage as the jurisdiction with the lowest effective corporate tax rates in North America.

So what does that mean to your bottom line?

Well, for example, on average an Ontario company pays a full 13.5 percent less than our American neighbours.

That means real savings for companies. A significant competitive advantage.

And we don't do a good enough job of talking this up both inside and outside Ontario.

We need the world to know that we have that low tax environment.

And so today, I assure you that as long as we are the government, we will not be swayed by those voices from the left.

We will remain committed to ensuring Ontario maintains our competitive tax environment.

We as a government value the advice of the business community and I want you to know that we are listening closely.

For example, we have heard loud and clear from the business community that getting our fiscal house in order is a priority.

So we have taken action and are making great strides in our path to balance.

Ontario's fiscal situation is improving. For the third year in a row we have beat our deficit targets.

And I am proud to say that we are not balancing the books on the backs of businesses and we are not balancing them on the backs of Ontario families either.

What we are doing is making smart fiscal decisions and managing spending growth.

So we're taking your advice and we're tackling our deficit in an aggressive but intelligent way and we will succeed.

Let me share with you another example of how we are effectively working in partnership with our business sector.

Businesses in Ontario have asked for help in growing their exports.

The Ontario Chamber of Commerce has been an effective champion of encouraging companies to think globally.

And so, in partnership with the Ontario Chamber of Commerce, we have developed the Going Global Strategy which will help small and medium sized businesses identify and access global markets.

Through the Jobs and Prosperity Council, we brought together some of the best and brightest from our business sector.

We were told that accelerating the deductions for investments in machinery and equipment was the most effective way to encourage investment and productivity improvements.

We have acted on that and I am pleased to report that this year's budget extended this program for another 10 years.

This will provide \$265 million every three years to encourage investments that will lift up our productivity and make Ontario companies more globally competitive.

Through the Better Business Climate Act, we have also worked closely with the Toronto Region Board of Trade to strengthen Ontario's clusters, which we see as a great competitive advantage.

We thank the Toronto Region Board of Trade for their great leadership in driving forward with our Government on this strategy.

Let me give you another example of our willingness to seek good advice and act on it.

While we have seen \$4 billion in investment in Ontario's auto sector since November and while the sector is experiencing record sales, the fact is, the global auto industry has become increasingly competitive and we need to step up our efforts to retain and attract investment.

I recently sat down with CAPC, a group made up of our entire auto sector, and they unanimously recommended that Ontario consider creating an expert auto advisor.

This will ensure that we have the inner industry intelligence we need to inform our efforts to land future auto mandates.

I'm pleased to say, once again, we are taking the advice of our business partners and I'm looking forward to implementing that advice very soon.

Here's something else that I have heard from our business community.

While they appreciate our efforts to build a competitive economy, sometimes what governments need to do is simply get the heck out of the way.

Our government is working in an unprecedented way to reduce regulatory burden.

To date, we have changed or eliminated 80,000 outdated regulations, and we are on track to save businesses \$100 million by 2016/17.

The Better Business Climate Act also requires our government to report yearly on business burdens.

This was advice that we heard from the Canadian Federation of Independent Business, who responded to our action by raising our province's business rating to a B+, one of the top ratings in the country.

To be honest, when I was in school, if I came home with a B+ my parents always thought that I could do better, and I think here in Ontario, we can do better, too.

Our Open for Business strategy has become a global best practice in reducing unnecessary regulatory burden.

But I think we can do even more.

My assurance to you today is that we are going to expand our open for business strategy with new initiatives that will positively impact businesses here in Toronto and across the province.

Firstly, we are going to look into creating a Red Tape Challenge for Ontario.

This would be modelled after the successful program in the United Kingdom, which features an online forum that invites businesses to engage with their government in a meaningful way on how to reduce regulatory burden.

And let me tell you why I think this is really important.

Much of the time, our work is done with key stakeholders and spokespeople.

This initiative opens up our efforts to all Ontario businesses who wish to engage.

By engaging online, the government is able to source knowledge and feedback from any sector in every corner of the province in an open and transparent way.

It'll take us some time to get this up and running, but this idea really excites me as it's proven to be an extremely valuable program in other jurisdictions.

The second action that we will be taking is something I and others have been thinking about for a long time.

One of our challenges in staying competitive is the fact that we have three levels of governments that often have three layers of regulations.

From inspectors to accountability reporting requirements, businesses tell me that there is plenty of duplication.

The number of contacts that small business people have to make with government sometimes makes me wonder how they even carry on their day to day business.

Politicians have often talked about trying to sort through these inter-governmental regulatory burdens, but until today, I have yet to see a lot of progress made on this.

Well, today, we have a wonderful alignment between a provincial government determined to reduce unnecessary regulatory burden and a new City of Toronto Mayor, John Tory, who shares that passion.

And so today, I am pleased to announce a new proposal to create, for the first time, a joint working group between the Province of Ontario and the City of Toronto to explore, identify, and reduce unnecessary regulatory burden.

This is the start of a new Ontario-Toronto Red Tape Reduction Partnership.

For example, in Ontario, small businesses like dry cleaners are required to report the use of chemicals to all three levels of government.

This requirement adds three times the unnecessary burden to small businesses and this duplicative reporting is exactly the kind of issue this group will be looking at.

We are joined today by Councilor Michael Thompson, Chair of Toronto's Economic Development Committee.

We have had some great discussions with Mayor Tory on this.

I'm looking forward to working with Councilor Thompson and Mayor Tory to tackle and reduce this inter-governmental regulatory burden.

We will also include a representative from the Association of Municipalities of Ontario to work with us and look for ways to extrapolate any lessons we learn right across the province.

Isn't it refreshing to see how challenges can be addressed when you have a Premier and a Mayor and a Province and a City who are able to find ways to work together to build a stronger economy?

As most of you here are well aware, this is my second tour of duty as the Minister of Economic Development.

If there is one thing that I can hope to be remembered for when my time in this role is done, it is that I was a minister who listened to the business community.

Who understood the challenges of competing in a global economy.

And who took every action possible to build the most competitive, business friendly jurisdiction anywhere in North America.

That may be ambitious, but I firmly believe that we have an opportunity to do just that- so let us start today.

My ultimate goal is to make Ontario the easiest place in the world to do business.

According to most economists, Ontario is poised to lead our country in growth over the next few years.

I firmly believe Ontario has the potential to be North America's powerhouse economy.

But to do this, we'll need to continue to work together.

To strengthen and build up our business clusters:

From ICT to Agri-Food

From Clean Tech to Aerospace

From bio-science to financial services

From auto and advanced manufacturing.

All of which we rank in the top two to three in North America.

We'll also need to work together to invest in and mobilize our talent.

Not just our global leading university and college graduates and our skilled workers

But other sectors of talent that are often over-looked, like people with disabilities and our aboriginal communities.

We'll need to work together to have the courage to not only commit to modernizing our infrastructure, but to taking the steps necessary to fund those critical investments.

We'll need to work together to make Ontario the easiest and friendliest place to build a business and invest.

We will aggressively tackle and eliminate unnecessary red tape and regulatory burden and we must maintain our highly competitive corporate tax advantage.

Together we can and we are building a strong globally competitive economy that will serve our aspirations today and that we will be proud to pass on to future generations.

Once again, May the 4th be with you! Thank you.

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