



October 3, 2011

Mr. Tony Elenis  
President and Chief Executive Officer  
Ontario Restaurant Hotel & Motel Association  
8-201-2600 Skymark Avenue  
Mississauga, Ontario  
L4W 5B2

Dear Mr. Elenis:

Thank you very much for your letter on behalf of the Ontario Restaurant Hotel & Motel Association. I am pleased to provide you with the attached response, which outlines the Ontario Liberal Party's position on these issues of key importance.

Ontario Liberals are the only party with a positive plan to move Ontario forward. Together, we got through the recession the Ontario way: we protected education and health care, stood by workers in the hardest hit industries, and worked together to find new opportunities for our province and our families. Our strong leadership, experienced team and thoughtful long-term plan are getting results for Ontario families.

Eight years ago, during the dark days of Conservative cuts and conflict, Ontario was moving backwards. Today, our schools are rated among the world's best, our health care ranks first in Canada, and old jobs are coming back while new jobs are being created in emerging industries like advanced manufacturing and clean energy.

Our plan is working and Ontario is solidly on track. The Hudak PCs would take us off track and put our fragile recovery at risk with their reckless schemes. We need to keep moving forward, together.

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Mr. Elenis, thank you for the opportunity to address the important issues you raised — and please accept my best wishes.

Yours truly,

A handwritten signature in black ink, appearing to read "Dalton McGuinty". The signature is written in a cursive, flowing style with a large initial "D" and "M".

Dalton McGuinty  
Leader of the Ontario Liberal Party  
Premier

Enclosure

## **Response to Ontario Restaurant Hotel & Motel Association**

Tourism:

ORHMA supports:

- Reducing the HST charge on hotel rooms to provide a competitive market price advantage and enable the industry to add a hotel room fee/levy model to promote Ontario destinations.

Working with our tourism partners, we undertook steps to initiate a consultative process on an option for tourism regions to implement a Regional Tourism Levy (RTL). We are committed to continuing to work with the industry on a RTL recognizing that this type of model is an option for the tourism industry to consider for future sustainability and competitiveness.

- The development of a sustainable Tourism Investment Strategy that works for Ontario.

Following extensive consultations with the tourism industry, in February 2009 Ontario Liberals released the final report of the Tourism Competitiveness Study, *Discovering Ontario — A Report on the Future of Tourism*.

Since then we have moved on many of the recommendations in the report, including the creation of tourism regions across Ontario that are industry-led. We supported these regions with a \$188M investment for the years 2010–2013. Going forward we plan continued support for Ontario's Regional Tourism Organizations with \$40 million in on-going annual funding to market local tourism. Ontario's tourism industry is benefiting from a more coordinated regional approach through the creation of Regional Tourism Organizations.

- Implementation of the industry recommendations to stimulate growth contained within the February 2009 Tourism Competitiveness Study.

Ontario Liberals understand that attracting investment in the sector is vital to the success of Ontario's tourism industry. In that context we initiated a study that involved consultations with industry, government and Regional Tourism Organizations to develop a 10-year Tourism Investment Strategy and Implementation Plan. This strategy will be released later this year building on a stronger, more competitive and internationally recognized tourism industry.

## Beverage Alcohol

### ORHMA supports:

- The implementation of a true wholesale pricing regime for liquor licensees, and that the amount of the discount should be at least equivalent to the discounts available to the LCBO's agency store system.

Any changes in wholesale pricing as well as the system of fees and taxes of alcohol would need to be made after extensive consultation with the industry and the public.

## Employer Health Tax

### ORHMA supports:

- An increase to the Employer Health Tax threshold from the current level of \$400,000 to \$1,000,000 to assist business operators offset the burden of year over year increases to the minimum wage since 2004.

Ontario Liberals recognize that small and medium-sized businesses are extremely important contributors to job creation and economic growth across the province. Small business owners, including restaurants, have done a lot of the heavy lifting in getting Ontario's economy back on track in the wake of the global economic downturn. Over the past eight years while in government, we have maintained the Employer Health Tax (EHT) rates at 1999 levels.

Ontario Liberals have done a lot to help small businesses grow and generate jobs. To reduce the administrative burden for small businesses, Ontario parallels the federal GST small supplier threshold. Businesses with sales under the threshold are not required to register and collect HST. Businesses that choose not to register do not have to file a tax return. To support small businesses in the transition to HST, Ontario is providing a total of \$400 million in one-time transition assistance. Most businesses are eligible for an amount of small business transition support based on their taxable revenues, up to a maximum of \$1,000.

The economist Jack Mintz estimates that, by 2020, the tax measures in the 2009 Budget, together with other recent tax changes, will lead to \$47 billion in incremental business investment, higher annual incomes of up to 8.8 per cent, and nearly 600,000 net new jobs. These changes will help small businesses grow and contribute to the job creation happening across the province.

Ontario Liberals are also further reducing the tax rate on small businesses. In 2010, we reduced the rate from 5.5 per cent to 4.5 per cent. Our current platform promises to further reduce the tax rate to 4.0 per cent by 2013.

### Minimum Wage

#### ORHMA supports:

- The establishment of a system to review future increases, based on economic sense and current industry considerations.

Ontario Liberals believe that a fair minimum wage is an important component of our strategy to help workers and businesses compete. That is why we will appoint a minimum wage advisory committee to provide recommended options on how to determine the minimum wage for future years. We look forward to the best advice from this committee.

### Regulatory Burden

#### ORHMA supports:

- A streamlined government-to-business service model — a one-stop-shop — by simplifying the difficult processes that are currently in place preventing operator success.

For the past eight years we have worked hard to create an open and friendly business environment here in Ontario. Our Liberal government made the reduction of regulatory burden a key priority and, so far, we have been able to eliminate over 80,000 regulatory requirements that impact and mean the most to small and medium sized businesses. We have also made it easier for businesses to access government with initiatives such as our one-window approach. Ontario Liberals remain committed to further reducing regulatory burden on Ontario businesses.

Specifically, through our Open for Business (OFB) roundtables with the hospitality industry this summer, including the Ontario Restaurant Hotel & Motel Association (ORHMA), we were able to identify key sector priorities including the development of a more standardized training and inspection for food handling, the development of a code of practice for regulators, and a more cautious approach to the enforcement of Ontario liquor laws.

We look forward to continuing our work with the hospitality industry in making sure that businesses like yours are able to thrive in Ontario.

## Energy Costs

### ORHMA supports:

- Special pricing rules for hotels and restaurants in recognition of the fact that these businesses do not have control over demand and cannot alter their peak times and operating practices.

Ontario businesses need an electricity system that is reliable, modern and well planned. That is why our Liberal government introduced Ontario's Long-Term Energy Plan in November 2010. The plan outlines how we will meet the province's energy needs through 2030, what investments are required and how much those investments will cost. A shift away from conventional carbon-based fuels to cleaner sources of renewable energy is a cornerstone of this plan.

After taking office in 2003, our Liberal government inherited a weak and unreliable energy system with a number of challenges, including: a shortfall in supply, a system reliant on dirty coal-fired generation, lack of conservation programming and little long-term planning. Over the past seven years, our Liberal government has made tremendous progress.

To help Ontario families and businesses manage electricity bills during this period of system re-building, our Liberal government has introduced a number of initiatives, including the Ontario Clean Energy Benefit (OCEB). The OCEB will take 10 per cent of electricity bills for the next five years and it is already helping over 4 million residential consumers and over 400,000 businesses and farms.