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Ontario budget renews small-business grants, announces \$400-million for hard-hit sectors

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The Ontario government is renewing its small-business support grants and providing extra help to sectors hit hardest by the pandemic.

The Ontario budget, tabled Wednesday, included the announcement of a second round of the Ontario Small Business Support Grant. The first round, which came out in January, provided grants of between \$10,000 and \$20,000 to businesses with fewer than 100 employees that had seen revenue decline more than 20 per cent. Unlike federal programs, new businesses are eligible for the grant.

Small businesses that already received money through the first round are automatically eligible for the second for the same amount. The government said more details on payment would be available shortly.

The Ontario government said it has already sent out \$1.7-billion to about 120,000 small businesses through the grant, so the total cost is expected to double to \$3.4-billion once the second payments are made.

The budget also outlined \$400-million in new spending over three years to help the tourism, hospitality and recreation sectors, which have been acutely affected by public-health measures meant to limit the spread of COVID-19. For example, Canadians have been discouraged from travelling to other cities, and restaurants have had to reduce or eliminate capacity for in-person dining.

Tourism and hospitality businesses that were not eligible for the small-business grant can now access a new version of the grant tailored to their sector, which will also provide between \$10,000 and \$20,000. The government said this would affect businesses such as hotels, amusement parks and children's summer camps. The total cost of the grant is budgeted at \$100-million.

The budget also contained the promise of an Ontario Tourism Recovery Program, which would spend \$100-million to help businesses, including tourism operators and attractions, with reopening expenses such as marketing and restructuring. The government said the funds would be available to businesses that were "historically successful," and that it was still finalizing how it would determine that designation. The government provided few details about the program or when it would launch.

The government also reiterated it intended to create a personal tax credit to encourage Ontarians to visit tourist sites within their own province, with a projected cost of \$150-million.

Ryan Mallough, director of Ontario provincial affairs for the Canadian Federation of Independent Business, said his group welcomed the grant renewal, especially the streamlined process for accessing the second payment. He said he hopes the March 31 deadline is extended so businesses have more time to apply.

However, he said the grant was still inaccessible for many businesses, such as dry cleaners, that were not forced to close but still have had big revenue losses.

“For businesses that the Ontario Small Business Support Grant works for, this is showing the program will continue to work for them,” Mr. Mallough said. “Unfortunately, there are still a lot of businesses that have been shut out of this program.”

No new help specific to the food industry was announced, with the budget instead pointing to past measures, such as allowing restaurants and bars to include alcoholic products with takeout orders. The budget did not address a long-time ask from the industry to be allowed to purchase alcohol at wholesale prices. Ontario is one of only two provinces that does not allow it.

“We are disappointed,” said James Rilett, vice-president, Central Canada, for Restaurants Canada. “There was really none of the sector-specific support we were hoping there would be.”

Statistics Canada data from the Labour Force Survey estimated Ontario lost 122,000 jobs in the accommodation and food services sector between February, 2020, and February, 2021. A recent survey from the CFIB suggested business owners in the sector have taken on an average debt of more than \$200,000.

To help Ontarians who have lost employment, the budget announced a new, temporary Ontario Jobs Training Tax Credit, which will provide up to \$2,000 for 50 per cent of eligible education expenses. The government also announced it would spend \$288-million on its Skilled Trades Strategy in the current fiscal year to modernize the apprenticeship system.

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