



Meeting Date: May 7, 2025

Prepared By: Michael Di Lullo, CAO

Submitted by: Michael Di Lullo, CAO

Report No: CAO-12-2025

Subject: Protect Ontario Through Free Trade Within Canada Act

Recommendation:

THAT Report CAO-12-2025 re: Protect Ontario Through Free Trade Within Canada Act be received for information.

Purpose:

The purpose of this report is to advise Council on actions taken by the Ontario government in introducing the [*Protect Ontario Through Free Trade Within Canada Act*](#) (Bill 2) to unlock free trade and labour mobility within Canada. This legislation will, if passed, create new opportunities for job creation and investment attraction, supporting economic integration across Canada and cutting costly and unnecessary red tape to help protect and grow Ontario and Canada's economies.

Background:

Trade barriers within Canada cost the economy up to \$200 billion each year and lower gross domestic product by nearly eight per cent. These barriers also increase the cost of goods and services Ontario families rely on by up to 14.5 per cent, at a time when families are already struggling with increased costs due to tariffs. Ontario is leading the charge to tear down these barriers to unlock Canada's full economic potential.

Ontario is Canada's largest interprovincial trader. With access to more than 41 million customers and purchasing power per capita among the highest in the world, the opportunity for Ontario businesses and workers through increased internal trade needs to be leveraged in an increasingly unstable global market.

Analysis:

Ontario's plan, including the measures in the *Protect Ontario through Free Trade within Canada Act*, will support free trade and mobility across Canada by:

- Becoming the first province in Canada to remove all its party-specific exceptions (PSEs) under the Canadian Free Trade Agreement (CFTA) without exception and encouraging other provinces and territories and the federal government to follow suit.
- Allowing workers from other parts of the country to come and work in Ontario by enabling the government to remove labour mobility barriers, reduce administrative burdens and simplify the movement of certified workers across Canada. By expanding labour mobility with new “As of Right” rules, Ontario will allow certified workers from other provinces and territories to begin working in Ontario immediately while they complete a streamlined registration process.
- Enabling mutual recognition with reciprocating provinces and territories, so that goods, services and registered workers that are good enough for other parts of Canada are recognized as good enough for sale, use or work in Ontario.
- Moving to allow more regulated health professionals in good standing to begin practising in Ontario while they wait for registration in an Ontario health regulatory college and removing restrictions on where they may work using “As of Right” rules. The government will also begin consultations to allow American health professionals, including doctors and nurses, to be included under these new “As of Right” rules.
- Enabling direct-to-consumer alcohol sales with reciprocating provinces and territories so that consumers will be able to purchase alcohol directly from producers across Canada for personal consumption.

Establishing a “Buy Ontario, Buy Canadian” day held annually on the last Friday in June to help consumers support local businesses and workers through programs such as Ontario Made, Ontario Wood, VQA and Foodland Ontario.

Ontario Together Trade Fund

Ontario is also launching the new \$50 million [Ontario Together Trade Fund](#) to help businesses make near-term investments so they can serve more interprovincial customers, develop new markets and re-shore critical supply chains, strengthening Ontario's trade security and diversification.

As part of this effort, Ontario is signing memorandums of understanding (MOUs) with Nova Scotia and New Brunswick that will bolster interprovincial trade. These MOUs will support the reciprocal removal of barriers to trade between Ontario and Nova Scotia and Ontario and New Brunswick by advancing mutual recognition, such that a good, service or registered worker that is acceptable for sale, use or work in one province is

acceptable in the other. Ontario will also work with Nova Scotia and with New Brunswick on a framework for direct-to-consumer alcohol (DTC) sales, so that producers have easier access to new market opportunities, and so that consumers have greater choice and access to a broader selection of alcoholic beverages. This collaboration will enhance economic resilience, create job opportunities and set a precedent for other provinces to follow.

The aim of Bill 2 is to boost interprovincial trade, foster mutual recognition of qualifications across provinces, and accelerate labour mobility. It addresses significant internal barriers, estimated to cost the Canadian economy up to \$200 billion annually.

Financial Implications:

N/A

Strategic Plan:

This matter aligns with following strategic priorities:

- Balanced Growth

The proposed legislation can be a good step forward to diversifying economic trade among and within Canada without being so reliant on the US economy and the tariffs that have been imposed.

Attachments:

N/A