

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-36

**Journal  
des débats  
(Hansard)**

F-36

**Standing Committee on  
Finance and Economic Affairs**

Building a Strong Ontario  
Together Act  
(Budget Measures), 2023

1<sup>st</sup> Session  
43<sup>rd</sup> Parliament

Tuesday 21 November 2023

**Comité permanent  
des finances  
et des affaires économiques**

Loi de 2023 visant à bâtir  
un Ontario fort ensemble  
(mesures budgétaires)

1<sup>re</sup> session  
43<sup>e</sup> législature

Mardi 21 novembre 2023

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Chair: Ernie Hardeman  
Clerk: Vanessa Kattar

Président : Ernie Hardeman  
Greffière : Vanessa Kattar

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# CONTENTS

Tuesday 21 November 2023

Building a Strong Ontario Together Act (Budget Measures), 2023, Bill 146, Mr. Bethlenfalvy / Loi de 2023 visant à bâtir un Ontario fort ensemble (mesures budgétaires), projet de loi 146, M. Bethlenfalvy.....	F-847
Statement by the minister and responses/Déclaration ministérielle et réponses .....	F-847
Hon. Peter Bethlenfalvy	
Mr. Greg Orencsak	
Ontario Road Builders' Association; Residential and Civil Construction Alliance of Ontario .....	F-856
Mr. Walid Abou-Hamde	
Ms. Nadia Todorova	
Canadian Manufacturers and Exporters; Ontario Trucking Association; Ontario Sewer and Watermain Construction Association.....	F-864
Mr. Vincent Caron	
Mr. Stephen Laskowski	
Mr. Patrick McManus	
Canadian Cancer Society; Heart and Stroke Foundation; Federation of Rental-housing Providers of Ontario.....	F-873
Ms. Hillary Buchan-Terrell	
Ms. Lesley James	
Mr. Tony Irwin	
Committee business.....	F-882



LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

Tuesday 21 November 2023

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Mardi 21 novembre 2023

*The committee met at 0900 in room 151.*

**BUILDING A STRONG ONTARIO  
TOGETHER ACT  
(BUDGET MEASURES), 2023  
LOI DE 2023 VISANT À BÂTIR  
UN ONTARIO FORT ENSEMBLE  
(MESURES BUDGÉTAIRES)**

Consideration of the following bill:

Bill 146, An Act to implement Budget measures and to enact and amend various statutes / Projet de loi 146, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

**The Chair (Mr. Ernie Hardeman):** I call the meeting of the Standing Committee on Finance and Economic Affairs to order. We're here meeting today to begin public hearings on Bill 146, An Act to implement Budget measures and to enact and amend various statutes.

**STATEMENT BY THE MINISTER  
AND RESPONSES/DÉCLARATION  
MINISTÉRIELLE ET RÉPONSES**

**The Chair (Mr. Ernie Hardeman):** I will now call on the Honourable Peter Bethlenfalvy, Minister of Finance, as the first witness. Minister, welcome.

Minister, you will have up to 20 minutes for your presentation, followed by 40 minutes of questions from the members of the committee. The questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of five for the independent members of the committee as a group.

With that, Minister, the floor is yours, and before we start, I do want to ask for unanimous consent from the committee to allow more than one person to sit at the table in the presentation. Do we have that from the committee? There we go.

Now the floor is yours, Minister.

**Hon. Peter Bethlenfalvy:** Good. I had to stretch my neck to see you over there, Chair, but it's good to see you.

**The Chair (Mr. Ernie Hardeman):** Well, I just want to point out, Minister, I'm not the important person in the room; you don't have to see me.

**Hon. Peter Bethlenfalvy:** All right—humble, as always.

Thank you, Chair, and thank you, committee members, and good morning. Thank you to the Standing Committee on Finance and Economic Affairs for inviting me to speak this morning on Bill 146, Building a Strong Ontario Together Act (Budget Measures), 2023. To all members of the committee, your hard work is crucial and appreciated, because the approval of proposed legislative and regulatory changes is key to effective governance. The intention of this bill is to continue our government's responsible, targeted approach that will help get Ontario through the uncertainties of today and build critical infrastructure and communities across the province while laying a strong fiscal foundation for future generations.

As the members of the committee may well know, Ontario is seeing significant growth. L'Ontario connaît une croissance considérable. Nearly 500,000 more people came to the province last year, a population growth that puts us at 15.6 million, and 4,400 more businesses operate in our province today compared to last year.

Our population is growing, jobs are being created and companies are choosing Ontario as a place to do business. But we cannot take this good news for granted. This is because the world today is marked by rising geopolitical and global economic uncertainty. Now more than ever, it is important to remain fiscally disciplined, responsible and flexible so that we can emerge from these uncertainties stronger than before. We must continue with our plan to build a strong Ontario, and we must do it together.

This plan is guided by two key pillars: building Ontario and working for you. Underscoring these pillars is our government's prudent and responsible fiscal plan that includes a path to balancing the budget. I can say we are focused on responsibly eliminating Ontario's deficit while delivering on the priorities of the people and businesses and workers of Ontario.

Due to a slowing impact from the economy, which impacts our revenues, an increased need for flexibility is required to respond to our risks, and so our government is now projecting a \$5.6-billion deficit for 2023-24. We're maintaining a path to balance and following a projected \$5.3-billion deficit in 2024-25, and our government is forecasting a surplus of half a billion dollars in 2025-26.

As we have since day one, we will continue to be transparent with the people of Ontario about the fiscal outlook of the province. As you know, Chair, every 90 days, I'm out before the people of Ontario to provide an update on our finances. And we have received six clean, unqualified opinions from Ontario's Auditor General.

As we deal with the uncertainty ahead, our government will never hesitate to do what is necessary to support the people, workers and businesses of Ontario.

Devant l'incertitude qui plane sur l'avenir, notre gouvernement n'hésitera jamais à faire le nécessaire pour soutenir la population, les travailleuses et les travailleurs, et les entreprises de l'Ontario.

Our plan to build includes building the critical infrastructure we need to support communities across the province. This means building hospitals, building long-term-care homes, building schools, building child care spaces, building highways, building roads, building transit and building subways.

Ontario's population is now over 15 million; it's 15.6 million now. We have hundreds of thousands of people a year coming to our great province. Again, this growth is good news. To accommodate this growth, we need to continue to build. We are delivering on our \$185-billion capital plan, our historic capital plan, and, dare I say, the most ambitious capital plan in the country. However, our government inherited an infrastructure deficit, and this growth is adding more strain to existing aging infrastructure. We need to build, and we need to build even more.

But Ontario taxpayers alone cannot shoulder the costs. That is why we're launching the Ontario Infrastructure Bank. Modelled on similar institutions in jurisdictions around the world, the Ontario Infrastructure Bank will attract pension plans and other trusted institutional investors to help finance essential infrastructure that would otherwise not get built, or not get built as fast. The bank will focus on large-scale infrastructure projects that will build long-term-care homes, affordable housing and major infrastructure in the municipal, community, energy and transportation sectors. This will give the world-class pension funds that call Canada home, such as the Maple Eight, the opportunity they've been looking for to invest workers' savings right here in Ontario.

While we build the infrastructure Ontario so desperately needs, we also need to build a stronger, more prosperous economy.

En bâtissant l'infrastructure dont l'Ontario a tant besoin, nous bâtissons également une économie plus forte et plus prospère.

For far too long, the previous government failed to seize Ontario's critical minerals opportunity, despite the value these minerals can bring to the province. Key to us building the economy of the future is unlocking northern Ontario's critical minerals. Unlocking these minerals will help bring investments and better jobs, and bigger paycheques, to Ontario.

This is why our government has committed close to \$1 billion to support critical legacy infrastructure in the Far North. By "infrastructure," I mean all-season roads, broadband connectivity and community supports in the Ring of Fire region. All of this is needed to keep moving us forward as one of the most promising mineral deposits in Canada. These deposits will play a critical role in

batteries, electronics, electric vehicles and clean technology. These are the building blocks of tomorrow.

This is why we amended the Mining Act earlier this year to help ensure Ontario has a modern and competitive regime for mineral exploration and development. And it is why, with this bill, we are proposing amendments to extend the Ontario Focused Flow-Through Share Tax Credit for expenses related to minerals considered critical minerals under the federal Income Tax Act.

These critical mineral resources in the north need to be, and are being, connected to our world-class manufacturing sector in southern Ontario. So we must continue to grow the province's manufacturing sector and create the conditions necessary to attract new investments.

The previous Liberal government decimated manufacturing in Ontario. Between 2004 and 2018, Ontario's manufacturing sector saw a decline in employment of over 300,000 workers. Since we were elected in 2018, we have attracted billions of dollars worth of new investments in automotive and clean steel manufacturing. In three years alone, we have attracted over \$26 billion in electric vehicle and battery manufacturing-related investments.

Our government has done this through many new measures. We're continuing to cut red tape and are now saving businesses \$567 million in annual regulatory compliance costs. Our government is setting Ontario up to a more prosperous, more productive future. While we continue to maintain important Ontario regulations that protect people's health, safety and the environment in the province, we will continue on this path.

For example, earlier in the year, we implemented the Ontario Made Manufacturing Investment Tax Credit. This new credit is helping local manufacturing companies invest and expand so more of the products of the future are made right here at home in Ontario. By continuing to attract electric vehicle supply chain investments to the province, we are making Ontario a leading jurisdiction to build the cars of the future.

En continuant d'attirer dans la province des investissements dans la chaîne d'approvisionnement des véhicules électriques, nous faisons de l'Ontario un territoire de premier plan pour la fabrication des voitures de l'avenir.

#### 0910

We're also helping make Ontario a global producer of clean steel. We are continuing to find ways to keep Ontario competitive. This is why our government is working with partners to have shovel-ready sites available for the new large manufacturing projects. These investments in critical minerals and manufacturing are also enabling the province through its clean energy advantage.

Companies in various sectors are looking to invest in jurisdictions that can help them achieve their goals as they relate to environmental, social and governance policies, and Ontario is well positioned to leverage our clean energy advantage to help companies achieve these ESG goals and help boost our competitiveness. It is why we launched the voluntary clean energy registry.

I will also add: We are supporting the continued safe operation of the Pickering Nuclear Generating Station, and

we are leading in record battery procurements, with the largest battery storage project in Canada being built right here in Ontario. Called the Oneida Energy Storage Project, it is being developed with our partners Six Nations of the Grand River Development Corp., Northland Power, NRStor and Aecon Group, and is located in Jarvis, Ontario.

At the same time, to help create jobs and economic growth, we are keeping electricity costs down for businesses. Our government will continue to strengthen Ontario's competitiveness and make our province the best place in the world to do business.

As we grow our economy, we need to keep people and goods moving across the province. That is why we're building highways, transit and infrastructure projects.

Nous bâtissons des routes et nous réalisons des projets de transport en commun et d'infrastructure.

We're building the Bradford Bypass, Highway 413 through Brampton and the Ontario Line in Toronto. We're enabling the future widening of the 401 from Brock Road in Durham region on, and we're investing in more transit in the north with the Northlander. These investments will help people get to where they need to be faster so that they spend more time with their family and loved ones instead of being stuck in gridlock.

The people of the province can know we are working for them. Everywhere, we are working for our families, working for workers, working for students and working for seniors. And we know the challenges. As we help create jobs across the province, we still face a persistent labour shortage in key sectors—health care and construction especially.

This is why we are investing an additional \$75 million over the next three years in our Skills Development Fund, and also providing an additional \$224 million to leverage private sector expertise and expand training centres and union-led training halls so we can help prepare skilled workers not only for the jobs of today, but for the jobs of tomorrow.

Now, we know that the Bank of Canada's rapid interest rate increases and inflation have increased pressure on household budgets. That is why our government didn't wait to act when the cost of living began to rise. We took early action to keep costs down for the people of Ontario. We eliminated licence plate renewal fees and licence plate stickers, and we refunded the past two years of fees for eligible vehicles, saving the average household over \$600 thus far. We are also eliminating double fares for commuters transferring from GO Transit to local transit systems in the greater Toronto area, saving transit riders up to \$1,600 a year.

We increased the minimum wage by 6.8% in October of 2023, and because of the low-income individuals tax credit, Ontario has some of the lowest personal-income-tax rates in the land for low-income workers. We're also providing an estimated \$115-million tax credit through the Ontario Seniors Care at Home Tax Credit this year to over 200,000 low- to moderate-income senior families with

eligible medical expenses. And, as many people know, we temporarily cut the gas tax and the fuel tax rates.

But inflation remains high, and people and businesses continue to feel the pressure. Just this morning, Canada released its CPI, and the core inflation is at 3.4%, and the headline inflation, I believe, is 3.1%. So while progress is being made, it's still very high for many people in Canada and particularly here in Ontario.

While businesses and people are feeling the pressure, especially as the federal government's carbon tax continues to make everyday essentials more expensive, passing this bill to extend the gas and fuel tax rate cuts to June 30, 2024, will help many people across the province. If passed, this would see savings to households of \$260 on average since the tax rate cuts were first introduced.

Despite this uncertainty facing the world today, I'm confident in the future of Ontario. I'm confident in the economy, I'm confident in its workers and I'm confident in its people.

Malgré l'incertitude qui règne actuellement dans le monde, j'ai confiance en l'avenir de l'Ontario, en son économie, en ses travailleuses et travailleurs, et en sa population.

We've seen before what Ontario can do to accomplish things when we come together. We can overcome any obstacle in our way. It's a good thing that we have people who want to come to this great province. It's a good thing that people want to stay in this province and raise families and have good jobs and feel safe. But we have a responsibility to the people here, to the people who want to come here, to make sure that we invest in the critical infrastructure to support them as they come, as they need a house and roof over their heads, as they need to take their children to school, and to build those schools, to build the health care system, the hospitals, the long-term care, the broadband, the highways, the subways to move people and to get cars off the road, the infrastructure to go get our critical minerals.

President Joe Biden has been up here saying he really envies our critical mineral footprint. We've got to build the infrastructure, and we have to support people. We have to support workers. We have to support families. We have to support businesses as we grow Ontario together.

I will point out that we are one of the fastest jurisdictions in terms of population growth in all of North America—faster in percentage terms and absolute terms than the two fastest-growing comparable states in the United States, Florida and Texas.

Ontario is leading the way. By passing this bill, we can build a strong Ontario together. It can be all of our legacy to make sure that we make the necessary investments.

Thank you again to this committee, and I'd be happy to take any questions from its members.

**The Chair (Mr. Ernie Hardeman):** Thank you very much, Minister, for the presentation.

We will now start the rounds of questions with the official opposition, and again we point out it's seven and a half minutes. At the one-minute mark, we will give the signal that that will be the end of it.

With that, MPP Fife.

**Ms. Catherine Fife:** Thank you, Minister and Deputy Minister, for being here. I know it's one of your favourite things to do, to come to this committee. The fall economic statement—we've been very clear that we feel like it missed the moment and didn't recognize some of the key issues that Ontarians are facing, and there are a number of examples.

I want to start with—and I'm not sure if you were in the House last week when I asked the question about the wait-list for mammograms and for diagnostic tests. In the fall economic statement, the government has lowered the age where you can self-refer for a mammogram. Currently in the province of Ontario—and this is 2021 numbers; they've actually grown—there are almost 300,000 people waiting. There's a backlog of 300,000 women waiting for mammograms. I hope that we can agree that this is an important diagnostic test that actually can save lives if you catch cancer earlier.

Following Bill 60, though, we also know that there was a huge interest in these independent health facilities for diagnostic tests. I know the government put out a call for applications, and many health care businesses across Ontario applied for licences to deliver these mammograms. There is now a long-standing shortage of technicians in Ontario. It's hard to recruit them into these clinics, especially the publicly funded hospital clinics. It's really hard to retain them in those positions, and so the wait-list has just continued to grow and grow. We're hearing these stories as MPPs, of course.

**0920**

I wanted to ask you, when you were proposing and costing out lowering the referral age to 40, did you take into account the fact that the wait-lists are actually going to continue to grow or that these independent health facilities are going to be charging the government three to four times as much for a test? Essentially, as I see it, the government has created a massive customer base for these independent health facilities. Do you still see that as part of the solution when the publicly funded system and diagnostic system is so underfunded?

**Hon. Peter Bethlenfalvy:** Thank you for the question. I completely agree that one person is too many to be on a wait-list for a mammogram. Whether it's breast cancer or a range of surgeries or screening, our number one objective is to reduce that wait-list, to get people timely health care coverage.

In terms of the particular program that you're referring to, I think, number one—and I'll let the deputy answer some more specific questions—the overriding objective is to move forward, obviously lower the screening age and to provide the funding through OHIP to do that. The independent health facilities: The staffing that you're mentioning is something that we've been very focused on, even before COVID. As you know, the previous government let go 1,600 nurses. So we're really building that health care system.

As I mentioned in my opening remarks, it's not just for the people who are already here but all the people who

want to come here. This is one of our top priorities, and we're going to continue to be focused on it.

**Ms. Catherine Fife:** So, as the finance minister for Ontario, when you were looking at this expansion of this program, did you not cost out these two avenues? Because there's one way to address the long wait-list, and that's to properly fund the publicly funded hospitals and clinics versus having this loophole, if you will, whereby women will seek these private clinics and diagnostic tests, which is actually going to cost the province of Ontario more money. Did you look at the numbers? Because it's going to be almost three to four times as much to address this health care.

**Hon. Peter Bethlenfalvy:** I looked at it from preventative health care, helping to save lives. That's the start, when you look at these types of policies—

**Ms. Catherine Fife:** Well, isn't the smartest investment, Minister, just to invest as you should in the publicly funded diagnostic tests?

**Hon. Peter Bethlenfalvy:** This is all publicly funded, as you know.

**Ms. Catherine Fife:** No. Well, actually, the clinics will be able to charge, and they actually will charge more for the same service. The same mammogram in an independent health facility is charged three to four times as much to the government than it is in a publicly funded clinic.

For the life of me, I don't understand why the government is so intent on undermining one system to benefit another system, another private system. How is that fiscally responsible, at the end of the day?

**Hon. Peter Bethlenfalvy:** Well, it's very responsible, and if you talk to the people in the health care system, they're very supportive of this, because it's putting patients first.

**Ms. Catherine Fife:** No, actually—

**Hon. Peter Bethlenfalvy:** It's putting patients first. No, I would suggest that—

**Ms. Catherine Fife:** I'm sorry, but the competition—

**Hon. Peter Bethlenfalvy:** Am I allowed to answer the question, Chair?

**Ms. Catherine Fife:** Please go ahead.

**The Chair (Mr. Ernie Hardeman):** One at a time.

**Ms. Catherine Fife:** The one system is incredibly expensive and goes against everything that we believe in access to public health care, and then the one that you are underfunding is the system that we should be truly investing in.

One of the women who reached out to me, who's waiting eight months even though the recommendation is that she have a mammogram within two months—she said she's scared. She's actually contemplating trying to bypass a line and pay for a service in Ontario, because that's how scared she is.

Did you cost out lowering the self-referral age to age 40? Where will those women go if the public system is not ready for them or not funded for them?

**Hon. Peter Bethlenfalvy:** Any initiative that we do, we have an estimate on the costs.



I'll pass it to the deputy minister—but I wish you were at the press conference when we announced this at Princess Margaret and talked to a number of the people that this impacted, including the health care workers, the providers, the patients—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Hon. Peter Bethlenfalvy:** And the significant—I mean, there were tears.

So our number one priority, MPP Fife, is to help people get faster delivery of life-altering diagnostics, and also hip surgeries and cataract surgeries. It's working, and we're bringing the numbers down.

**Ms. Catherine Fife:** My fear, Minister, is that you just delivered a massive customer base of primarily women, who are scared and should have access to timely mammograms. You've just delivered this customer base to independent health facilities in Ontario, and I and the official opposition take great exception to that.

I'll pass it on.

**The Chair (Mr. Ernie Hardeman):** We will now go to the independent. MPP Bowman.

**Ms. Stephanie Bowman:** Thank you to the minister and the deputy for being here as well today.

Minister, you talked about doing everything you can to support workers. I'm wondering if you could touch briefly on the impact of Bill 124, the \$2.5-billion expense that was taken in the recent financial statements and the impact of that on the current fiscal outlook—what the impact of that will be to the bottom line and what that means for the contingency fund going forward. For example, we have a recent labour settlement with OSBCU education workers. So I'm wondering what kind of impact you expect that to have.

**Hon. Peter Bethlenfalvy:** Thanks for the question. First off, as you know, it's still before the courts, so I'll limit my comments on it. What I will say is that we continue to always look for a fair deal between the hard-working people of Ontario and the taxpayer. We've been able to successfully land a number of negotiations and keep labour workday losses to a minimum. We'll always put the taxpayers' and the workers' priorities first.

In terms of the fiscal impact of it, I'll move to the deputy.

**Mr. Greg Orencsak:** For sure. Thank you, Minister, and thank you for the question—and it's Greg Orencsak, Deputy Minister of Finance, for Hansard.

I think what you're asking about is the \$2.5 billion that was booked in 2022-23. According to the public sector accounting standards, that relates to the liability associated with reopeners, so those are not forward-looking costs; those are backward-looking costs. Those are likely to be one-time costs that were recognized in 2022-23.

**Ms. Stephanie Bowman:** And what about the future potential impacts with other workers affected? Because I think that the \$2.5 billion was only a portion.

**Mr. Greg Orencsak:** That relates to the portion associated with workers whose wages are consolidated in the province's financial statements, like education workers, teachers and hospitals. Future settlements, as it

relates to upcoming collective labour negotiations, would be funded out of the government's fiscal plan on a go-forward basis. There is funding included both in terms of the allocations that are provided to ministries as well as any adjustments that may be required for the year as part of the contingency fund. That's what we report out on every quarter in terms of how those contingencies are being used, pending the outcome of future negotiations.

**Ms. Stephanie Bowman:** Okay. Thank you.

Minister, I know you talked about the fiscal challenges, the economic uncertainty, global uncertainty, that certainly the world and specifically Ontario is facing, and yet this fall economic statement did not mention the word "affordability" at all. The main new measure in this document is the creation of an infrastructure bank. I'll quote Brian Lewis from the Munk School here, who says that Ontario doesn't really have a problem getting financing; they have a problem getting projects done.

As you know, in my riding, the Eglinton Crosstown has been going on for many years. It's now at least \$1 billion over budget, with no new date, no anticipated announcement of when we will get a date, so continuing—the clock is ticking, and the funds, presumably, are continuing to leave the public coffers. And so I'm wondering if you could talk a little bit about the infrastructure bank and what kind of entities you anticipate that pension funds—what will they be investing in through this infrastructure bank?

**0930**

**Hon. Peter Bethlenfalvy:** Well, thank you again for the question. Maybe I'll just address the affordability first and then the infrastructure bank.

I'm sure, as the member knows, the word "affordable" shows up over a dozen times—not just in this document. Just do a word search in this document. Look in budget 2022. Look in budget 2023—dozens and dozens of times. Not only that, the member would know very clearly—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Hon. Peter Bethlenfalvy:** —that we moved very early to address affordability. As I mentioned, inflation is at a 3.1% headline this morning. It's coming down, but it's still hurting a lot of Ontarians. That's why moving early really was the right thing to do.

In terms of the infrastructure bank, we've seen around the world—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time. We'll get the rest on the next round.

We go to MPP Crawford.

**Mr. Stephen Crawford:** Good morning, Minister and Deputy Minister. It's great to see you here.

I also wanted to follow up with a question on affordability. Like you, I saw that word in there many times, so I'm not quite sure what the member opposite is referring to, but I want to refer specifically to the gas tax, and the gas tax cut, in particular.

We know that the federal government has brought in an ever-increasing carbon tax, which is hurting consumers, businesses and families across this country. We're seeing protests even from within the federal Liberal party them-

selves fighting against this, because people simply can't afford the increased costs associated with this very punitive tax.

On the provincial side here, while we can't control what the government does, I know you've put and our government has put pressure on the federal government to try and make these changes. On the provincial side, in terms of what we are able to control, could you highlight who is going to benefit from the gas tax cuts that have been proposed to be extended in the fall economic statement? How is that going to affect families, all through the entire supply chain, the businesses and the province, and even inflation? Could you touch on that?

**Hon. Peter Bethlenfalvy:** Yes. Thank you very much for that question.

When we announced the gas tax cut of 5.7 cents a litre back in the spring of 2022 and 5.3 cents a litre for fuel, combined with the measures that we had taken earlier, it added up to 10 cents a litre. Ten cents a litre makes a difference for many people who have to take their children to school, get to work. Not everyone can take a subway. By the way, we're building four subways at the same time. No other government has done that, certainly not in the last 100 years. So that's point number one.

Point number two is that it also impacts the people that use energy inputs into the cost of production. I'll use the farmers specifically—the farmers who are growing the food here in Ontario, the truckers who are shipping it, the distributors who are selling it to us. It flows right through the economy. So having that measure and moving early, in the spring of 2022, has made a significant impact on the day-to-day costs for many people. But we didn't stop there.

Before I go to the other measures that we've taken, you're absolutely right: The federal government can do their part, and they've now announced, as we all know, in Atlantic Canada—the caucus driving the Prime Minister to waive the home heating oil carbon tax. It disadvantages a lot of people across Canada who don't heat with oil, who heat with other forms of energy. So we're doing our part; we're asking the federal government to do their part.

With regard to other measures, as you know, we moved early to do something that no other government has done, and that is to index ODSP payments to inflation to give them more support in this challenging time, including the one-time 5% increase. That indexing to inflation allowed for an adjustment of over 6.5% in July of this year. Combined in the last year, ODSP payments have gone up almost 12%. And we moved even further to increase the earning exemption from \$200 to \$1,000 so that, without losing any benefit, the people who can, who want to work, who are on ODSP, can put more money in their pockets.

These are the types of measures we've been taking. We took them early—things like the gas tax. We're doing our part in Ontario. We'd like the federal government to do their part.

**Mr. Stephen Crawford:** I appreciate that. Thank you, Minister.

I'd like to just ask one more question. Moving to northern Ontario, critical minerals and the Ring of Fire,

the critical minerals we have here in Ontario are really not seen in any other country in the world, and it's critically important for the EV manufacturing components etc. We need to develop that. We need to develop that to help the northern communities, to help the Indigenous communities and to secure a safe supply chain for industry throughout the Western world. Could you just touch on what our government is doing in the fall economic statement as it pertains to critical investments and development in northern Ontario?

**Hon. Peter Bethlenfalvy:** Thanks again—a very, very important question. I would submit that Ontario has lost its way over the past few decades in terms of being a leader in global mining. We lost some of the great Canadian champions, like Inco, Falconbridge, Noranda mines, Alcan—all gone. And yet we have a tremendous history here in this great province and country of ethically, reliably and responsibly mining. I'll put our country up against any other country.

But we have a challenge because we need infrastructure built. You can't access these mines—and they're all there. The process to permitting and getting shovels in the ground and actually executing—we're one of the slowest jurisdictions on the planet. So we have to fix the process, we have to fix the access, because the exploration of those minerals is there.

And you're absolutely right: A lot of these critical minerals are mined in China. Cobalt: 75% comes from the Congo. We have a town in Ontario called Cobalt. We have the minerals right here. And when President Biden comes to Canada and says, "We want a safe, secure supply chain in North America, and you've got them," not only do we want to dig them here and regain our place as being a mining giant in the world; we also want to process them here. We don't want to dig and ship. That's part of the value chain, and it goes even beyond just safety of supply and security of supply—the great jobs that that will open up in the north. I'm glad you mentioned the Ring of Fire, because the First Nations are leading the environmental assessment and the terms to build that infrastructure access. They are supportive—two, specifically. So we're doing it in a partnership way.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Hon. Peter Bethlenfalvy:** Again, we need the federal government to support building that infrastructure.

And let me remind people: What we're talking about is road access and the supports. We're talking about a fraction of a fraction of a fraction of the space in northern Ontario. The vastness of northern Ontario is immense; you can fit many countries into northern Ontario.

So I put up our people and our process against any ethically, reliably, responsibly mined infrastructure in the world. We just have to get the job done.

**The Chair (Mr. Ernie Hardeman):** Twenty-seven seconds. MPP Byers.

**Mr. Rick Byers:** Maybe I'll just rag the puck. For next round, I wanted to talk about the infrastructure bank. I'm so excited to see this important announcement in the fall economic statement. You referred to the Maple Eight. As someone who spent over seven years at one of the Maple

Eight and their infrastructure division, I've seen first-hand how this model could work—

**The Chair (Mr. Ernie Hardeman):** You were right when you started.

Next round: MPP Fife.

**Ms. Catherine Fife:** Actually, I'm going to continue on the infrastructure bank, because I think that the timing of this being included in the fall economic statement is very curious. It was offered as a shiny bauble and a solution to funding some infrastructure projects: nuclear, long-term care in Ontario.

I do want to say your federal cousins have been very vocal about how they feel about Trudeau's infrastructure bank. They've called it a "boondoggle" and a "complete failure." You, Minister, and your ministry seem to have modelled the Ontario Infrastructure Bank in a very similar manner as the federal one. That's concerning for us, because even the press release from your federal Conservative cousin says, "What's worse is that there has been no transparency" with the infrastructure bank, and "that's unacceptable for a taxpayer-funded bank."

I don't know how these conversations happened at cabinet around this infrastructure idea, but did nobody say, "Listen, we're being investigated criminally by the RCMP. Is this the best time to start a bank?" Was this part of the discourse?

0940

The other concern that we have is, I know that you've been hoarding some pension funds for the infrastructure bank. Some of those pension plans have sort of been circling around and trying to determine whether or not this is someplace that they want to go. But, federally, it should be noted that the large pension funds, the big players, would not go near the federal infrastructure bank. One is that the opportunities are few and too small, and, quite honestly, they're wary of politics, right?

There seems to be a pretty serious disconnect for us: What is the Ontario Infrastructure Bank solving? What is the problem that it's solving? And can you acknowledge they being in government right now and having a criminal investigation by the RCMP is possibly not the best time for Ontario to enter into a new funding mechanism like the Ontario Infrastructure Bank?

**Hon. Peter Bethlenfalvy:** Well, thank you for the question. Many say, "Are you trying to change the channel?" No, I'm staying on the channel. The Premier and all my colleagues are staying on the same channel. That channel is "build Ontario."

We have an infrastructure deficit, to start with. We didn't have enough hospitals. We don't have enough roads. We certainly don't have enough subways, broadband—didn't have enough of that—or long-term care facilities. We inherited a 40,000-person waiting list. In my own riding, zero beds were built from 2011 to 2019—unacceptable—

**Ms. Catherine Fife:** But you have the money. Why are you shopping Ontario out there when you have \$5.4 billion in an unallocated contingency fund? You're actually creating more red tape and more barriers to actually

funding those infrastructure projects, and the investigation into some of the pension funds should be concerning, I think, for the government.

**Hon. Peter Bethlenfalvy:** Well, I'd encourage the member to go and meet with the insurance companies, the pension funds, the banks, the labour unions, the municipalities, the universities and the colleges who are all highly supportive of our initiative here.

You know, you've mentioned the Canadian Infrastructure Bank. I guess the member is against the \$30 billion of capital that has been deployed with the Canadian Infrastructure Bank's \$10 billion and another \$20 billion from institutional investors in other orders of government. That's building \$30 billion. That's what we're doing. We're using another mechanism to fund the absolute necessity of infrastructure build.

When you have a million people come over the last two years, it would be an abrogation of our responsibility if we didn't do something about this—

**Ms. Catherine Fife:** Well, you can do—you can invest in infrastructure. You absolutely can.

Honestly, your enthusiasm is quite surprising to me, because the big players are looking at Ontario right now and they're expecting the RCMP to fully investigate the greenbelt scandal. I don't think a smart investor would go anywhere near Ontario right now to enter a partnership, if you will, on investing in infrastructure.

And your federal cousins: It's interesting to hear you talk with such enthusiasm about Trudeau's infrastructure bank, because it has not been the funding mechanism—that dream is not alive and well at that level, and even your federal counterparts, if they win the next election, are going to scrap it. They are on the record as saying that, so this genuinely did surprise me. I have to say, after 11 years, it's really hard to get surprised around here.

But I'm going to pass it on to my colleague Terence Kernaghan.

**The Chair (Mr. Ernie Hardeman):** MPP Kernaghan.

**Mr. Terence Kernaghan:** Thank you, Chair, and thank you, Minister, for being here today.

In the interest of transparency and accountability, we agree on the side of the official opposition that the government's expenditures should be as effective as possible, but it took an FOI to reveal how much Ontario gives to private clinics. That's less than transparent and far less accountable when you crunch the numbers.

I would like to quote the London Health Coalition, who state, "Ford has a two-for-one deal at private clinics where taxpayers pay for two and get one," and "We can clear the backlog twice as fast in the public system with the same amount of money" much more safely. In some cases, Minister, the government is actually spending four times as much for private, investor-driven clinics than they are paying toward the publicly delivered and publicly funded system, which prioritizes care—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Terence Kernaghan:** —not profit and investor return.

But, specifically, I want to ask about the contingency fund. Typically, the fund sits at \$1 billion. The FES increases it by \$2.5 billion halfway through the budget year, and it now sits at \$5.4 billion, \$4.4 billion above the normal level. Why would the government need to increase the contingency fund at this time, and what are the plans for that fund itself?

**Hon. Peter Bethlenfalvy:** Thank you very much for those important questions. I'll address your contingency fund question.

You know, I'm a business guy. I spent 30-plus years in the private sector, and, I don't know, maybe your crystal ball is better than mine, but as a good business manager, you don't have absolute precision around how you're going to forecast your businesses, so you always build—that's what equity does, because that's your equity in a business. I think it's only prudent—

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your time.

The next question goes to the independents. MPP Bowman.

**Ms. Stephanie Bowman:** Just coming back to the infrastructure bank: I know the minister knows that pension funds already invest in Ontario. They do that by holding bonds. So what kind of investments will the infrastructure bank offer to private investors? Will they be private, for-profit investments in our public services?

**Hon. Peter Bethlenfalvy:** I'm so glad you came back to the infrastructure bank, because I do want to talk about that. When I travel the world selling Ontario and the bonds that we sell—now there are fewer and fewer bonds to sell, because we've reduced the deficit—they look at Canada, and Ontario particularly, as one of the safest, most stable jurisdictions in the world. So they don't view us as anything other than good stewards of the public purse and a good, stable, free democracy.

Now, in terms of the types of investments, these pension funds—yes, they're investing in other jurisdictions around the world. And we can raise bonds right around the planet, but infrastructure is where our need is right now, and so our specific focus on areas such as energy—the member opposite mentioned energy before. You know, it's not just power generation, it's also transmission and storage—

**Ms. Stephanie Bowman:** Chair, sorry. I need to give the rest of my time to another independent member.

Minister, I'm going to take that as no answer on whether or not these will be for-profits. Thank you.

**The Chair (Mr. Ernie Hardeman):** MPP Hazell.

**MPP Andrea Hazell:** Minister, Deputy, thank you for being here, and everyone. Good morning.

I want to address the young people of Ontario; I've got three, and, when I look at the prosperity in Ontario when I first came here, they're moving through some very challenging times. I'm worried that they're not getting looked after by this government. And so, where I'm going with this is, we've asked them what to do to become great young adults in this country—they are our now and future leaders—and so for some of those, they have to have

OSAP to finish their post-secondary studies. Now they're paying for rent, they're paying for OSAP, they're not getting a break there, and then they are now—and the grocery bill, with all of us. How are our young people going to survive through this affordability crisis? What I'm worried about is, I think your ministry is projecting that unemployment will rise by almost 1% in a year's time, and so what measures are taken to provide relief for this group?

Also, I want to add very quickly that putting that money back into people's pockets by extending the current gas and fuel tax rate cuts through to the June 30 extension—that's not helping a lot of our young people. So have you given any thought to these young people? Because I don't see anything in the fall economic statement.

**Hon. Peter Bethlenfalvy:** Thank you very much for the question. I also have three children. I think we all do this because we want to pass on a better province than we have. We want to continue. Our legacy is to provide them with a brighter future, and we have a great province.

**0950**

But I would say a couple of things. First off, fiscally, it's very important that we're fiscally responsible with the taxpayer money because higher debts and deficits means higher taxes and a lower standard of living for the next generation. That's number one.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Hon. Peter Bethlenfalvy:** Number two, economic prosperity: We need to have good jobs and big paycheques for our children—the opportunities. That's why we start earlier with the curriculum offering things like the skilled trades, health credits in grade 11 and 12 through the Dual Credit Program, early educators dual credit program, apprenticeship programs. Investing our education is critical.

In terms of affordability, you asked a lot of things, but one would be the fare integration. So if they're not driving and getting the gas tax relief of 10 cents, they're able to have the integrated fare in the GTHA catchment area, as one example of providing some affordability measure. There are lots of things we're doing.

And then, finally, on housing: I think that's the biggest challenge of our time, and our fall economic statement, as you know, is proposing taking off the HST for purpose-built rental construction in Ontario. I've talked to a lot of builders who say—

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We now go to MPP Byers.

**Mr. Rick Byers:** Yes, just a brief follow-up, Minister: I'm excited about the infrastructure bank—I want to be clear—and also I love the fact that the government has a long-term, 10-year infrastructure horizon, which you need. These are long-term projects and these are long-term assets that need long-term perspectives.

Just briefly—and I'll pass it to MPP Dowie—you've received, it sounds like, positive commentary from some of the potential partners for the infrastructure bank. I would be interested in whatever you were able to offer

about how the marketplace is reacting to this exciting announcement by the province.

**Hon. Peter Bethlenfalvy:** Yes, thank you. I share your excitement. I'm confident we can get the member from Waterloo to be excited too.

**Ms. Catherine Fife:** I don't think so.

**Hon. Peter Bethlenfalvy:** We'll continue to work on that.

I would say a couple of things. First off, we have to set up the governance model, so getting the inaugural board place. This is going to be an arm's-length independent agency, so setting up the governance, the terms of reference, the independence—the plumbing, if you will—is critically important, and we're going to move very quickly on that.

The second piece, of course, is, as this organization gets stood up, to focus on those types of transactions that Ontario needs. The member from Don Valley West asked about some of the areas, the sectors. I mentioned long-term care. We have to build a lot more in this province. People are aging. Our population is growing. And this will be another tool to be able to use financing techniques that are used around the world to allow long-term investors to participate in that. I think that's a good thing. The taxpayer can't shoulder all the cost. The member references, "Why not just put it on the taxpayer? Put everything on the taxpayer. Just spend more." We have the most ambitious taxpayer-funded capital plan in the history of the province and the largest, as I said in my remarks, in Canada.

And we have an urgency. Everyone around this table should have a sense of urgency of getting this done, because it's not just the half million last year or the half million in population growth this year; it's going to continue—and that's a good thing. That's a really good thing that people want to come to this great country. We have to be ready. That's why the infrastructure bank is so critical as another tool to get things built in this province.

**Mr. Rick Byers:** Thank you very much. I'll pass it to MPP Dowie.

**The Chair (Mr. Ernie Hardeman):** MPP Dowie?

**Mr. Andrew Dowie:** Thank you, Minister, for being here. I was actually pretty intrigued by some of the answers that you've given to the committee's questions. It called to mind two predecessors in my riding. Former finance minister Dwight Duncan—on a number of occasions he actually called for the very measures that you have included here—

**Hon. Peter Bethlenfalvy:** A wise man. He's a wise man.

**Mr. Andrew Dowie:** Well—

**Hon. Peter Bethlenfalvy:** On that one, I mean.

**Mr. Andrew Dowie:** So, particularly the infrastructure bank, but also the concerns on debt—because he mentioned the Chunnel as where Ontario pension plans had previously invested.

Actually, I want to divert to my real question. This is sort of a bee in my bonnet from my days as a municipal councillor. Before I was elected nine-plus years ago, we had a number of infill lots that were held up due to financ-

ing. The developers could not work amongst themselves to pay for the waste water infrastructure, the water infrastructure. And those lots are not developed to this day. This arguing over who should pay for what is keeping us from building homes.

We know that there is a housing crisis and our government is taking active steps to get homes built for Ontarians. If we can't get all these landowners to agree to pool and have development pay for development, could we not be the bank and have infrastructure to support those new homes? And so, when hearing and seeing in the fall economic statement the expansion of core water, waste water and stormwater infrastructure, I was very much saying, "Hallelujah." This is a path to getting our homes built where they should be built, in infill lots that are owned by individuals who are just not as ambitious as the government is or society is to get housing built.

I'm hoping you might be able to expand on that and what our government is doing to ensure the province has infrastructure that is necessary to build homes in the province of Ontario.

**Hon. Peter Bethlenfalvy:** Thank you, MPP Dowie. You've provided me with some great incentive in your question to get that bee out of your bonnet. I'd be very curious to see what a bonnet looks like on you. I didn't know you wore a bonnet, but let's get that bee out of your bonnet.

It's a great point. What the infrastructure—and the former minister, at least he's wise on this issue. It's the fact that it's another tool to work with partners in terms of municipalities, Indigenous groups and communities: a holistic approach to working collaboratively to build the infrastructure that Ontario needs. And you're highlighting a particular need. This is another avenue and tool that we can explore to see if we can use the infrastructure bank and the model that municipalities have in terms of paying for water and sewage and infrastructure like that, which is used around many parts of the world. Why not give Ontarians an opportunity?

If I can just mention the pension funds, their members will participate in building Ontario. So what a win-win opportunity for all the partners in the community to be able to build and see that their savings are going—and, look, I think the pension funds are doing infrastructure in Ontario, but they're doing infrastructure in a lot of other parts of the world. I've heard from many of them that they share our enthusiasm to look at the opportunity to do more in Ontario for their members.

**Mr. Deepak Anand:** Chair?

**The Chair (Mr. Ernie Hardeman):** MPP Anand.

**Mr. Deepak Anand:** Minister, I was looking at the 100 top pension funds. They have about \$1.8 trillion invested all across the world.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Deepak Anand:** When I look at the infrastructure, China spends 4.8% of their GDP and Canada is only at 0.6%. With all the work that Minister Fedeli is doing to bring all these investments, we need to be prepared with the infrastructure.

Do you think having this infrastructure bank actually gives a choice to all these Canadian pension funds, who are having a \$1.8-trillion base of their investment—some of it coming back to Ontario? Do you think that would help them? That's number one.

The second thing: Talking about the contingency, why is it more important today than ever?

**Hon. Peter Bethlenfalvy:** Why is it—sorry?

**Mr. Deepak Anand:** Why is it way more important to have that contingency fund today than ever?

**Hon. Peter Bethlenfalvy:** Thank you MPP Anand for those two really good points.

In terms of the contingency—back to that—it would be imprudent—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That's a good point, but we will have no time for an answer. We do thank you, Minister, for being here this morning to answer the questions of the committee. Thank you for taking the time to spend with us.

With that—

**Ms. Stephanie Bowman:** Chair?

**The Chair (Mr. Ernie Hardeman):** Yes, MPP Bowman?

**Ms. Stephanie Bowman:** I just wanted to confirm for the record that when you said “one minute,” it was actually past the one-minute mark. While I got my full time, it was only 20 seconds left, according to the Clerk.

Minister, I just wanted to let you know we were on track with our timing. We were cut off short there. Thank you.

**The Chair (Mr. Ernie Hardeman):** I was late in saying “one minute”—yes, I understand. But I was not late in giving you the full five minutes.

**Ms. Catherine Fife:** Just to confirm: We will be serving a motion later on today to try to get more Toronto dates into our budget consultations. The Clerk has copies of it. I didn't want to try to take it on and eat into the minister's time, but we'll do that at the end of the day. Thank you.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. And thank you again, Minister, for your presentation.

We now stand recessed till 3 o'clock.

*The committee recessed from 1000 to 1500.*

**The Chair (Mr. Ernie Hardeman):** Good afternoon and welcome back. We're going to continue public hearings on Bill 146, An Act to implement Budget measures and to enact and amend various statutes.

As we go forward, please wait until I recognize you before starting to speak. As always, all comments should go through the Chair. The Clerk of the Committee has distributed committee documents, including written submissions, via SharePoint.

As a reminder, each presenter will have seven minutes for their presentation. After we've heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official oppo-

sition members and two rounds of four and a half minutes for the independent members as a group.

As the presentations are going on, I will try and remember to give a one-minute signal when your time is at that point. Sometimes I may not quite get it right on the one minute, but I can assure you, I will do my very best to get it all. The final time will be right. My first warning is getting a very short time rather than a minute.

ONTARIO ROAD BUILDERS' ASSOCIATION  
RESIDENTIAL AND CIVIL CONSTRUCTION  
ALLIANCE OF ONTARIO

**The Chair (Mr. Ernie Hardeman):** With that, we have just two delegations in the first panel: the Ontario Road Builders' Association and the Residential and Civil Construction Alliance of Ontario. The Residential and Civil Construction Alliance of Ontario are participating virtually. Nadia is on the screen.

As you heard, the presentations will be seven minutes in duration from each one. We will warn you at one minute left in the presentation. We ask everybody that's speaking to identify themselves first so the name is on Hansard properly so we can attribute the information that we receive to the right place.

*Interjections.*

**The Chair (Mr. Ernie Hardeman):** And we would like the panel members to listen rather than speak during the opening remarks.

With that, we now will turn it over to the Ontario Road Builders' Association.

**Mr. Walid Abou-Hamde:** Thank you and good afternoon, Chair Hardeman, Vice-Chair Fife and esteemed members of the Standing Committee on Finance and Economic Affairs. My name is Walid Abou-Hamde, and I am the chief executive officer of the Ontario Road Builders' Association, also known as ORBA. It gives me great pleasure to be with you here today on behalf of ORBA's president of the board of directors, Mario Villeneuve, and over 280 members spanning the entire province to speak in favour of the government's reiterated commitment to building critical infrastructure projects in its 2023 Ontario Economic Outlook and Fiscal Review: Building a Strong Ontario Together.

Founded in 1927, the Ontario Road Builders' Association is the leading advocate of the province's transportation infrastructure industry. Our members—both large general contractors and regional, small and medium family-owned enterprises—build and maintain the majority of provincial highways, municipal roads, bridges, public transit networks and other critical transportation infrastructure across Ontario.

The road-building sector directly and indirectly supports 56,000 workers and generates over \$5.5 billion in annual gross domestic product. At the heart of ORBA's mission is promoting and supporting the growth of Ontario's transportation infrastructure industry. Therefore, it is no surprise that the association commends the

government's historic commitment of \$185 billion over 10 years to build Ontario's infrastructure, with a significant portion dedicated to building new and expanding and improving highways, roads, bridges and other transportation infrastructure assets.

Gridlock on highways and roads is estimated to cost the economy more than \$11 billion annually in lost productivity, including time lost by commuters and impacts on businesses, jobs and housing. It also cannot be remiss, particularly with ORBA's focus on sustainability as a strategic pillar of its advocacy efforts, to note the significant impact gridlock has on our environment. Simply put, critical roadway projects relieving congestion across the province are central to Ontario's sustainability efforts. We are particularly encouraged by the progress made on critical major infrastructure projects such as Highway 413 and the Bradford Bypass in the greater Toronto and Golden Horseshoe area, where the bulk of Ontario's record population growth—which is estimated to be over 460,000 this year—is expected to be, with an estimated five million new people calling the region home by 2051.

Similarly, we support the government's commitment to building innovative infrastructure such as the first of its kind in North America 2+1 highway coming to northern Ontario, a region where development is not only essential to supporting economic growth and prosperity, but also critical to Canadian supply chain and national security.

Our members are also at the forefront of public transit development and, as such, we commend the Ontario government on further progress on key infrastructure projects such as the GO rail network expansion and generational subway and transit infrastructure projects right here in Toronto and across the province.

Equally important to investment in and commitments to building transportation infrastructure is ensuring all parties involved in all stages of project development are constantly collaborating with a single goal in mind: ensuring the delivery of high-quality assets, all while prioritizing taxpayer value for money and worker health and safety. As such, ORBA is pleased with the government's commitment to employing new, innovative approaches to infrastructure procurement centred on positive communication and collaboration between asset owners and constructors, such as progressive design-build models.

We are also very encouraged with the government stated directions of implementing measures to adapt to market realities and uncertainties, particularly in materials and labour markets. To that end, ORBA remains at the table with the government to ensure risks associated with significant and unpredictable fluctuations in material prices are adequately accounted for and priced. Similarly, we will continue to engage in important discussions with government and partner organizations on addressing the generational gap of building robust talent pipelines in the skilled trades, and we are grateful for the government's continued investments through the Skills Development Fund and other vocational training programs to ensure Ontario's workforce is ready for the challenges of today and tomorrow.

Esteemed committee members, employing flexible infrastructure procurement regimes and requirements

which correspond to the unique nature of each project is another way of ensuring taxpayer value for money. This is why we are hopeful that the Ontario government plan to modernize surety bonds, by proposing amendments to the Construction Act to introduce regulation-making authority to allow for lower minimum bonding requirements for large public infrastructure projects that do not involve private financing, will ultimately yield reasonable requirements for imminently ready transportation infrastructure projects.

Finally, the Ontario Road Builders' Association and its members remain committed to working with government, industry partners and stakeholders to advance transportation infrastructure projects across the province to maintain and grow the well-being, prosperity and security of all Ontarians.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Walid Abou-Hamde:** Thanks.

Once again, Mr. Chair, on behalf of ORBA's president and its board of directors, I thank you for the opportunity to present to you and esteemed members of this committee, and I look forward to answering questions you might have.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for that presentation.

The next presentation will be the Residential and Civil Construction Alliance of Ontario. Nadia, I think you are on the screen, and now you're on the floor.

**Ms. Nadia Todorova:** Good afternoon, Chair Hardeman and esteemed members of the finance and economic affairs committee. My name is Nadia Todorova, and I am the executive director of the Residential and Civil Construction Alliance of Ontario, or RCCAO for short. I'm pleased to speak with you today about the 2023 fall economic statement and its accompanying bill, Bill 146, Building a Strong Ontario Together Act.

As a unique labour management organization derived from the residential and civil construction sectors, RCCAO welcomes the government of Ontario's commitment to building and expediting critical infrastructure reflected in this year's fall economic statement.

**1510**

A primary focus for RCCAO since our inception has been the importance of investing in core public works, from transit and water systems to roads and bridges, and doing so smartly and efficiently for taxpayers—

*Failure of sound system.*

**The Chair (Mr. Ernie Hardeman):** Do you have a microphone with headphones so we can hear it here? You're not coming through.

**Ms. Nadia Todorova:** I can move closer, if that would help. Would that help?

**The Chair (Mr. Ernie Hardeman):** Yes. If you can speak louder, that will work too.

**Ms. Nadia Todorova:** Okay, sure, I can definitely do that. I'm from construction; I can speak loudly.

So I don't know how much you heard, but we are happy to see many of the infrastructure-focused elements contained in this bill and in this year's fall economic statement, which demonstrates substantial progress on building

the critical infrastructure needed to support a growing province. The updates and new investments outlined in this year's fall economic statement and the accompanying Bill 146 advance transportation and water infrastructure that will support the economy and people of Ontario.

RCCAO commends the government of Ontario for its leadership in building long-term critical infrastructure that will pave the way for a better future for Ontario. My comments here today will focus particularly on three specific elements of this year's fall economic statement and its accompanying bill: transportation infrastructure, housing-enabling water infrastructure and taxation policy related to housing.

We are particularly pleased to see the government of Ontario's continued focus on transformational transit and transportation infrastructure projects. The GTA is among the fastest-growing regions in North America, with the population of the greater Golden Horseshoe expected to reach 15 million by 2051. This makes it crucial to build new transportation infrastructure capacity now for future prosperity and quality of life for Ontario residents and businesses.

The Bradford Bypass and Highway 413 are critical for the long-term competitiveness of our province and for the movement of goods and people in a rapidly growing hub of Ontario. Both projects are of vital importance to Ontario in terms of reducing congestion, fostering economic growth and long-term competitiveness, improving connectivity, supporting housing initiatives and facilitating job growth.

Given the geographic nature of Ontario and the region, we'll always need roads and vehicles, whether they be gas-powered or electric. Our highways and transit must work together. It's not an either/or scenario. Roads and highways are essential infrastructure for the movement of goods across Ontario, which is the backbone for local and regional economies.

Demand for goods has reached historic levels, especially during the pandemic. That demand is only projected to increase as both e-commerce takes a firm hold and the population of the region continues to grow. Building and maintaining road infrastructure increases business productivity by reducing the time and cost of transporting goods, and allows products to move through the supply chain quickly and efficiently. The critical infrastructure investments advanced in the fall economic statement will provide thousands of high-paying employment opportunities for our industry and help Ontario prosper by meeting its infrastructure requirements.

Speaking of infrastructure requirements, the focused \$200-million investment in critical water infrastructure through the Housing-Enabling Water Systems Fund continues the province's leadership to address the housing crisis and recognizes that 1.5 million new homes will need that supporting critical infrastructure. Water, waste water and stormwater infrastructure are essential to accommodate growth and keep existing systems flowing smoothly. This infrastructure is the first step in building new residential developments, so without these assets being

built, homes cannot get built. Simply put, infrastructure today leads to housing tomorrow. Infrastructure is the start of that process, the hardest thing to get off the ground, but as the saying goes, "If you build it, they will come."

In terms of housing, earlier this year, RCCAO released research that revealed the high tax burden across all three levels of government is worsening Ontario's housing crisis with almost 31% of the purchase price of a new home being taxes. The removal of HST from construction of new purpose-built rentals is a continued step in the right direction from all three levels of government, working together to lower the tax burden of new home construction and make it easier to substantially increase housing supply to alleviate the housing crisis.

I appreciate the opportunity to address you today, and I'll be happy to answer any questions.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your presentation. We will now start the questions and comments.

We'll start with the independents. MPP Hazell.

**MPP Andrea Hazell:** My question would be to you—but thank you for your presentation today.

You talked about the Skills Development Fund, but I didn't understand your framework of what that is going to look like.

**Mr. Walid Abou-Hamde:** I'll just flag that the Ontario Road Builders' Association does not currently have an active project through the Skills Development Fund, but we see flexible training programs with eligibility criteria encouraging employers to participate in skilled trades training as innovative in nature. We know that, so far, the Skills Development Fund has benefited hundreds, if not thousands of young people looking to enter the skilled trades. So we are generally supportive of such innovative training programs.

**MPP Andrea Hazell:** And to follow up on that, if you can be a bit more precise and detailed, do you have a community benefits program? I need to understand that it's fair across the board—big business and small business are going to get those opportunities.

**Mr. Walid Abou-Hamde:** Thank you for that question. As I mentioned earlier, our employers are quite diverse in nature. They can be large general contractors operating on mega infrastructure projects in the greater Toronto and Hamilton area, for example. They are also small and medium family-owned enterprises operating in, say, southwestern Ontario or northern Ontario. So, naturally, their workforce is equally diverse, and they are ultimately committed to hiring standards that reflect their local communities.

**MPP Andrea Hazell:** Okay. Thank you.

**The Chair (Mr. Ernie Hardeman):** We then go to the government side. MPP Dowie.

**Mr. Andrew Dowie:** Thank you to both of you for being here. I'm quite excited to have heard your comments, specifically on the benefits of building to supporting, really, our housing supply, our businesses and for economic development. I'm grateful to hear about your comments regarding the modernization of the Construc-



tion Act. I know the risk that is built into so many of the costs drives a great deal of funding on any side into these projects. So by reducing the risk to the builder, that means that that savings could be passed on to the buyer, and that helps to bring housing affordability. So I just wanted to say thank you for that comment.

I also wanted to inquire about some of the comments made, and I've got a question for both of you: What more do you see in the arsenal, any more tools in the tool box that resemble that kind of innovation, where we look at the Construction Act, we look at the risk given to builders and constructors and see where can we actually reduce the costs of a project in a way that doesn't actually result in a loss of quality of service? And whether you see any tools in the fall economic statement that can help you get there.

**Mr. Walid Abou-Hamde:** Perhaps I'll start. Thank you, MPP Dowie, for that question. You're absolutely right. It's a simple equation: the more risk, the higher the premium, and the higher the cost, ultimately, for the asset owner. As you mentioned, sometimes the tools are legislative or regulatory in nature; sometimes the tools are related to collaboration between parties, so asset owners and constructors.

1520

The fall economic statement, for example, as I mentioned earlier, commits to innovative procurement and project delivery models, such as progressive design-build, where the parties are inherently working closer together.

But I do want to stress the importance of further collaboration as well, moving forward, in order to guarantee good outcomes for all parties involved. To that end, I do want to commend Minister Sarkaria and his team for the increased collaboration that we're seeing and feeling. Although I don't think we've found a silver bullet to solve all the challenges, I think we're certainly making progress.

**Mr. Andrew Dowie:** Nadia, I'd love to hear from you too.

**Ms. Nadia Todorova:** Yes, I echo my colleague's comments. The other thing that I would say specifically to the fall economic statement: We're very excited about the Ontario Infrastructure Bank. I think it offers a lot of potential to get more built in the province by leveraging public infrastructure dollars to attract additional institutional capital. Allowing for those more innovative sources of funding for infrastructure work is a very positive step towards ensuring that Ontario has the foundation for that prosperous and competitive future.

I would also say that if you really want to address the cost of infrastructure, having early tender calls is also something that could go a long way in making sure that industry has enough time to plan appropriately for the work that's coming down the pipeline. And then, the earlier that can be done, the better it is for industry, both in terms of the pricing standpoint, but also in terms of making sure that we have labour on-site and making sure that we are well positioned to plan ahead, especially given the large size of the \$185 billion in infrastructure investment that's coming down the pipeline over the next 10 years.

**Mr. Andrew Dowie:** Okay. Thank you.

Chair, I will pass to MPP Anand.

**The Chair (Mr. Ernie Hardeman):** MPP Anand.

**Mr. Deepak Anand:** Thank you to Nadia and Walid. Thank you for coming. It's very encouraging to hear from both of you on what the government is investing in. No wonder, Chair—that is why, I think, on this FES bill, we got everybody voting in favour, with unanimous consent.

As we all know, the government is investing \$28.1 billion over 10 years to support the planning and construction of highway expansions: Highway 413, the Bradford Bypass, and also, along with that, the bridge replacement and interchange reconstruction of Highway 400 and the Simcoe County Road 88 interchange.

So my question to both of you is: More than ever, when we know there's a lot of construction happening, a lot of prosperity opportunities coming to the province of Ontario, how important is it for us to invest in infrastructure now, considering that will help us to attract more investment? To both of you.

**Mr. Walid Abou-Hamde:** Do you want to go first, Nadia?

**Mr. Deepak Anand:** Nadia, over to you.

**Ms. Nadia Todorova:** Yes, absolutely. Thank you for that question. Again, from RCCAO's standpoint, we really cannot emphasize enough how important it is to do that long-term planning now in terms of looking at where the population projections are for the region and making sure that we have the infrastructure in place for that.

I think we've all sat on the DVP and kind of wondered, "How is this our main roadway?" And that was because a lot of the planning in the 1950s and the 1960s did not take into account where the population projections were going to be and what the future demands are for Ontario. Again, I do have to commend this government for having the forethought to think ahead and to do that long-term planning, and to make sure that regions across Ontario are really well positioned to take advantage of that growth that's coming down the pipeline.

In terms of, especially, Highway 413—I think it's going to be such a revolutionary highway, and the accompanying transitway that is proposed to be parallel to the highway is also very innovative. Again, it's really blending both transportation and transit needs into one project, which is so important because, as I said in my comments, you really should not be choosing between transit or transportation; they both should be working together to address those needs.

**Mr. Deepak Anand:** Thank you so much.

Over to you, Walid.

**Mr. Walid Abou-Hamde:** Thank you, MPP Anand, for the question. I do echo Nadia's comments. I think, in my opening remarks, I touched on the economic impact as well as the lost productivity of not having the adequate infrastructure networks in place.

I just want to perhaps supplement with an anecdote, because I heard you say "expanding existing infrastructure." I actually spent last week on the road with ORBA president Mario Villeneuve, and we took a trip down Highway 17 from Ottawa through North Bay to Sudbury.

It's easy to think of the greater Toronto area highway networks when we live here and how large and grandiose they are but—

**The Chair (Mr. Ernie Hardeman):** You will have to take the rest of that trip in the next round.

We now go to MPP Fife.

**Ms. Catherine Fife:** Maybe we'll continue the trip; I don't know. I just wanted to start with the Ontario Roadbuilders' Association. I just had a question: When did you find out that you could present to us today? Was it earlier last week, sometime last week?

**Mr. Walid Abou-Hamde:** Sometime last week.

**Ms. Catherine Fife:** Okay. We just gave the public very little time to register to become delegations to the fall economic statement. It was less than 24 hours. So I was just curious how much time you received.

I did want to talk to you about—you did mention, under schedule 2, under the Construction Act—you referenced that in your comments. This part, schedule 2, specifically relates to alternative financing and procurement arrangements. In order to accommodate that, there was just one word change within the act, and then, actually, what we saw the government do is that they moved—now contractors will no longer require a coverage limit of 50% of the contracted costs. I believe that was perhaps one of the amendments that you requested. But now this is going to be set out in regulation, not in legislation. So the reason I reference that is because any government going forward can just arbitrarily change that 50% of the contracted cost. Can you give us some sense as to why having contractors no longer required to have 50% of the contracted cost before a project starts—can you tell us why that's important?

**Mr. Walid Abou-Hamde:** Thank you, Vice-Chair Fife. As I mentioned earlier with respect to this item in particular, we are sort of hopeful—by the signals that we're seeing with this proposed change. We don't know at this stage how this new regime will be applied or on which projects, but maybe I can speak a little bit to the unique nature of each project. As you know—

**Ms. Catherine Fife:** I'm sorry; I think I was just trying to get to, why is it important that contractors no longer have to prove that they have 50% of the funding for the project?

**Mr. Walid Abou-Hamde:** I'm not sure that the proposed change actually stipulates or suggests that contractors will no longer be required to provide that threshold. As we understand it, the change actually creates flexibility for prescribing different thresholds. As I mentioned earlier, we're not, at this stage, aware that this regime will be applied to any specific projects. But again, just commenting on the unique nature of each project—

**Ms. Catherine Fife:** I just want to clarify, though: This is actually what the change does. It's consequential to the—government Bill 146 amends subsection 85.1(4) so that now contractors will no longer require a coverage limit of 50% of the contracted cost. This is going to pass and it's going to be in regulation, so it will apply, because it will be a regulatory change.

But you did mention—it relates to schedule 2 as well—around financing and procurement arrangements, and I just wanted to get some sense from you around this infrastructure bank that the government is pursuing. You will know that the federal cousins at the federal level have been very critical of Trudeau's infrastructure bank. That's \$35 billion set aside for leveraging private investment into infrastructure projects. I guess the question is—I want to know how it impacts your sector, but of course, we all know that the province's method of borrowing is significantly different than how average people do. I mean, Ontario issues bonds that provide a long-term return to the investors who purchase them. Presumably, that means the bank is going to have to offer a return that's a little bit, if not more than a little bit, higher than what the government already offers investors. This means that some of the funding that's supposed to be leveraging for roads, for infrastructure projects is obviously going to go to foreign equity firms or pension plans or what have you—those private sectors. Was this something that you were pursuing through ORBA, or is this something that you were surprised to see the government create in the fall economic statement?

1530

**Mr. Walid Abou-Hamde:** Thank you for the question, MPP Fife. I know my colleague Nadia might want to supplement, but what I'll say is, although I can't comment on the track record of the Canada Infrastructure Bank, what I can say is that delivering high-quality assets that provide value for money for taxpayers requires strong partnership between all parties involved in projects, and that does include the private sector. At this stage, I think we're monitoring to see what the new Ontario Infrastructure Bank's mandate will look like in practice, and at that stage, we'll make ourselves available for collaboration with OIB and the government as required.

**Ms. Catherine Fife:** It's an interesting time for the government—this particular government—to start a bank. I made this point this morning earlier with the finance minister: This is a government that's under criminal investigation with the RCMP. It's hard to imagine that private investors are going to be coming to the table in partnership with this particular government. And the federal Conservative Party has referred to the infrastructure bank—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Catherine Fife:** —as a boondoggle, as a waste of money, and they've specifically identified the loss of transparency in how those deals will be made.

I do think that may be of some concern to some of your members going forward because, yes, there is obviously a need to invest in infrastructure, but having a transparent process—this province has traditionally had a 10-year infrastructure plan, as you know, and now those plans get interrupted with special-interest infrastructure projects of the Premier or various MPPs.

Personally, as the finance critic, I would just like to see greater transparency in where the funding is going, who's benefiting, and having some checks and balances. Do you

think that the infrastructure bank of Ontario should at least have some checks and balances to protect the taxpayer?

**Mr. Walid Abou-Hamde:** What I can say, MPP Fife—

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

**Ms. Catherine Fife:** Oh, I'm sorry. I'll give you another chance.

**The Chair (Mr. Ernie Hardeman):** Unfortunately, you're out of time.

We now go to the independents. MPP Bowman.

**Ms. Stephanie Bowman:** Thank you to ORBA and the Residential and Civil Construction Alliance of Ontario for being here today.

I want to pick up on a point that Ms. Todorova made about Highway 413. Firstly, as you all know, we want to make sure people are moving around the province efficiently and effectively. The staff in the Ministry of Transportation have said that the 413 is actually not a necessary highway in terms of moving people around and saving time. So I'm wondering if you could just comment a little bit about what you think the advantages are and what you think the government could be doing—before they move to a Highway 413—with the 407 to actually make sure that we're leveraging that investment that was made in Ontario and has since been privatized.

**Ms. Nadia Todorova:** Thank you for that question. Absolutely, I'm happy to speak to that. As I mentioned, population expansion and the growth of Ontario is something that we always have to keep in mind, and when it comes to the 407, we really cannot rely on the 407. It's not a realistic option if we want to reduce congestion and keep goods moving.

The current highway network in the region is at or near capacity, which, again, given the expected population growth over the next 20 to 25 years, will only worsen the already significant road congestion that we see, which is estimated to be around \$11 billion per year in lost productivity. So the 407 alone is really not enough to meet the demands in that projected surge of population that we see coming. By 2031, we would be right back where we started and suffer from the exact same congestion issues that we have today, even if we were to fully build out the 407, subsidize tolls and build priority truck features on the highway.

**Ms. Stephanie Bowman:** So what actions would you recommend now for the government to take to get the 407 to capacity? Because it is certainly not at capacity now. I mean, there have been lots of articles written about that, lots of pictures taken of it during rush hour, whether it's in the morning rush or the afternoon rush. It's not being maximized today. Before we spend billions on Highway 413—there were roads in the north, as well, that the government cancelled building in order to prioritize the 413. And so, I think also of safety in the north; that's something that we want to make sure that the government is addressing.

I guess I'm specifically asking: What measures could we take today to make sure that the 407 is actually getting

to that capacity? Certainly, we don't want gridlock—just getting at capacity before we start building a new highway.

**Ms. Nadia Todorova:** Again, I don't like to deal in either/or. I think we can do both. We can start to focus on expanding our current transportation and transit network, as well as build capacity on current highways. I definitely think that the 413 is a necessary part of that, as is the Bradford Bypass, as are some of the other highways that my colleague from ORBA mentioned as well.

**Ms. Stephanie Bowman:** Okay. I don't hear, with all due respect, any suggestions how to get the 407 to capacity, because it's not at capacity.

Certainly the 413, with the RCMP investigation, the \$8.3-billion greenbelt giveaway—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Stephanie Bowman:** We know, of course, there are already talks of whether or not there are lands around that highway that would be parcels that could be subject to significant profits. So do you have any recommendations for the government to make sure that they don't get caught up in that kind of scandal if they do proceed with the 413?

**Ms. Nadia Todorova:** I would just say again to focus on where the province is in terms of expected population growth across the GTA, across the greater Golden Horseshoe, and make sure that the infrastructure we have in place long term is able to address those needs, and make sure that Ontario remains competitive and is able to really capitalize on the population growth that we're going to be seeing.

**Ms. Stephanie Bowman:** Anything to add in the seconds left—how many seconds, Chair?

**The Chair (Mr. Ernie Hardeman):** Six, five, four—

**Ms. Stephanie Bowman:** Okay. All right. Thank you.

**The Chair (Mr. Ernie Hardeman):**—three, two, one. Thank you very much.

We will now go to the government. MPP Anand.

**Mr. Deepak Anand:** I just want to quickly talk about the Ontario Infrastructure Bank. The bank's mandate also includes supporting infrastructure projects for all the communities, including First Nations communities, that "advance community and economic well-being." This is what it says.

I'm just quoting something from the Benefits Canada website. It says, "Many Canadian ... funds have made significant infrastructure investments globally. By adding new options for these investors to invest in Ontario's capital projects," right here at home, "the province can leverage more funding," while making sure the pension fund members, who are also the members of Ontario, can get their benefit through the investment.

Just quickly, to Walid: Do you think this Ontario Infrastructure Bank is, in your opinion, a good idea? Yes or no? And then I'll pass it on to MPP David Smith.

**Mr. Walid Abou-Hamde:** Thank you, MPP Anand. As I mentioned earlier, we are certainly looking forward to seeing the Ontario Infrastructure Bank's mandate applied in practice. What we know is that we need to leverage all types of investments in order to address the infrastructure gap here in the province, and we will

certainly be continuing to monitor how successful the OIB is at attracting private-sector investment into the space.

**Mr. Deepak Anand:** Thank you so much.

Over to MPP Smith.

**The Chair (Mr. Ernie Hardeman):** MPP Smith.

**Mr. David Smith:** Thank you to Nadia and Walid. I don't want to put either one of you on the spot, because I don't want to say you guys are experts at this, but your comments are very valuable. I heard you mention not too long ago that you did a trip to Ottawa through North Bay and Sudbury. What was the purpose of that trip?

**Mr. Walid Abou-Hamde:** Thank you, MPP Smith. At ORBA, as I mentioned earlier, our members operate and are located across the entire province. As part of demonstrating value for members and community partners as well, we do these regional showcases. At ORBA, we have something called the president's tour. I had the pleasure of joining the president of ORBA's board of directors, Mario Villeneuve, on a week-long tour last week.

1540

But what I actually meant to get across is that Highway 17 in certain regions is only a two-lane highway. It's not a massive highway at all like the 401, per se.

**Mr. David Smith:** That was leading into my question: the projection now in terms of what you think is some of the work that needs to be done between that corridor, between Ottawa, North Bay and Sudbury, because it has been a two-lane road for quite some time.

**Mr. Walid Abou-Hamde:** Thank you, MPP Smith. What we know is the government committed to expanding both Highway 11 and Highway 17 at different junctures. This is exactly the type of commitment and investment, not only in building new highways but in expanding existing infrastructure, especially as we look to attract economic development to different parts of the province, and specifically outside of the greater Toronto and Hamilton area.

**Mr. David Smith:** I heard you mention about the SDF fund, or the question was asked to you. Is there any reason—have you applied to the SDF funds at all?

**Mr. Walid Abou-Hamde:** As I mentioned earlier, we are not an active participant in a Skills Development Fund project, but we operate in an industry where we have partners, partner associations, partner organizations who have tapped into that funding. We know, ultimately, that the flexible eligibility criteria that does encourage and promote employer participation is what makes the Skills Development Fund a successful program for training young people, newcomers, specifically for jobs in the construction skilled trades.

**Mr. David Smith:** I hope you continue to do that, because as you know, we are dealing with an aging population in the construction field. As a result of that, we're going to need to replenish. For the younger minds getting into it, we need to make certain that those skill development funds—the reason I'm so strong on this: I'm with the Ministry of Labour. As a result of that, it's encouraged that you expand that communication to most of your operators so that they can make applications and

continue training those younger minds, because we're going to need someone to take over from where we're at right now. It's always been a concern of mine.

I don't know if you have anything else you want to say.

**The Chair (Mr. Ernie Hardeman):** MPP Triantafilopoulos.

**Ms. Effie J. Triantafilopoulos:** How much time remains?

**The Chair (Mr. Ernie Hardeman):** Just under two minutes.

**Ms. Effie J. Triantafilopoulos:** I'll try and be rapid in order to hear from our guests. Thank you both, Nadia and Walid, for joining us today.

My first question is for you, Walid. Our government, as you know, is leading the way to building more homes and more infrastructure. The fall economic statement really is another step in fulfilling that mission. What I wanted to mention, too, was that our government really inherited a steep infrastructure deficit from the previous government, and so a lot needs to be done in order for us to achieve the goal of 1.5 million homes.

With that in mind, could you please speak to how you think the fall economic statement is actually going to help Ontario and your members achieve that goal?

**Mr. Walid Abou-Hamde:** Yes. Thank you for the question. As I mentioned—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Walid Abou-Hamde:** Thank you. As I mentioned earlier, essential infrastructure projects, like Highway 413, the Bradford Bypass and other highway projects which the fall economic statement committed to, are essential as part of a multi-modal strategy to keep Ontario moving, we say at the Ontario Road Builders' Association. But we know that investing in these projects will also have a direct contribution to Ontario's economy, not only through the creation of jobs but also through connecting people to major employment areas and attracting more businesses to the regions, something that we're already seeing happening thanks to the government investment.

We also haven't spoken about the specific job impact and GDP impact of building these major infrastructure projects as well. So we know that—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll go to the official opposition. MPP Kernaghan.

**Mr. Terence Kernaghan:** Thank you, Chair, and thank you to our presenters here today.

To Mr. Abou-Hamde, I wanted to ask, you've spoken quite highly—and I think here in this committee we all agree that the skilled trades are fantastic careers, good long-term economic prosperity, and we need to make sure that we are enhancing the skills pipeline to make sure that young people recognize the value of a trade career. But specifically, I wanted to ask: You spoke quite highly of the Ontario skills development program. Why are you not part of the Ontario skills development program—your organization?

**Mr. Walid Abou-Hamde:** Thank you for your question. Our members at ORBA, as I mentioned earlier, are

involved in recruitment of young people in their local communities, recruitment that reflects the diversity of those communities as well. Although we have not tapped into the Skills Development Fund at this stage, we are certainly exploring opportunities to partner with government through not only the SDF but other innovative vocational training programs on offer, whether it's through OYAP or other programs available to our members.

**Mr. Terence Kernaghan:** Are there certain suggestions or improvements you'd like to see made with the Ontario skills development program in order to incentivize your organization to want to make use of that?

**Mr. Walid Abou-Hamde:** Thank you for that question. As I mentioned earlier, what actually makes the Skills Development Fund such a unique program is the flexible eligibility criteria that promotes employer participation. When we think about the apprenticeship system in the province, one of the primary barriers for young people to enter the trades, particularly in construction trades, is that they don't know where to start when it comes to finding an employer sponsor. So by making the eligibility criteria more flexible, by promoting employer participation, hopefully we'll be able to overcome that barrier and promote greater participation by young people into the trades.

**Mr. Terence Kernaghan:** Thank you very much. Hopefully it will become flexible and one day you'll make use of it as well.

To Ms. Todorova: I was very interested in your comments about the Housing-Enabling Water Systems Fund, the \$200 million that the government has currently committed. We've been speaking with a number of different smaller municipalities who have spoken about their concerns about Bill 23 and the \$5 billion that has been removed from municipal budgets through development charges. Many small municipalities have been left in the dark on whether they're going to be made whole.

But I wanted to ask: Housing starts across the province are way down; what do you perceive as the biggest obstacle for creating purpose-built rentals and affordable housing?

**Ms. Nadia Todorova:** Yes, absolutely. Thank you for that question. I'm so sorry; I'm having a little bit of issues hearing the questions clearly. I heard about the water-enabling systems fund, so I do think—

**Mr. Terence Kernaghan:** Yes. I can repeat my question. Housing starts are way down across the province. We need to build roughly 150,000 units per year to reach that 1.5 million across 10 years. But my question was, what is the biggest obstacle for your members in creating those purpose-built rentals and affordable housing?

**Ms. Nadia Todorova:** I definitely think that municipalities have to focus on improving the timelines for awarding of permitting. We know that the award of permitting is significantly delayed. A lot of municipalities are turning over to electronic permitting, or e-permitting, and that's going to, I think, go a long way in terms of making sure that those permits come down the pipeline much faster.

Again, making sure that we have that enabling infrastructure in place through water, sewer, waste water—I wasn't being flippant when I said in my remarks that infrastructure today leads to housing tomorrow. You really need to get that housing-enabling infrastructure in place before you can build the housing. So I think focusing on funding and other regulatory matters that really enable that sort of infrastructure to take place is very significant.

**Mr. Terence Kernaghan:** My next question: I wanted to ask, specifically, would you like to see the province invest in the construction of more affordable housing? Would you like to see those infrastructure investments by the province?

**Ms. Nadia Todorova:** Personally, I'd like to see investments in all kinds of infrastructure, not just affordable housing, but roads, bridges, water, waste water. Again, I think where we're seeing our population growth, we are going to desperately need more investment in all sorts of critical core infrastructure across Ontario and the region.

1550

**Mr. Terence Kernaghan:** Also, municipalities have recently been concerned about accessing different funding that is available from the province. Specifically, in terms of their housing starts, the way in which that funding is being held is, if municipalities don't have projects with shovels in the ground—whereas municipalities aren't responsible for that. Would you like to see the province releasing that funding based on the number of permits that they are approving, rather than leaving that up to another entity that is far more responsible for the shovels in the ground?

**Ms. Nadia Todorova:** I'm so sorry; can you repeat the last part of your question?

**Mr. Terence Kernaghan:** Absolutely. I wanted to ask: Right now, the government is withholding money to municipalities based on the number of housing starts that they have achieved. Currently, the funding is held back based on the number of projects that have shovels in the ground, but I was asking if you would like to see them change it to be funding released based on the number of permits that have been issued.

**Ms. Nadia Todorova:** I think municipalities play a very important role in housing and there needs to be a balance in terms of how we encourage municipalities to get more housing starts built. How do they focus more on intensification, especially around transit areas?

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Nadia Todorova:** I think there needs to be a lot more done in terms of getting municipalities to really join the fight, so to speak, and address the housing crisis, because they do really play an important role in the whole environment of that.

**Mr. Terence Kernaghan:** It sort of seems unfair to withhold money when municipalities are doing the right thing in issuing permits and looking towards e-permitting and other solutions like that to make sure that they are meeting those goals. It's unfair to remove funding from them when they are not in direct responsibility for those shovels in the ground.

I did want to ask: In terms of the infrastructure bank, would you invest in a bank that was being established by an organization that was currently under criminal investigation?

**Ms. Nadia Todorova:** Again, as I mentioned, in terms of the Ontario Infrastructure Bank, given the volume of infrastructure work that has to be done over the next 10 years—\$185 billion—I think the bank offers a lot of potential—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for this panel. We want to say thank you very much to both panellists for being here and taking time to prepare to come here and answer the questions. Thank you again.

CANADIAN MANUFACTURERS  
AND EXPORTERS  
ONTARIO TRUCKING ASSOCIATION  
ONTARIO SEWER AND WATERMAIN  
CONSTRUCTION ASSOCIATION

**The Chair (Mr. Ernie Hardeman):** As we're changing, the next panel is the Ontario Trucking Association, Canadian Manufacturers and Exporters and the Ontario Sewer and Watermain Construction Association.

Thank you very much for being here. Each presenter will have seven minutes to make a presentation, and we ask each one, as you start, to mention your name for Hansard. At the end of six minutes, I will say, "One minute." Don't stop, because that minute is for the punchline. We don't want to miss that.

With that, the first presenter will be the Canadian manufacturers' association. The floor is yours.

**Mr. Vincent Caron:** Thank you, Mr. Chair. My name is Vincent Caron. I'm director of policy and Ontario government relations at Canadian Manufacturers and Exporters. Thank you for the invitation to speak today on behalf of manufacturers from across the province on the fall economic statement. There's a bit of counterprogramming with the Minister of Finance, so I'll try to be as interesting as the federal economic statement.

In the last two years, Ontario's manufacturing sector has experienced what many have called renewal or a renaissance; one could simply call it hope. The hope is reversing the negative trend of manufacturing investment we have seen since the early 2000s, which has seen factories shut down, capital dwindle and prospects for our workers be diminished a little bit more every year.

A simple illustration of this can be found in CME's latest report called Manufacturing Canada's Future. It shows the trend of business investment in non-residential structures, machinery and equipment, which to this day struggles to recover over its 2014 peak. Reversing long trends like that is not simple, but we have reason to believe it is finally happening. With the investments in automotive, green steel and broader manufacturing that came after the pandemic, we have great hopes that the transition to low-carbon production will be at the advantage of Ontario.

But now, that hope is being tested. When we talk to them, manufacturers continue to struggle to reconcile the policy pathway to net zero with the incentives concretely available to them. We had to wait months for key details of new federal tax credits, and only today are going to see if we can get the full picture, finally. I will say more on this in a moment.

Early indications show that the US is more successful in pursuing green industrial investment. As of July 2023, US private manufacturing construction was up 76.5% year to date compared to the same period in 2022, which can be described as a factory-building boom. In Canada, investment at factories and plants was up a more moderate 35.6%. These numbers tell us more work remains to be done to build a lasting competitive advantage for manufacturing in Ontario, which brings me to the Ontario fall economic statement.

The document confirmed measures which will help as companies navigate significant cost pressures and uncertainty: The addition of \$100 million in funding to the Invest Ontario Fund will build on a more proactive approach to investment attraction. Just last week, Invest Ontario announced a contribution to a \$60-million expansion for Dana operations in Cambridge. We need more like this. The extension of gas tax and fuel tax cuts until June 30, 2024, will provide more relief from energy costs that remain high versus other North American jurisdictions. And we look forward to seeing how the new Ontario Infrastructure Bank will leverage private sector and federal investments to improve congestion and critical infrastructure. Location is a big part of Ontario's competitive advantage, but when goods are stuck on the road, it does not matter anymore.

Still, for CME, the most important piece of the update was a small paragraph on page 31, which confirms Ontario's proceed distribution under the emission performance standards, or EPS. Under this policy, which CME recommended in its industrial net-zero strategy published last year, all EPS industrial carbon tax proceeds will be returned directly to eligible industries. This allocation is instrumental in funding manufacturers' efforts to implement carbon reduction initiatives. It is also a better policy design than what we are seeing federally, where manufacturers pay industrial carbon tax under the OBPS without ever knowing if they will be successful in funding GHG-reduction projects through competitive program allocations.

What we understand from Ontario's Ministry of the Environment is their program will create dedicated allocations for each company paying proceeds which can be accessed for a defined period of time. Structuring the policy in that way, under the use-it-or-lose-it principle, is a much more certain way to retain investment in Ontario. We applaud the government of Ontario for its leadership and willingness to listen to manufacturers on this issue.

**1600**

Finally, it is interesting that I am addressing you today as we wait to hear the federal Minister of Finance provide clarifications on the application of federal investment tax credits, which were meant to be Canada's response to the IRA in the US. This is noteworthy because here we are,

six months after the budget season, and while we still wonder whether the supports the federal government committed will concretely help businesses, we already had that response from Ontario.

Through the Ontario Made Manufacturing Investment Tax Credit, companies will have access to a new 10% refundable corporate income tax credit for investments in buildings, machinery and equipment used in manufacturing. The details of this measure—and this is really important to us—were confirmed in provincial regulation days after the 2023 budget, and we have been able to use the summer to tell our members: “Take advantage of it.”

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Vincent Caron:** Those two examples offer a bit of a do-and-don't guideline when thinking about the design of industrial incentives. We heard a lot from our members on this subject as we consulted for the Ontario Advanced Manufacturing Council this year.

Policy-makers often neglect the importance of good implementation, yet as any business leader will tell you, it's critical that the product you sell be out there in the market actually solving the problem of customers. Just like a car that is pre-ordered but parked in a lot, waiting for electronic chips to be installed, an investment incentive that has no regulations and does not apply yet is of no use to anyone.

Therefore, as you turn your mind to budget 2024, I have just one single ask: Don't forget implementation.

**The Chair (Mr. Ernie Hardeman):** We will now go to the virtual, the Ontario Trucking Association. I believe they were not here for the previous instructions. You'll have seven minutes to make your presentation. At the six-minute point, I will say, “One minute.” Don't stop, because that gives you one minute to put the punchline in. We ask you, when you start, to make sure you identify yourself for Hansard.

With that, the floor is now yours.

**Mr. Stephen Laskowski:** Thank you very much, Mr. Chair and committee. My name is Stephen Laskowski, and I am president and CEO of the Ontario Trucking Association.

The Ontario Trucking Association is made up of over 700 member companies, both trucking fleets and those that provide and manufacture products for our sector. Our board of directors is made up of over 70 owners or senior executives from small to large fleets from all across Ontario. The size of our board is reflective of the diversity of issues impacting our sector based on the sectors of the economy those fleets serve and, obviously, final destinations, whether they be in Canada or the United States—different origin, different destination, different product, different issues.

Ontario is the heartbeat of the Canadian economy, and my members are the lifeblood keeping that heart beating. If you've got it, a driver in a truck brought it. My members' ability to keep the supply chain moving efficiently and effectively is a key to keeping Ontario prices competitive for items like consumer goods and food product, and for attracting new business investment to the province.

With regard to inflation, no sector has been immune to inflation, including the trucking sector. Year over year, the operating cost for trucks, measured on an hourly basis, rose by 22% over 2021 to 2022. Wages, in that time, increased by 15%, but the leading cost factor driving the increase was fuel costs.

Next to labour, fuel is the second leading operating cost for a fleet. Fleets are driven by both social and business reasons to limit their fuel consumption. Besides regulations governing truck speeds, engines and trailers, the industry invests in training and monitoring devices to ensure fleet fuel efficiency is optimized. Fleets are also exploring alternative fuels and propulsion systems like natural gas, hydrogen and electric technologies.

Alternative engines and devices are part of the journey to zero emissions, but I must remind the committee that electric engines in class A trucks are in the very early stages of development and readiness to serve the supply chain. The diesel engine will be the engine of choice moving Ontario's economy—not necessarily by choice or a lack of willingness by members to invest in new technology, but by necessity. This is the reality. The lack of understanding of this reality is a source of frustration for our sector towards tax measures like this carbon tax, a tax designed to increase the cost of diesel fuel and to incentivize the purchasers of diesel trucks to purchase lower-emission and more fuel-efficient vehicles. However, in our sector's case, we have no reliable alternatives, so all the carbon tax does is increase our sector's costs and, by extension, add inflation to the supply chain.

The Ontario Trucking Association estimates that the carbon tax, at 17.4 cents per litre, translates into extra costs for a long-haul truck operator of between \$15,000 and \$20,000 a year per truck. This extra fuel cost represents about 6% of the truck's entire operating cost. This is hurting small, mid-size and large fleets alike, and the customers that rely on those fleets. A small business owner with five trucks is seeing between \$75,000 and \$100,000 in extra costs associated with the carbon tax. The federal government to date has shown no receptiveness to the Canadian Trucking Alliance request to suspend the carbon tax for a period of three years in a similar manner to home heating oil in the Atlantic provinces.

With regard to Bill 146: By comparison, Bill 146 is taking the position that considering inflationary impacts on the supply chain, the government of Ontario is proposing to extend the reduction in the fuel tax by 5.3 cents until June 30, 2024. The Ontario Trucking Association strongly supports this measure. The extension of the fuel tax measure is impactful for fleets and will help fight inflation.

Based on previous calculations that I submitted to the committee, the six-month extension of the fuel tax relief in Ontario translates into cost savings for a long-haul truck operator of between \$2,300 and \$3,100 per truck for that period. A small business owner with five trucks is seeing between \$11,500 and \$15,500 in extra savings associated with the six-month reprieve on the fuel tax at 5.3 cents.

Again, we applaud the government of Ontario for this measure and encourage all committee members to champion this measure. There is not one business or citizen in your constituencies that does not benefit from this measure. Thank you for the invitation, and I'm happy to take any questions.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your presentation.

Our next presenter will be the Ontario Sewer and Watermain Construction Association, here at the table. The floor is now yours.

**Mr. Patrick McManus:** Good afternoon. Thank you for the invitation to come and speak on Bill 146. My name is Patrick McManus. I am the executive director of the Ontario Sewer and Watermain Construction Association. I'm a board member of the RCCAO, and I am a member of the national advisory committees to the Canadian Construction Association.

At OSWCA, we represent approximately 500 contractor members and 300 manufacturers and suppliers of municipal infrastructure products across the province. These member companies typically operate at the regional level on all types of municipal core infrastructure, those being your roads, bridges, sewers, water mains, stormwater infrastructure, transit lines and the like.

These projects will never typically find their way onto the cover of an architectural marvel magazine, and nobody will flock to a finished product to take a picture in front of it and post it on Instagram, but these are much, much more important projects than a nice-looking building. They are the projects that we use in our day-to-day lives. They are not projects that offer great opportunities for ribbon-cutting ceremonies; they are just projects that ensure that we can move our communities from point A to point B every single day. They ensure that we can flush our toilets, take a shower and get a clean glass of drinking water every time we turn our taps on.

In the 1970s, 1980s and 1990s, these types of projects were chronically underinvested in. Now municipalities are stuck with tremendous infrastructure deficits. Now we're playing catch-up on billions of dollars of rehabilitation work at the municipal level. At the same time, we're trying to vastly expand our capacity levels for infrastructure in order to account for these significant levels of growth that we are experiencing in all corners of the province. The decision-making, the investments and the construction, whether we like it or not, all land with us, because these projects are no longer optional.

**1610**

Municipalities have been struggling for years to finance these necessary investments, to meet the demand that growth is placing on communities across the province. It has been estimated that every residential unit constructed requires anywhere between \$50,000 and \$90,000 of accompanying core infrastructure investment. This is the average across all residential units, condos, townhouses and stand-alone homes. At its most conservative, that means that \$50 million of necessary municipal infrastructure needs to be built for every 1,000 houses, and we need

to build 150,000 houses per year for 10 to 15 years just to meet the demands that we're faced with today.

This is a long-winded introduction, but it does have a point. The point is to say thank you for recognizing this critical piece of infrastructure and what municipalities are facing. We appreciate that the government is taking action to start building housing-enabling infrastructure on the water and waste water side. We appreciate that you're taking quick action to address what is the most critical impediment impacting the housing supply chain, and that is getting water, sewer and stormwater infrastructure built. This \$200 million to build housing-enabling infrastructure will help to alleviate some of this financial burden that municipalities have been facing in recovering from the pandemic, at the same time as addressing growth. Water, sewer and stormwater infrastructure are the most critical assets necessary in the housing supply chain.

Municipalities wholly own these assets, and due to budget limitations, many municipalities have been forced to scale back on their capital construction plans in 2023 and in 2024, meaning that less housing-enabling infrastructure is being built in municipalities where the housing needs are most acute. So this funding is going to go a long way. We hope it's something that we see the province help municipalities with over the long term, as long as we find ourselves in this housing crisis. This fund is a really great thing and it's going to have a positive impact. I want to thank you for identifying this need and attaching funding to it.

I would also like to say that this bill does a lot of other great things. The investments in the provincial highways network are incredibly important and needed. We need to always be investing constantly in this network to make our trade-enabling infrastructure better to help us grow our GDP in the province. Tendering of the Bradford Bypass works is going to be important and great for the province. The industry on the road-building side has been slowing down, so you will get great pricing for this work over this next year. Now is the time to move to get the best bang for your buck on these projects.

Long-term, we think that the Ontario Infrastructure Bank has the possibility of doing great things to help municipalities finance some of this necessary infrastructure build-out. We are growing so fast that we need every single incremental step on infrastructure construction that we can get. All of these things announced in Bill 146 are going to have positive long-term impacts on the province, on its ability to build the necessary infrastructure and on its prospects for future GDP growth.

Again, every incremental step matters in helping the province meet this incredible demand for growth, and it's going to benefit the province as a whole. I want to thank you for the ability to offer my opinions on this bill.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your presentation.

That concludes the presenters, so we'll now start the rounds of questions with the government side. MPP Anand.

**Mr. Deepak Anand:** I only have three minutes, so it's going to be more like a fireside chat with the Ontario Trucking Association.



Stephen, it's good to see you. I do see behind you it says, "Impossible is a word found in the dictionary of"—I don't want to go beyond that. I just want to ask you a simple question. "Impossible" is "I-am-possible," in your words; I see that. How can we make it possible for our Prime Minister to reject the carbon tax?

**Mr. Stephen Laskowski:** If I had the answer to that—thank you for the question. We have provided the federal government—and I want to be clear to the committee that our industry is 110% committed to doing our part in reducing the carbon footprint. Our message to the federal government is, "Let's do this." The carbon tax does not do anything. We do not have an option to switch—

**Mr. Deepak Anand:** Stephen, thank you so much—

**Mr. Stephen Laskowski:** All it is doing is driving up our second leading cost, and the Canadian economy—we're in Ontario, and the Ontario economy moves by truck. All it is doing is driving up our costs—

**Mr. Deepak Anand:** Thank you so much.

**Mr. Stephen Laskowski:** And those costs are then having to be shared in—

**Mr. Deepak Anand:** See how passionate he is. Thank you so much.

Next quick question: How many truck drivers in the province of Ontario do you guys represent?

**Mr. Stephen Laskowski:** I'm sorry—

**Mr. Deepak Anand:** How many truck drivers in the province of Ontario does OTA represent?

**Mr. Stephen Laskowski:** Oh, how many carriers do we represent?

**Mr. Deepak Anand:** Yes, truck drivers.

**Mr. Stephen Laskowski:** We probably represent about a third of the industry.

**Mr. Deepak Anand:** Okay. And what is your message to all the truck drivers in Ontario from OTA on carbon tax?

**Mr. Stephen Laskowski:** I'm sorry. We have a bad connection. You were breaking up there.

**Ms. Stephanie Bowman:** Point of order.

**The Chair (Mr. Ernie Hardeman):** Hold it. A point of order.

**Ms. Stephanie Bowman:** I thought we were talking to Bill 146.

**The Chair (Mr. Ernie Hardeman):** The questions get decided by the people asking the questions, not the people who are listening. The time is allocated for the members to talk about whatever they want to ask questions about to the presenters, if it relates to their presentation.

**Mr. Deepak Anand:** Thank you, Chair.

That is it, Stephen. I just wanted to understand. I know it's a painful subject, to have affordability for Ontarians, and the carbon tax is giving us a hard time.

My next presenter I want to talk to is from the manufacturers' association. Thank you for coming. In 2022, the manufacturing sector directly contributed \$85 billion. Ontario's manufacturing sector is responsible for half of Canada's manufacturing exports. Employment in the manufacturing sector increased 28,000 in the first nine months, 42,000 in 2021, 12,000 in 2022; clearly you see a

pattern compared to the previous government, where we saw 300,000 manufacturing jobs going.

Quickly, I just want to ask you: What is the difference you, being in the industry, see between the previous government's ideology and this government's ideology, in a quick minute or less?

**Mr. Vincent Caron:** I'd say there are several things. First, we saw a concerted effort to reduce the cost of doing business in Ontario. We saw WSIB premiums and the redistribution of the surpluses, which is something that impacts every manufacturer. We've seen efforts to mitigate the costs of electricity, as well. On that front, I would say that there's a steep hill ahead of us, because the US has said in its one-year update to the IRA that they'll reduce the price of electricity by 9% by 2030. So we've done some, but we need to do more.

But I think the most important thing I've outlined in my remarks—I think there's a different approach to the carbon taxation, where there's really a willingness to give companies the means to invest in carbon reductions. I think we really sallied that. Providing proper incentives, positive incentives—that's something we welcome.

**Mr. Deepak Anand:** Thank you so much.

**The Chair (Mr. Ernie Hardeman):** MPP Dowie.

**Mr. Andrew Dowie:** Thank you, Chair. Before I begin, how much time do I have left?

**The Chair (Mr. Ernie Hardeman):** Three minutes.

**Mr. Andrew Dowie:** Three minutes? Okay.

My first question is for Mr. Caron. Welcome. Thank you for being here. I know I mentioned this morning in my remarks to Minister Bethlenfalvy that two MPPs ago in my riding, former Finance Minister Dwight Duncan really called upon pension plans based in Ontario to invest in infrastructure within the province. I wanted to see if you could speak to that access to capital, because it's something I've been hearing about in my role in economic development, that the access to capital has been problematic. How would the infrastructure bank, as proposed in the fall economic statement, assist in getting access to capital?

**Mr. Vincent Caron:** Well, I think you're correct that it's something that is on the mind of businesses every day. When we speak to manufacturers, often the first preference is, "Can I do it myself?" I think you have entrepreneurial people who really want to do it themselves. Now, when you do need that extra help to fund larger projects, you need to have partners, and that needs to be the financial institution, government or other means.

I find the really interesting thing about the Ontario Infrastructure Bank is trying to reverse the trend where the capital has tended to invest abroad for a return and maybe considering less the investing here. It's something we do in Quebec, actually. The Caisse de dépôt has been investing a lot more in the province of Quebec than the CPP has done in the rest of the country.

**1620**

So that was the promise of the Canada Infrastructure Bank. It's really interesting to see Ontario step into that space, because the more avenues you have to de-risk

projects, the more you're going to have a multiplier effect with what the private sector is able to do. We need to catch up on manufacturing investment. We have a long trend behind us that is negative, so every little bit helps and this is welcome.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Andrew Dowie:** One minute left, so a question for Mr. McManus: Thank you for being here again. When it comes to fragmented ownership in development, I can definitely see how the \$200 million in housing-enabling infrastructure might help, especially for infill. I'm hoping you can shed some light, just in the brief couple of seconds left, on how government leading the way on installing the infrastructure will help get homes built.

**Mr. Patrick McManus:** This is the "build it and they will come" principle. We have lots of infrastructure available, right up to a point. Right now, with financing costs so high, the way that we've operated on building houses for the last 40 years is the developer builds out at the municipality's behest, and they take out financing to build that anywhere between two and five years before the house is actually constructed. With the province stepping in and handing the money to the municipalities to build out this infrastructure, you're going to reduce the cost of building houses—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

I will now go to the opposition. MPP Fife.

**Ms. Catherine Fife:** Thanks to all the presenters. You've made some interesting points here in relation to Bill 146 and the fall economic statement. Around the carbon tax, a motion passed, I believe yesterday, to write a letter to Justin Trudeau and ask him to pull back the carbon tax. I'm sure he's going to listen with open ears. We'll see what's in the fall economic statement today.

I'm going to start with Vincent. You had referenced the Inflation Reduction Act and the impact that that's having on this jurisdiction of Ontario and, indeed, Canada. It's an interesting tool that the States is using to leverage their manufacturers. In fact, it's been referred to as "reshaping the path to a green energy transition" for manufacturers in the United States. It does raise the issue of protectionism—a whole new level of protectionism, actually—because they're using the IRA almost in essence as a wartime effort, essentially, for manufacturers, specifically on the green agenda.

I'm including their latest announcement from just last week to invest \$360 million just in one state for heat pump manufacturers. That's really a true partnership, because they're coming to the table, they're recognizing that heat pumps are a needed resource for homes to keep their energy costs down, they recognize that there is an appetite now to do so and they want manufacturers to be part of that solution and those good jobs that come with it. Unfortunately, the government did vote down our motion to do the exact same thing yesterday. However, I do hope that in the future that's part of the overall partnership that we see with provincial government and with manufacturers. I would rather Ontarians be buying heat pumps from Ontario manufacturers than the US.

There are opportunities here to really strengthen the manufacturing sector, especially looking toward reducing greenhouse gas emissions. I've heard some of your members speak about this. Did you just want to comment on this being a potential way forward for us to actually build back stronger?

**Mr. Vincent Caron:** On the general point, I would say absolutely, definitely there is an element of carbon reduction, but there's a strong element of industrial policy. Maybe it has as many definitions as people who would look at it, but I would say mostly it's about being strategic about all the policy tools that we have, to make sure that we make goods here.

**Ms. Catherine Fife:** I think we agree there's no one silver bullet, but doing something is positive, I would say.

**Mr. Vincent Caron:** Yes. Obviously, we want to have a purposeful approach there. We want the government to use the tools at its disposal. You mentioned protectionism. Obviously, we want to make sure that there is a "buy North America" approach where we can, right? Also, where we have procurement policy, we should also support our businesses. We need to do that with trade compliance in mind, but also not being naive that it's not done elsewhere. In fact, the Americans, from what I understand, expect other jurisdictions to follow and basically do what they're doing. So we have to really use all the tools.

But I would just caution that we can't be fixated on specific technologies, because depending—for all businesses, it's different.

**Ms. Catherine Fife:** Yes. But we need to be purposeful going forward, right?

**Mr. Vincent Caron:** Yes.

**Ms. Catherine Fife:** And if heat pumps are one of those items that actually could help homeowners address those high energy costs and potentially businesses as well—the application is not well tested in Ontario, but it's certainly worth pursuing. So thank you very much for that.

I'm going to move on to Patrick. I appreciate your candour about your sector, I really do. It actually made me think about a delegation that we had from the city of Kingston at AMO just this past summer, and the mayor there has two open sewer lagoons that they are dealing with as a municipality. Now, if you told me that we were still having—like, this is a huge issue, right? I mean, I usually think of a lagoon in a different way other than sewers, but the problem is real. The mayor basically said, just as you did, Patrick, "We can't build this critical infrastructure off the local tax base." So provincial, federal and municipal governments need to come to the table in a very balanced way.

There is, however, a big issue, because development charges have traditionally played a role in supplying some of that infrastructure. Municipalities are waiting to be made whole by this government, and that delay is pausing some key municipal infrastructure projects. Can you just speak to the importance of a very transparent way forward where the funding mechanisms are very clearly articulated, please?

**Mr. Patrick McManus:** I can. Water and waste water are a little bit different than any other municipal infrastruc-

ture sector because it actually comes with a rate. We're only at about 55% or maybe inching towards 60% of municipalities in Ontario that are actually operating our water system on a full-cost-recovery-system model. The province has always taken the position that this is municipal infrastructure, and any money that's invested from the province to the municipalities is actually taking money away from the municipalities that are operating that cost recovery and giving it to a municipality that's not necessarily doing that. It is problematic.

This is the type of infrastructure that really needs to be operated at cost recovery like every other utility, but we've never gotten there, and I think that's the way forward: looking at how the majority of the municipalities operate and pushing that model to the municipalities that don't operate on cost recovery. That's going to free up a lot of money for other infrastructure projects that are also necessary for growth.

**Ms. Catherine Fife:** Thank you so much.

Really quickly, to Stephen for the Ontario Trucking Association: I know that labour—qualified drivers—continues to be an issue for the trucking association. In Ontario, we're trying to address the red tape that foreign-qualified drivers are experiencing as they move to Ontario. Can you give us some sense if any progress been made on that? Because we heard about that last budget session.

**Mr. Stephen Laskowski:** With regard to recruitment and retention, like all sectors, we have a labour shortage. There are roles for our industry and there are roles—

**The Chair (Mr. Ernie Hardeman):** That answer will have to wait for the next round. We're out of time.

We'll go to the independent, MPP Bowman.

**Ms. Stephanie Bowman:** Thank you to all of you being here today. I will start with Vincent from CME. Vincent, you mentioned the Ontario manufacturing tax credit. Right now, only privately controlled corporations are eligible for that. Would you be in favour of extending that to publicly traded companies?

**Mr. Vincent Caron:** We've asked for some broadening there. We have to make sure that that's something that benefits companies that have a strong local footprint. But absolutely, in a targeted way, I think that's important, because there are companies that have done business for 100 years in Ontario, or in rural communities, for example, who don't qualify because they have a foreign parent. These companies have to compete for investment within these companies to bring the dollars to Canada. So incentives are needed there too.

1630

Sometimes we think of companies that don't just operate in Canada sitting on large piles of cash. The reality sometimes from facilities and small communities is that it's actually significantly harder to bring investment to Ontario. So we would think that some broadening of the tax credit is needed there.

**Ms. Stephanie Bowman:** Okay, great. I just wanted to remind everybody that the jobs lost in the last global recession—most economists, I think maybe yourself, would agree that it was due, in great part, to the Canadian

dollar being at par with the US. Canadian companies were then—right now, we have an advantage when our dollar is not at par with the US. So I just wanted to remind everybody that the dollar was at par at that time, as well as that the Liberal government bailed out the auto sector at that time, and the Conservative members voted against it. So just a reminder of history there.

I wanted to move on to Patrick. Patrick, I understand that you perform about \$1 billion a year in capital projects related to water and sewers, so this \$200 million would be about 20% of that. Where will the rest of that money come from, going forward?

**Mr. Patrick McManus:** So municipalities fund—because this is wholly owned municipal infrastructure, this money comes from dedicated reserves and from user fees on your water and waste water bills. That funds the operation, the maintenance and the build-out. The other component of that money comes from private sector development in municipalities.

**Ms. Stephanie Bowman:** So none of it comes from development charges?

**Mr. Patrick McManus:** It depends on how some municipalities operate. Some dedicate portions of their development charges to water and waste water expansion—not every municipality, but some do.

**Ms. Stephanie Bowman:** So the \$200 million—again, about 20% of your total spend. I don't know if that \$800 million, the remainder, could be made up for from, again, user fees or some other—the developer's funding—but certainly we are looking for the development charges to be made whole. In some ways, the government promised, and I expect that would benefit you as well.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Patrick McManus:** Yes. There are lots of ways to make the water and waste water sector whole. Legislating operations at cost recovery are one of those ways forward.

On the development charges, look, it's a really tricky prospect. On the front end of all new developments, this is the first asset that goes in the ground. Developers are funding that for two to five years before people are actually getting into homes.

**Ms. Stephanie Bowman:** Thank you so much.

Stephen, quickly to you—thank you for being here. I wondered if you could comment on what your industry is doing or can do. You know that we're in a climate crisis. I don't know if that's a word that you're comfortable using, but what can your industry do to help eliminate carbon gases?

**Mr. Stephen Laskowski:** So they can continue to do what we are doing, and that's investing billions of dollars both from a manufacturing and a fleet operating perspective, introducing fuel-saving technology. We can also continue to do—

**Ms. Stephanie Bowman:** But how much is that already occurring today? And can you speak to the kind of savings that you've generated—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We will now go to the government. MPP Crawford.

**Mr. Stephen Crawford:** I'd like to start out by thanking all the presenters here today. We have limited time, and I'm going to share my time.

My first question is going to be with the Ontario Trucking Association. I certainly listened intently to your point about the penalizing nature of the carbon tax. What surprised me was the extent to which it really does hurt our industry. I knew it was problematic, but when you put it dollar per vehicle per year, it can be very, very damaging to our competitiveness.

I just wanted to ask you, with the population growth, with the manufacturing growth and the manufacturing renaissance that we are experiencing here in Ontario—because that will affect your business as well, that will be good for your business—with more and more trucks on the road with the greater population, what your thoughts were about extending and building our infrastructure as it pertains to highways such as the 413, the Bradford Bypass etc. Do you have some commentary on how that will affect your people?

**Mr. Stephen Laskowski:** Absolutely. Both the infrastructure projects that you just mentioned, the 413 and the bypass, are critical pieces of infrastructure, but not just for our sector. We move goods. A truck moving down the road with nothing behind it is of no use to anyone. So when we invest as a province in infrastructure that attracts investment from around the globe and allows businesses currently to expand, my members can then move that supply chain more efficiently. It used to be the auto industry was just-in-time; well, it's just-in-time everywhere, and that means the more we can efficiently move a truck down the highway that moves this economy, the better off we will be, not just for today but for the future. That's the one key piece that we need to continue to mind.

We applaud this government. These highways aren't just for today; they're for tomorrow, and they're for our future Ontarians and our future growth. It's critical that we maintain this growth, and it's critical our sector—to the previous comments—continues to work on removing its carbon footprint, and we are firmly committed to that.

**Mr. Stephen Crawford:** Okay. Thank you. I'm going to pass it over to MPP Smith—David Smith, from Scarborough.

**The Chair (Mr. Ernie Hardeman):** MPP Smith, Scarborough.

**Mr. David Smith:** Thank you very much. I certainly want to thank the Ontario Sewer and Watermain Construction Association. Just this morning we had a clear reminder from the minister here, who spoke about the investment of over \$200 million in the industry, and I'd like to know how you plan to use some of that money through your association to get our water mains with real good drinking water—wells, reservoirs—to the farther-out regions of Ontario.

**Mr. Patrick McManus:** One of the biggest initiatives we are working on is on recruitment and retention and promotion of our industry, because the skills gap is one of the biggest issues we face in our industry, as with, it seems like, every other industry. So understanding and having

that sustainable budget and having a road map for the next few years actually helps us sustainably build our workforce, and because these are infrastructure assets that are wholly owned publicly, it becomes very difficult unless we have a horizon of funding. Knowing that this funding is there for particular regions is going to help us develop our workforce in those areas.

**Mr. David Smith:** Very good. Have you been talking to the farther-reaching regions? Because I know I've gone up north, which is a part of Ontario still, and I know there are some water issues in some certain parts. Thinking of some of the dollars that will be allocated to do that kind of work out there, what are we doing or how will we present to those bodies that are doing some of the construction work in those parts?

**Mr. Patrick McManus:** Our companies from the GTA and north all work, all the way to Thunder Bay, Kenora, Rainy River and all up into Ear Falls; everywhere in Ontario, these are the companies that do this type of work. There's great expertise here in this province to do this type of work. And again, all of this funding, knowing where the projects are going to land—companies follow that project money, so they will go out and build satellite offices in these places, they'll hire locally and they'll develop out their footprint in Ontario. It's good to grow our construction companies here from the money that we're investing here.

**Mr. David Smith:** Very good. I'm part of the Ministry of Labour, and I'm always concerned with our aging population and how we are replenishing in that regard. Have you ever heard of the Skills Development Fund, and is your association tapping into any of those dollars to bring younger persons or new Canadians into the sector?

**Mr. Patrick McManus:** Our association is spending tremendously in this field of promotion, recruitment and retention, but we are doing it on our own. The reason that we're doing it on our own is contractors tend to be lone wolves and they like complete and utter control over everything that they are doing and marketing, and so they have chosen as a group, as an organization, not to apply for SDF funding; although, we know many of our counterpart organizations have, a number of our member companies have, to their great advantage. It's actually worked out very well, especially for upskilling workers in the industry to start filling those more senior roles, because that's where we're really going to run into the problems in the next 10 to 15 years in our industry.

**1640**

So, many members have, many of our counterpart associations have, but we've chosen not to tap into that funding and just do it on our own.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. David Smith:** I'll pass it.

**The Chair (Mr. Ernie Hardeman):** MPP Triantafilopoulos.

**Ms. Effie J. Triantafilopoulos:** Thank you to all the presenters.

I've got a quick question for Stephen, who is there virtually. You mentioned earlier that your second-leading

cost after labour was in fact the fuel cost, and that obviously, in turn, would lead to inflation. I wonder if you could also expand a little more on that with respect to how the extension of this gas tax will in fact help your industry and Ontarians generally.

**Mr. Stephen Laskowski:** Sure. Well, as I mentioned in my figures, by lowering the price of fuel, you're lowering your operating cost, and by lowering your operating cost, you start conversations within the supply chain between your customers. Any time we have lower costs, then the customer—and, in this case, the carrier—talks about what it costs to move freight. So there are—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for those questions.

We'll now go to the official opposition. MPP Kerna—

**Interjection:** Kernaghan.

**Mr. Terence Kernaghan:** Chair, you had it.

**The Chair (Mr. Ernie Hardeman):** Yes, I did.

**Mr. Terence Kernaghan:** You were so close. Thank you very much, Chair, and thank you to our presenters. It's a little inside joke we have; I hope you don't mind.

Vincent, it's great to see you again. I wanted to specifically ask—we saw a report coming recently from the Toronto Region Board of Trade. It was called the Race for Space: Securing the Future of Ontario's Employment Lands. It was talking about the different changes that are coming down the pike in terms of land use coming from the government of Ontario, as well through the provincial planning statement, and Bill 97 that is threatening those really important industrial, commercial, institutional and office lands that have been earmarked. There are strategic lands that are located next to transit corridors. They have access to key infrastructure and many other important attributes.

I wanted to ask, do you have recommendations to the government about those policy changes?

**Mr. Vincent Caron:** Absolutely. First of all, the designation as provincially significant employment zones—that's absolutely something that should stay there. We believe that there needs to be a process where conversion requests can't just come out of the blue all the time. So we have to keep a holistic picture of our industrial lands and manage them in a purposeful way, because we're trying to get investment for the long term, right? So we want to make sure the boundaries of industrial lands are stable. We really think that the government can do some work to complete that document. We saw consultation happen the last few months. We fed recommendations to that. We supported the TRBOT report. That's something that we support. The recommendations in this document—I would encourage everyone to read it, actually. It's got a lot of practical things that we can do right now.

**Mr. Terence Kernaghan:** I also wanted to ask, do you have many members who have been talking about the CEBA loans?

**Mr. Vincent Caron:** Sorry; I'm not quite sure which bill that is.

**Mr. Terence Kernaghan:** It was the Canadian—I'm trying to think of the acronym right now; the CEBA that were administered to businesses throughout the pandemic.

**Mr. Vincent Caron:** Oh, the emergency business loans from the pandemic.

**Mr. Terence Kernaghan:** Yes. Do you have many members that applied for those?

**Mr. Vincent Caron:** Manufacturing, by and large, has remained open during the pandemic. That's something we lobbied for and the government was supportive of. So we maybe don't have as much exposure to CEBA loans as maybe other sectors.

**Mr. Terence Kernaghan:** Understood.

We've been arrested in this chamber with the government talking about a letter-writing campaign to our federal cousins about removing the carbon tax. There hasn't been admission from the government that they actually chose the carbon tax when they got rid of the cap-and-trade system. I did specifically want to ask—I noticed, and I wanted to congratulate you as well, because I know that the CME recently, after years of advocacy, got the 10% refundable corporate income tax credit for manufacturing investment, so I just wanted to say well done. I think it's something that we really need to see more of, supporting domestic manufacturing and supporting the good jobs that are here within the province. Are there any other improvements you would like to see made?

**Mr. Vincent Caron:** Well, first of all, I really appreciate your mentioning that, because we think there needs to be real policy stability in manufacturing. If all we're doing is doing policy for four years or eight years or 12 years or I don't know—whenever there's changes that—the policy always changes—I think then it really undermines the certainty for businesses, so I think we need to hear from all parties that there's commitment to an industrial strategy and to measures to support it.

I mentioned earlier that I think we can have a longer horizon on the tax credit. Right now, it's there for three years. I'm pretty sure you'll see strong uptake that will justify going beyond that, but the more we can know that in advance, the better. And looking at eligibility, again, we are in a global race for investment, so we need to have incentives that are broadly available and simple. So let's look at those regulations and make sure that the language is clear and that every time you go do your taxes, you actually get the money you were told you were going to get.

**Mr. Terence Kernaghan:** Excellent. Thank you very much, Vincent.

My next questions will be for Patrick. I think you outlined it quite well: When we look at sewers and water main construction, it's kind of like the organs that keep a city flowing. Without them I would hate to see the health of a community. In my city of London, we have replacements of old cracked clay pipes, but there's actually been instances of hollowed-out logs, for heaven's sakes—I'm sure you've seen—which is quite concerning when you realize that that has been taking care of business in your community.

Speaking of the \$200 million that the province is currently investing, it's kind of concerning because we've seen the government, through Bill 23, remove \$5 billion from municipalities through not allowing them to levy development charges, and yet they're sort of offering this \$200 million now. You spoke towards dedicated reserves. Unfortunately, we've seen a lot of concerns from the province about municipalities sitting on those dedicated reserves. Did you want to speak to the importance of those reserves and how important that is for water mains and infrastructure for municipalities?

**Mr. Patrick McManus:** Yes, sure. Water and waste water funds and reserves need to be dedicated to water and waste water. If you go back to the 1970s and 1980s and 1990s, you saw money being pulled out of those user fees and put into other areas of municipal budgets—very problematic.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Patrick McManus:** Development charges offer a great opportunity to build certain types of infrastructure. We think that that is better suited for your roads, your bridges, your transit lines, because water and waste water have the ability to access a user fee, and that fee should be enough to maintain and operate and expand the system as necessary. We really have to get smarter about how we're funding the different pockets of infrastructure, especially the ones that are desperately needed in the province.

**Mr. Terence Kernaghan:** Excellent, and I think you hit the nail on the head when you mentioned the disinvestment in critical infrastructure. We've seen the province getting out of the business of building affordable housing since the mid-1990s, and now we have a housing crisis. It's almost as though it was invented by the government itself. Would you like to see the province invest in the creation of more purpose-built rentals and affordable housing themselves?

**Mr. Patrick McManus:** I think more of everything is necessary. We are in this massive growth boom, and we need everything, alpha to omega—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. We'll now go to the independent. MPP Bowman.

**Ms. Stephanie Bowman:** I just want to go back to Stephen for a moment. I think you finished up last time talking about some of the metrics that you're looking at to measure some of the savings that your industry is creating or identifying to reduce your carbon footprint. Could you just give me one minute on those, please?

**Mr. Stephen Laskowski:** Absolutely. So they are two-fold. There are regulations governing criteria air pollutants. They've been around since the early 2000s. And we've had rounds of regulations that govern climate change emissions from our vehicles. Beyond those regulations, the province of Ontario—which we strongly supported and lobbied for—have speed-limiter rules. As you know, fuel efficiency creates greenhouse gas; the more fuel efficient you are, the smaller your footprint is.

1650

We have driver-training programs. Trucks' engines are just large computers. They measure braking. They allow fleets to measure exactly the performance of their drivers, and drivers are trained to continue to increase fuel

efficiency. Trailers, aerodynamics—there is nothing our industry is not doing with modern technology that is available today, both regulated and unregulated, including the driver and driver performance.

The issue of alternative fuel devices that would reduce our carbon footprint based on diesel emissions is less available and, quite frankly, problematic at this stage. It doesn't mean that we're not going to get there; it doesn't mean we're not committed to getting there. It's just, right now, the technology isn't ready to move the modern supply chain.

**Ms. Stephanie Bowman:** I will just comment that while we're spending a lot of time talking about the carbon tax, the Bank of Canada says it's 0.15% of inflation. I think they modified it slightly, given some of the rise in fuel taxes, to 0.6% of inflation, but that's a one-time impact. I just wanted to bring some context to that for everybody.

I want to go back to Vincent. So Vincent, recently there have been some announcements about the Stellantis deal, the LG factory, Volkswagen. About two thirds of the money comes from the federal government on that. Are you happy to be receiving that money into the manufacturing sector here in Ontario?

**Mr. Vincent Caron:** Well, obviously, it's good to have some level of following the production tax credits where a deal can be obtained here. So we're obviously grateful that the governments have worked together, the provincial government and the federal government, to put together the package that brought these deals.

**Ms. Stephanie Bowman:** Yes, with two thirds of the money from the federal government.

I just want to come back to Stephen—sorry, not Stephen—

**Mr. Patrick McManus:** Patrick.

**Ms. Stephanie Bowman:** Patrick, thank you. Sorry. Just back to the ongoing challenges that we have with sewers because, of course, there's the building new for new communities—whether that's, hopefully, densification within cities and towns, but also new areas—but there's also, again, a big backlog in terms of repair.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Stephanie Bowman:** Could you talk a little bit about the \$200 million, how you would prioritize that in terms of new versus repair?

**Mr. Patrick McManus:** Yes, so I think that what's really important while we're in a crisis for housing is to build that towards expansion. Whether that's expansion for increasing size—so rather than rehabilitate with existing size, build up. Rather than focusing on rehabilitating existing—there are great long-term plans for many municipalities for rehabilitation, but where we really need to focus is building that infrastructure out to support more housing growth.

**Ms. Stephanie Bowman:** Just on that point, in my riding of Don Valley West, I get complaints from mostly renters, actually, in the new builds, the condos, that they don't have good water pressure, and that the builders are having to invest in some kind of pumps, and the renters are getting asked to pay for those on their own. Can you comment on that? Do you have any insight on that?

**Mr. Patrick McManus:** I know that when we're building condos—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that panel. All three presenters, we thank you very much for joining us today and all the time you spent in getting ready for this, coming here and presenting at the committee. We appreciate your assistance. So with that, thank you.

CANADIAN CANCER SOCIETY  
HEART AND STROKE FOUNDATION  
FEDERATION OF RENTAL-HOUSING  
PROVIDERS OF ONTARIO

**The Chair (Mr. Ernie Hardeman):** We now will go to the next panel. In the next panel, we have two virtual and one in-person. The first one, and it's virtual, Canadian Cancer Society; the second one is Heart and Stroke Foundation, and it's virtual; and the Federation of Rental-housing Providers of Ontario is here in person, so they've taken the stand here. With that, again, the presenters will have seven minutes to make their presentation—all the virtual and here—and at six minutes, I will notify you that you have one minute left. At the end of that seven minutes, it will be over.

With that, we'll start off with the Canadian Cancer Society. As you start your presentation, if you would make sure you identify yourself so Hansard will have the name to attach to the comments being made. Again, thank you very much for being here, and the floor is yours.

**Ms. Hillary Buchan-Terrell:** Good evening. My name is Hillary Buchan-Terrell and I'm with the Canadian Cancer Society. I'm the advocacy manager for Ontario. I'm pleased to be here today to speak on behalf of the Canadian Cancer Society about the government's recent fall economic statement.

The Canadian Cancer Society is thrilled to see that Ontario accepted the federal government's invitation to take part in the vaping tax, which will ensure that vaping products are taxed here in Ontario just like cigarettes, cannabis and alcohol already are. This is important because we know that vaping across Canada has become a crisis among our youth. Despite efforts by both governments and health organizations alike to reduce youth smoking, a whole new generation has become addicted to nicotine. We see that on full display in the statistics from the Canadian Student Tobacco, Alcohol and Drugs Survey from 2021-22, which shows 21.5% of grade 10 to 12 students are vaping and nearly 40% have tried them. We also have data from the Canadian Tobacco and Nicotine Survey that shows nearly 730,000 Canadians who vape have never smoked, including maybe many young people.

The good news is we know that youth are particularly sensitive to price, so by increasing the overall cost via this tax, it will make it less affordable to youth relative to cigarettes. The Alliance for a Tobacco-Free Ontario, which includes CCS, my colleagues at Heart and Stroke, Canadian Lung Association, Lung Health Foundation,

Ontario Public Health Association, the Ontario Medical Association and the Ontario Tobacco Research Unit, included this policy recommendation in our 2023 pre-budget submission. Decision-makers will be pleased to know that over 80% of Ontarians support this policy, and many in the public health space, including public health units, are also celebrating this news.

With that in mind, I would be remiss if I didn't also emphasize that this is one of a suite of potential tools that governments have at their disposal to tackle both vaping and smoking.

We are also deeply concerned about flavoured vapes that appeal to youth, with names like "Love Pink" and "Tutti Frutti" and "Avalanche." Fruity and mint/menthol are particularly popular with youth, with over 50% preferring fruity flavours and 20% mint or menthol, according to Statistics Canada.

We're also concerned about disposable vapes, which have newly emerged onto the market and exacerbate the already low-cost barrier for entry for vapes.

Another tool that the province of Ontario could implement is a cost-recovery fee. Just less than an hour ago, the federal government announced a federal cost-recovery fee on tobacco. This would be a polluter-pays model for recouping the cost of the Smoke-Free Ontario Strategy. As I presented to this committee during the last pre-budget consultations, we want to hold big tobacco accountable, not Ontario taxpayers, for the cost, which is about \$44 million annually, which includes enforcement, cessation and prevention programs. This presents a direct savings to taxpayers and ensures that big tobacco are held accountable for the harms of their products, which includes over 16,000 deaths in Ontario and \$2.2 billion per year in 2020.

While we did not include a breast cancer screening recommendation in our pre-budget submission for 2023, we were delighted to see how Ontario showed leadership to expand access to breast cancer screening, just in time for Breast Cancer Awareness Month. This news made Ontario the fifth province to empower women to self-refer for a mammogram starting at age 40. At CCS, we believe that women across Canada in their forties should be able to make an informed decision based on personal risk and values of the potential benefits and limitations of screening. We agree: Early detection means less invasive treatments, a reduced burden on the health care system and better outcomes.

An estimated one in eight women in Canada are expected to be diagnosed with breast cancer during their lifetime. We also know how critically important access to breast cancer screening is to find it early, when the chances of successful treatment are better. In particular, we know that this reform will benefit the estimated one in four Ontarians that will not have consistent access to a family physician by 2026, according to the Ontario College of Family Physicians.

As we seek to understand and unpack these changes to breast cancer screening, Ontario has an obligation to ensure its guidelines are kept up to date, including new

research. This includes ensuring screening programs have the resources, not only financial but technological and health human resources, to ensure that those who need access to screening can receive it in a timely and equitable manner, and that we don't worsen any existing barriers or gaps.

**1700**

This also means ensuring sufficient capacity across the cancer care continuum of early detection, screening and diagnosis, as well as treatment. There are people not accessing breast cancer screening due to barriers and inequities even though they are currently eligible—especially for people in racialized and Indigenous communities, and those with low-income and in rural and remote communities, though our knowledge of cancer experiences among these communities is inadequate due to a lack of Canadian data.

As we strive to make cancer care in Canada better and more equitable, Ontario should support the mandate and collection of data to address gaps across the cancer continuum, as outlined in the Pan-Canadian Cancer Data Strategy. This will provide key evidence to support cancer control planning, address inequities within cancer care, and support evaluation and accountability into the future.

CCS is committed to being a champion for people living with and beyond cancer. We look forward to working with all members of the Legislature and the government to engage people in Ontario on reducing tobacco and vaping use, especially among youth, and increasing breast cancer awareness and to promote breast cancer risk reduction and early detection.

I also wanted to mention, though not included in the fall economic statement, that we're looking forward to working closely with Minister Piccini and the Ministry of Labour on the recently announced job-protected-leave consultation, which we presented last time this committee met. We hope that by spring 2024, no one will have to choose between cancer treatment and working.

We thank you for your time today and we look forward to the 2024 budget process. I'll be happy to take any questions any committee members may have.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for the presentation.

Our next presentation is the Heart and Stroke Foundation. There we are, and if you would start by introducing yourself, the floor is yours.

**Ms. Lesley James:** Thank you for the opportunity to speak with you today about Bill 146. My name is Lesley James. I'm the director of health policy and systems for Heart and Stroke.

Our organization is one of the largest health charities in the country. We're a leading organization dedicated to reducing the burden of heart disease and stroke. For more than 70 years, our organization has been at the forefront of tackling the most pressing issues related to heart disease and stroke and vascular cognitive impairment. We drive life-saving medical breakthroughs and act as a catalyst for bringing together the brightest minds to prevent disease and also improve diagnosis, care and support.

Since vape devices came into the marketplace about a decade ago, Heart and Stroke has heard from many concerned Ontarians, including parents—like myself—teachers, students, physicians and researchers who have expressed worry over youth vaping. Heart and Stroke strongly supports the inclusion of a vape tax in the budget measures. Our organization has advocated for the creation of a coordinated excise tax at the federal and provincial level, and we're very pleased that Ontario is aligning with numerous other provinces and territories in increasing the price of, and reducing access to, these harmful devices.

Canada, and Ontario in particular, are facing a youth vaping crisis. Heart and Stroke has been working with governments to address this crisis since the products were first introduced into the marketplace over a decade ago. Vaping rates among teens and young adults skyrocketed following the introduction of e-cigarettes, and they've remained alarmingly high ever since. The notion that vaping is safer than smoking, coupled with the enticing vape flavours spoken about by my colleague and low cost, has contributed to the sharp rise in e-cigarette use. Today in Ontario, there's a new generation of young people addicted to nicotine and regularly inhaling toxic chemicals from vape products.

In Ontario, 21.5% of students in grades 10 through 12 report current vaping, and while rates have slightly declined across Canada and among most age groups, Ontario is in a unique situation. Our youngest students, those in grades 7 through 9, are reporting increased vape use—from 7.6% in 2019 to 8.5% in 2022. This illustrates that the current policy measures are insufficient to address youth vaping.

Vaping rates among young people in Ontario are almost four times higher than young adults aged 25 years and older. Young people are trying vape products at an alarming rate. In 2022, 30% of youth ages 15 to 19 and nearly half of young adults have reported trying vaping in their lifetime, and many who try go on to become regular vapers.

Research reviews have found that teenagers who use vape devices are four times more likely to use tobacco in the future. This threatens to undermine the decades of progress we've made in tobacco control. While vaping may be less harmful than tobacco, it's not without harms. Nicotine alters adolescent brain development and can affect memory and concentration. Vaping has been linked to poor mental health outcomes, including worsening symptoms and odds of depression and anxiety.

Vaping liquid and aerosol contain a number of chemicals with known toxicity. E-liquid, or "juice," can negatively impact cells in the mouth, nose, lungs, heart and blood vessels. Emerging evidence suggests that dual use of both vapes and tobacco cigarettes is linked to higher risk of heart disease and stroke.

The average age of initiation for vaping in Ontario is 15.78 years, despite the legal age of purchase being 19. Most high school students in Ontario report that vapes are easy to access, and much of this accessibility stems from the low cost. Vape products sell for as little as \$5 in Ontario, with many starter packs retailing for \$10. This is



very affordable for a teenager working a minimum wage job or a kid receiving an allowance from their parents.

A wealth of evidence from tobacco policy indicates that youth are particularly sensitive to price. New research around vape taxation reports similar findings. Price mechanisms have an important role to play in discouraging the use of vape products in young people. A vape tax in Ontario would prevent initiation and decrease youth vaping, ultimately lowering the health harms for adolescents during a critical time in their brain development. Price increases are also associated with increased quit attempts. This is particularly important as 60% of vapers between the ages of 15 and 19 report trying to quit vaping in the past year.

The almost \$50 million in annual revenue generated from the new vape tax can be spent on supporting these young people who are trying to quit. We often hear from young people who started vaping as a social activity, and years later they are addicted and they want to quit. We failed this young generation, and we need to do a better job supporting them.

The merits of vape taxes are clear. Over 80 jurisdictions around the world have adopted vape taxes to deter consumption. In a poll this year, 82% of people in Ontario support the provincial government putting forth a tax on vape products. Not only is this policy measure strongly supported by the Heart and Stroke Foundation, but numerous other health organizations in Canada and abroad have endorsed this intervention—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Lesley James:**—such as the World Heart Federation, the World Health Organization and the World Bank.

We thank the government for putting the health of the young people of Ontario first and introducing this effective measure to reduce access to vape products. We applaud your leadership and look forward to continued collaborative efforts to make Ontario a healthy place to live.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

This next presentation is the Federation of Rental-housing Providers of Ontario. They're present here in person. You've heard the instructions. The floor is yours.

**Mr. Tony Irwin:** Thank you, Mr. Chair. Good evening, committee members. My name is Tony Irwin. I'm the president and CEO of the Federation of Rental-housing Providers of Ontario, or FRPO for short. I often appear at committee to discuss housing bills. This is my first time before this committee, so I appreciate the opportunity.

FRPO has been the leading voice of the province's rental housing industry for nearly 40 years, with 2,200 members who own and/or manage over 350,000 rental homes across Ontario. I'm also interim president of the Canadian Federation of Apartment Associations, the voice of Canada's rental housing industry in Ottawa.

Ontario's rental housing market has significantly tightened over the past few years. Earlier this year, the Canada Mortgage and Housing Corp., CMHC, released its annual rental market survey for 2022. CMHC reported Ontario's vacancy rate at 1.8% as of October 2022, down from 3.5% in October 2021. More recently, Urbanation

reported a vacancy rate below 2% for the seventh consecutive quarter. This represents a significant decrease from the peak of 6.4% during the first quarter of 2021.

**1710**

The last few years have, however, seen an uptick in rental housing starts. Measures taken by the Ontario government made an impact on the ground, with 14,817 rental housing starts in 2022, the highest number in over 30 years.

In 2023, the construction pipeline has slowed down as a result of significant headwinds, including high interest rates, ballooning construction costs and acute labour shortages, all of which have impacted the financial feasibility of rental housing projects. Purpose-built rental units currently under construction in the third quarter of 2023 hit a low not seen for over two years.

Over the next decade, we need to build 300,000 rental units in Ontario on top of what is currently in the pipeline to balance the market. The highest number of rental housing starts recorded in the past 30 years is 14,187—less than half the number we need every year to close the gap.

FRPO commends the Ontario government for its commitment in the fall economic statement to remove the provincial portion of the HST on purpose-built rental projects. I was pleased to join Ministers Bethlenfalvy, Calandra and Flack for the announcement at the site of a new purpose-built rental housing development. This follows an announcement in September by the federal government to remove GST on the same projects.

But we need to do more. FRPO recently updated our Ontario rental housing strategy with specific measures to incent more purpose-built rental housing in the province. Our plan includes measures related to zoning and fast-tracking approvals, including the creation of an as-of-right zoning framework to fast-track infill developments on existing purpose-built rental sites—at the onset of the pandemic, FRPO released a report that identified approximately 975 infill sites in the GTA that could potentially accommodate 180,000 rental homes if approvals could be fast-tracked; a density and height bonus to help purpose-built rental compete with more lucrative condominium projects for land; and a separate queue with dedicated resources to fast-track appeals of purpose-built rental proposals at the Ontario Land Tribunal.

Our plan also calls for rebates on development charges, community benefit charges and parkland levies. We also seek to remove prohibitive regulations to incent the development of more low- to mid-rise apartments. These include things like double egress, parking minimums, setbacks, floor space index and other prohibitive requirements.

Operating conditions also impact decisions to build or not build purpose-built rental, so we urge government to ensure the rent increase guideline for pre-2018 units is aligned with inflation; maintain the current rental policy regime that governs above-guideline increases, vacancy decontrol and the post-2018 exemption; and ensure the Landlord and Tenant Board meets its own service standards.

Over the past year, some have proposed changing the tax structure for real estate investment trusts, imposing

additional taxes and restricting large rental housing providers from accessing CMHC loans to build rental housing. These proposals impact the ability to raise capital and create instability and uncertainty at a time when we all need to say yes to purpose-built rental housing.

I recently attended a groundbreaking for 32 affordable housing units in Fergus, Ontario, built by Habitat for Humanity with the support of Skyline Group, a FRPO member. Partnerships are the key to providing the mix of housing we need in this province and should be encouraged and supported.

FRPO was very pleased with the commitment in the fall economic statement to remove the provincial portion of HST on purpose-built rental housing. It will help and is badly needed. We are also pleased that the government sees this measure as one of many required to address our housing crisis. We look forward to working with all members of the Ontario Legislature to get more purpose-built rental housing in the province of Ontario. Thank you, and I welcome your questions.

**The Chair (Mr. Ernie Hardeman):** Well, thank you very much for the presentation. That concludes the presentations, so we'll now start with the committee. The first one will be the official opposition, MPP Fife.

**Ms. Catherine Fife:** Thanks to all the presenters. I really appreciate you taking the time to come to this committee.

Tony, I'm just going to start with you, because you just talked about the importance of fast-tracking and streamlining purpose-built rentals. People are desperate. We're planning for our second encampment—tent city—in Waterloo region.

I just recently wrote to the Minister of Transportation on this issue because the transportation piece sometimes is the barrier—the infrastructure piece. Conestoga Park Square has been planning 3,400 purpose-built units for three years, and now the MTO as asked for yet another traffic study. So there's no other way to describe it: It's just a bureaucratic entanglement and a mess, and nobody really wants to take responsibility for it. And yet municipalities have been given these directives and these targets to hit, and they either get a carrot or sometimes they get a stick.

Can you speak to the importance of the various ministries working together to address some of these bureaucratic barriers?

**Mr. Tony Irwin:** Thank you for the question. There is no doubt that time kills projects. The length of time it takes to get projects approved does kill projects. I don't want to be alarmist or want to over-exaggerate something, but you hear enough stories—and you hear them in your own riding and elsewhere—about how significant the issue is.

When I started in this position, over five years ago, I would get into very strenuous conversations with people about whether we really had an issue or not relative to supply. There are a lot of issues we need to resolve here with respect to housing. It is complicated, and I think our values are such that we want people to have housing. I think we can all agree to that. It's how do we get there, whether it's all governments working together—federal,

provincial and municipal—whether it's different departments working together.

I think, frankly, there are too many commenting bodies often who want to have a say in proposals. There needs to be oversight. There needs to be accountability; there's no question about that. But it gets to the point where it is too much. There are too many layers and involves too many approvals, and then nothing happens. We know that really is—now more than ever, we need to not have that be the case.

**Ms. Catherine Fife:** I think on the transportation piece, MTO's piece—and I didn't know this—is that once an application is put in, if there's another application for another purpose-built rental or another, then everything has to start all over again. We end up just going around in circles. So this is a piece that I hope can be resolved locally, but I do think the province has to look holistically in that regard.

Does your organization have any opinion on having a sunset clause for when municipalities have passed approvals and permits have been issued for various housing projects and, year after year after year goes by, and nothing is done? It's almost like land banking for that. Do you think that municipalities saying, "We will grant you this building permit and all the other pieces of the puzzle, but you need to build this housing in two, three, four, five years or you lose the right to build"—do you see that as a valuable tool? Is that something that's part of the discourse with your members?

**Mr. Tony Irwin:** In my view, we are trying to encourage more housing of all types to be built. I don't know why we would be talking about something—this is kind of a use-it-or-lose-it you're talking about? I assume that's what you're referring to.

**Ms. Catherine Fife:** Yes. Waterloo, for instance, has housing developments, including purpose-built rentals, on the books now for 18 years, and they're just stagnating.

**Mr. Tony Irwin:** I think we have to look at why projects maybe aren't moving forward. I think it's way too simplistic to say, "We're going to give you a time limit. If you don't do something by then, we're going to take something away from you." I don't see that as a positive. When we're trying to encourage capital to be invested and housing to be built, why are we going to—I think it's more important, or more relevant or more instructive, for us to look at why, if someone has approvals, they are not moving forward.

If my members get approvals, they want to build. If they're not building, there is some reason why they can't. Right now, I have members who have started projects this year, and their very viability is in real question because of factors outside of their control. So I think it's more complicated than saying that we should be imposing some sort of arbitrary time limit, and then there's a penalty if you don't meet it.

**Ms. Catherine Fife:** Okay, that's good feedback. The government is contemplating that as well. It has proven to be somewhat effective in other jurisdictions, once the reasons are identified, why the building is not happening.

In this instance, with these 3,400 purpose-built rentals, it's that part of the deal is that they have to upgrade the

highway. I would see that—I don't necessarily believe that that's the job of a developer to upgrade a highway. That's my personal opinion. I don't know where you are on that. But I'm just going to move over—and thank you very much for that, Tony.

Hillary and Lesley, you both make very good points. You know that our health critic, France Gélinas, has been working on removing flavoured cigarettes. I'm sure there were some people that were mad at her at one point that you can't buy menthol cigarettes anymore in Ontario, but obviously, the research and evidence show that that actually led more people to smoke.

Vaping really is a scourge in our province. My husband is a high school teacher, and he said almost a third of his students are vaping. They're vaping everywhere too. They're vaping in the washroom; they're vaping in their cars; they're vaping everywhere, and they're highly addicted. The fact that popcorn lung now is becoming a big issue—this is sort of a slang term, I guess, whereby, at a very early age, youth are significantly damaging their lungs. You mentioned that this is specifically to schedule 14 around the Vaping Product Taxation Coordination Act.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Catherine Fife:** This would allocate revenue collected from a tax on vaping products as needed. It's determined by the minister. Where do you think that tax revenue should be going, specifically? Very quick answers, please, both of you.

1720

**Ms. Lesley James:** I'm happy to go first. Thanks for the question. In my remarks, we suggested that the \$50 million in revenue be reinvested back into health programming. We're seeing right now that young people are having a challenge quitting. We know from tobacco control it takes seven, eight, nine times for someone to quit tobacco. It's one of the most addictive products on the marketplace. Vape devices are likely more addictive, so we're going to see youth struggle with this for a long time. We need better access to cessation supports, better access to gold standard cessations, whether it's—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time. We'll have to answer in the next round.

We're going to the independent, MPP Bowman.

**Ms. Stephanie Bowman:** Thank you to Canadian Cancer Society, Heart and Stroke and the Federation of Rental-housing Providers of Ontario for all being here today.

I will start, Tony, with you. As you said, I think we can all agree: We're now all on the same page that housing is—we've got a crisis; we've got a shortage. People are now investing some money—and that's good news—in building rental housing. But I recognize what you're talking about, which was the regulations. MPP Fife talked about the barriers, the things that slow down getting that housing built.

I was recently talking to a constituent, and we came up with an idea: a housing hackathon, just like in engineering, where you throw a bunch of students in a room over a weekend, and they have to come out and solve a problem. I think that would be a great idea for helping to solve some

of the barriers that we have, the regulations, because again, as you say, there are multiple levels of government involved, and everyone is well intentioned, but there are complications. What do you think of that idea? Do you think that some of these things are really just, again, bureaucratic processes that might have been meant or designed to help and to protect people etc.? Of course, we want to protect safety, but do you think that there are some ways that, together, the provincial government, the municipal government—I think they would be the two main ones—could get together and maybe take a project, take a pilot and actually remove some of those barriers?

**Mr. Tony Irwin:** Absolutely. Just on your idea at the outset, I think we need to always be encouraging people to come to the table with ideas and getting young people involved, many of whom are probably pretty frustrated and pretty despondent about their prospects to even rent—forget about owning anything. I think getting them engaged is great, and we should.

But I think, broadly speaking, there has been a lot of conversation. I think we need to act. I think we do need to start taking action. While we should continue talking about ways in which we can do it, there are a lot of examples of projects in Toronto and Vancouver and elsewhere where all levels of government, non-profits, private sector have come together to get a project built. It has included affordable; it maybe includes retail to help make the economics work, but we have to come together. We have to.

I was asked by Matt Galloway recently on CBC, "Are you optimistic?" And I said, "I have to be. I have five kids. They've got to live somewhere. My basement? I'm going to go crazy." So we have to be optimistic about our future, and working together to try to solve some of these problems is the only way it's going to happen.

**Ms. Stephanie Bowman:** Sorry, just to be clear, I wasn't talking about just students; I was using that as an example. But, absolutely, getting knowledgeable people in the room to break these barriers—yes.

**Mr. Tony Irwin:** For sure, yes.

**Ms. Stephanie Bowman:** Okay. Thank you.

I have limited time, so I'm going to move to the vaping tax. Again, I think this is something that—I'm very glad that the government is taking this step. I'm glad to hear that they're listening to experts like those from Heart and Stroke and Canadian Cancer Society.

But I wanted to just get a little bit more insight—maybe from you, Hillary—about the \$44 million, the cost recovery fee. How difficult would it be to add a clause to this bill to make that happen? Is it a complicated step? Is it something that would be fairly easy to fund and roll out?

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Hillary Buchan-Terrell:** I'm not sure about the technicalities of that, but we know from example, from today, the federal government has included this in their fall economic statement. So it's really just changing the onus and the burden of who is paying for the programming. Right now, it's Ontario taxpayers and, really, it would just be a market share of all the tobacco companies. They would pay into that and make sure to support those activities.

**Ms. Stephanie Bowman:** And, Lesley, just very quickly: You said current policy measures are insufficient to address the vaping health crisis among teenagers in particular. How much money is the government spending right now to educate youth about the dangers of vaping?

**Ms. Lesley James:** We don't know that exactly. What we do know is that the Smoke-Free Ontario Strategy is about \$44 million per year. That probably could be increased, and especially, we could see an increase in compliance and enforcement. We strongly support, with tobacco—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that question.

We're now going to the government side. That's MPP Smith from Peterborough.

**Mr. Dave Smith:** My first question is going to be for Hillary from the Canadian Cancer Society. Cancer is actually the reason why I got involved in politics. My daughter had stage 4 nephroblastoma; she lost her right kidney, part of her diaphragm and part of both lungs. She had 41 weeks of chemotherapy and 15 days of radiation and four surgeries in total. For her first surgery, she was cut just to the left of the sternum all the way around to her spine. She had 217 stitches to put her back together—in a four-year-old.

Obviously with cancer, when you can find it sooner, it's far less invasive treatment. Can you talk a little bit about the mammograms and the breast cancer screening, moving it to 40—previously, it was a decade after that—and what that would mean for the outcomes for women finding a tumour much earlier than stage 4?

**Ms. Hillary Buchan-Terrell:** I'm so sorry. Some of the noise is a little bit garbled, so I didn't really hear your question, if you could repeat it.

**Mr. Dave Smith:** Sure. If you could just talk a little bit about what will happen by moving the breast cancer screening from 50 to 40, and what the outcomes would be for individuals who find the tumour sooner, when it's, let's say, stage 1 instead of stage 3 or 4.

**Ms. Hillary Buchan-Terrell:** Yes, absolutely. Thank you for sharing your story. I hope your daughter is doing well.

Yes, this is huge news—anything that increases access for all women who want to be able to access breast cancer screening. We know from our statistics that, when you find it sooner, it's more treatable. It's going to be less expensive on the cancer system as a whole, which means less money spent by government down the road. There are definitely some studies out there. I can definitely send you some resources on that that point to some of those statistics, but I don't have those at my disposal right now in terms of the costs.

But we just know intuitively that surgeries and the treatments that you mentioned are much more expensive than mammograms, so it just absolutely makes sense that women should be able to go and self-refer for mammo-grams from the age of 40.

**Mr. Dave Smith:** Thank you. I appreciate that.

I'd like to shift, if I could, to the Heart and Stroke Foundation. When we talk about the vaping tax, one of the concerns that has come to me is that if we increase a tax

too high on some of those “sin taxes,” what they are typically referred to as—smoking, drinking, those types of things—there's a concern that if we increase the tax or if we put too high of a tax on vaping, that all we will do is create a black market for it. Do you think that we have found that appropriate balance to increase the cost of vaping to discourage young people from getting into it without adding it too much to make it a viable market for the black market to start marketing?

**Ms. Lesley James:** Good question. What we see right now is that there isn't much of an illicit market for vape devices. Most products on the marketplace meet the requirements of Health Canada and their quality and safety standards. The tobacco market is vastly different than the vape market, and most of the products in the marketplace right now go through the proper assurances and are sold in the proper retail setting.

1730

That said, compliance with selling vape products in the retail setting to underage people is not where it needs to be, and we have massive improvements to be made in that area.

**Mr. Dave Smith:** Chair, how much time do we have left?

**The Chair (Mr. Ernie Hardeman):** You have three and a half minutes.

**Mr. Dave Smith:** I'm going to pass the time on to one of my colleagues, then.

**The Chair (Mr. Ernie Hardeman):** MPP Byers.

**Mr. Rick Byers:** Thank you to all the presenters for being here this afternoon. It's very much appreciated.

Perhaps, Tony, I would start with you. I had a couple of questions for you. We were talking about the factors that cause a delay in rental properties being built, and I'm sure they're different across each situation, but can you give a sense of what kinds of factors do cause properties not to be going forward when they should or could be, to better understand that issue?

**Mr. Tony Irwin:** Sure. Thank you for the question. When you look at the time that it takes from initial application to actually pulling permits and getting shovels in the ground, there are numerous stages that a developer has to go through in order to get to that point. I think, quite frankly, whether it be lack of resources—I know there's a huge need for more planners. That's certainly an issue that's affecting many municipalities: They simply don't have enough people to be able to manage the applications. That's part of it.

Then there are other factors, of course. Many times, local resident groups oppose the application. Yes, there are community meetings that must be held—I think that there have been some changes the government has brought forward on that in terms of number of meetings and so on—and communities should have a right to an opinion, but how much time should that take? How many meetings need to be had?

I've had examples where projects have been delayed by many years because of a resident filing an appeal for a couple hundred dollars. In one recent case, the appeal was withdrawn by the applicant and the project went forward,

but the impact on borrowing costs in that period of time that went by—it took a year. Forget about the legal costs and everything else; the borrowing cost alone was about \$70 million for the project, so that really impacted whether that could even go forward or not because of what was clearly a frivolous appeal.

**Mr. Rick Byers:** Interesting. Do you think we're seeing—clearly, the situation has become very much more difficult for all parties: renters, those trying to build. Is your sense we're getting more alignment among the municipal communities that you're dealing with, or is there still a ways to go?

**Mr. Tony Irwin:** I think we're seeing improvements, but I would say that it's not where it needs to be, given the scope of the challenge that we have. We keep saying it; many people keep saying it in terms of how large the gap is. It's not small numbers—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Tony Irwin:** —as I alluded to in my presentation. So there are improvements, but there's a long way to go.

**Mr. Rick Byers:** Got it. And you mentioned 300,000 over 10 years, 30,000 a year, which is well over what's being built. What gets us to that number, in your view? What do we need to do and what needs to change in the market to get there?

**Mr. Tony Irwin:** As I said earlier, we were seeing great progress right over the last couple of years, and that stopped. Some of those factors or reasons for that, none of us can control. Obviously, those are those difficulties that I wish we could all say, "Here's the solution for that," but we know there's not. Relative to economic indicators and so on that affect being able to access capital markets and different things, we know those are beyond this room at the moment, probably.

But what can we do to get to that number? The biggest thing we can do, sir, I would say, is that people need to say yes. People need to say yes. And I know, I'll hear people say, "Sure, we think rental is needed. But then the projects in my neighbourhood? Well, we don't want that." They have got to say yes.

**The Chair (Mr. Ernie Hardeman):** With that, we will now go to MPP Kernaghan.

**Mr. Terence Kernaghan:** Thank you to all our presenters who have come here and arrived via Zoom today.

My first questions will be for Hillary. Thank you, Hillary. It's good to see you again. We on the official opposition side are happy for your advocacy work with the vaping tax to make sure that there is money that is going to help with eliminating the scourge of vaping. It's concerning to see that different products have been allowed into the market, such as children's-cereal-flavoured vape products. To think that that isn't something that is directly related to marketing to children is quite beyond me. I want to thank you for your advocacy to try to regulate and eliminate those.

I wanted to hear more about your thoughts about the cost-recovery fee on tobacco as it relates to the Smoke-Free Ontario Strategy.

**Ms. Hillary Buchan-Terrell:** I'm so sorry; some of the audio is not very good. Could you repeat your question, just the last bit?

**Mr. Terence Kernaghan:** Absolutely. I just wanted to hear your thoughts about the cost-recovery fee on tobacco and how that would help augment funding for the Smoke-Free Ontario Strategy.

**Ms. Hillary Buchan-Terrell:** Absolutely. This is something we advocated for before at our pre-budget consultation. Again, good to see you here as well. Really, this is a polluter-pays model, changing the ownership, the burden, from Ontario taxpayers to tobacco companies, making sure that they pay that cost.

As my colleague pointed out, sure, there could be some work done to improve the amount that goes to the Smoke-Free Ontario Strategy. As we've spoken about, that strategy includes everything, like education and programming awareness, cessation supports and prevention to help people not pick up smoking or vaping in the first place. We know that those are all critically important, as well as the enforcement piece, of course, to make sure youth are not accessing it and that any issues of contraband tobacco are addressed.

This is just, essentially, a big accountability piece for big tobacco, who has inflicted a lot of harm on our society by addicting people to nicotine through these products, particularly to our youth at such a young age. Really, this just changes the dynamic. It frees up money for the government to take and spend elsewhere on other initiatives. We would hope for sure that it would be public health initiatives or health initiatives more broadly, but I leave that to you folks to do.

We're really supportive of a measure like this, and we think it should be popular among everybody.

**Mr. Terence Kernaghan:** Absolutely. I also want to wish you the very best in terms of your job-protected-leave consultation with Minister Piccini. We are happy to support you on the side of the official opposition—

**Ms. Hillary Buchan-Terrell:** It muted the member speaking.

**Mr. Terence Kernaghan:** Okay. We have this weird echo here too, so it's strange times. I wanted to wish you the very best of luck with your consultation with Minister Piccini in terms of the job-protected leave. I think the province should do as much as it possibly can to help folks who are engaging in the battle of their life. Keep up the good work.

My next questions will be for Lesley. Lesley, last year, when you met with the committee, I believe that you were advocating for \$1 million a year, I think it was, to continue the FAST funding. Did you ever receive any response from the government? What is the status of that?

**Ms. Lesley James:** Thank you for your question. We've been advocating for FAST funding for about three years now, since the discontinuation of that campaign. We have not been successful in receiving funding, but we do know that rates of arrival into stroke units by ambulance are the lowest they've been in decades. Ontario compares quite poorly with other provinces and that is really putting

our health care system at risk and causing a lot of unnecessary disability and death. So FAST campaign funding is hugely necessary and will go a long way to improving our health care system.

**Mr. Terence Kernaghan:** Excellent. Thank you very much, and thank you for your comments about vaping as well. I had the opportunity to visit Robarts Research Institute in my city of London. They had a—of course, confidential—young person who had a lung collapse as a result of vaping. This is somebody who had never smoked a cigarette in their entire life, but they had become quite addicted to vaping. It's very concerning. The images that they were able to provide of this 17-year-old's lungs were quite, quite disturbing. Keep up the great work. Thank you.

My next questions will be for Tony. Tony, we hear across the sector how we need a wartime effort, really, to provide the types of housing that people need. We saw post-World War II that governments were very much aligned in this, creating the Homes for Heroes. I think 1.5 million homes were created as a result of direct government investment. Would you like to see the government return to a direct investment model and also involve themselves in the construction of the affordable homes that people need?

**Mr. Tony Irwin:** You're quite right. Obviously, we did face enormous challenges after World War II and we were able to overcome, so that makes me feel optimistic that we can do it again. Sure, it's more complicated now. There are different factors that weren't present then. But I think, ultimately, we do need more housing of all types. We need affordable. We need deeply affordable. We need supportive housing. We need market housing. We need all forms of housing. The private sector has got to be involved; so does government.

1740

The way in which that works, I guess—obviously, different people can have different opinions on that. My view is that government's role should be to create the environment that will permit private investment to do what it needs to do, but that's not going to work for all people, so we do need government to provide funding for those who do need it. To me, that's government's role. The government has a role to play too, and is doing it, and should do it more.

**Mr. Terence Kernaghan:** Absolutely. It would be wonderful if there was some silver bullet that we could gather, but unfortunately, we know that none exists.

What do you see as the greatest barrier for the creation of more purpose-built rentals in the province of Ontario?

**Mr. Tony Irwin:** It is time. Time is the greatest barrier. Time is the number one greatest barrier—the time it takes. I have a project that took 10 years in Toronto from the initial application to getting a shovel in the ground, on a site where there already is rental there. We're not going to solve this problem if we have those kinds of examples that take that long to get a shovel in the ground—10 years from the initial application. That's not every day, but it's not an outlier. It's not the only time that has happened. Whether it's seven, eight or 10 years, we're not going to solve this problem if that's what happens. We need to come together

as a society and say, "We have to make this work. We need that wartime effort, and it can't take that long."

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We'll now go to the independent. MPP Bowman.

**Ms. Stephanie Bowman:** I'd just like to come back to Lesley. Lesley, we were just, last round, talking about the current policy measures being insufficient in terms of discouraging teens from getting started vaping, as well as encouraging them to stop if they do start. So could you just talk a little more about what kind of measures you believe will be effective and what the government could do to help get those into the system?

**Ms. Lesley James:** Thanks for the question. There's definitely an opportunity around flavoured vape products. We know that over 90% of young people who start using vape products are enticed by flavours like "Cotton Candy," "Unicorn Puke," "Cherry Blaster," or whatever it might be. These aren't geared towards adults; they're definitely for a younger audience. There is an opportunity to ban these flavours, to restrict them. Many provinces across the country have already done so. Ontario has a bit of a piecemeal solution where flavours are restricted in certain retail settings, but not everywhere, so that's definitely an opportunity.

The next piece, I would say, would be online sales. We're hearing that young people are buying in bulk and then reselling in schools, and they're able to buy in bulk through online commerce. This is very problematic because people can easily skirt the age verification process, click a box saying they're 19 years old, and vapes are delivered to their front doorstep.

**Ms. Stephanie Bowman:** Could you talk a little bit about the educational programming? Again, I don't know the answer to this question: Do we need to improve that? I know a number of years ago—it's been a while since my children were in elementary school—they would get a lung that was black, and everyone kind of went, "Eew! That looks awful." That was one of the ways that we tried to discourage them from starting smoking at that time. Are there things that we could be doing to, again, better educate our youth about the risks and dangers in the school system?

**Ms. Lesley James:** Yes, most definitely. Public health units have done a great job with limited resources in trying to educate young people. Heart and Stroke does offer some programs to help teachers in this space, and we've actually provided that program to the government as an option to educate students and teachers throughout Ontario.

But what this really comes down to is that we need more money to fund the Smoke-Free Ontario Strategy.

**Ms. Stephanie Bowman:** Thank you.

Maybe on that note, I will turn it back to Hillary. Could you talk a little bit more about what you would like to see in that smoke-free Ontario kind of policy and strategy from the government?

**Ms. Hillary Buchan-Terrell:** Yes. I will just again reiterate the cost-recovery fee. Again, that will free up a number of different funds. I'll also repeat Lesley's call for an online sales ban, something that we supported in a previous bill that MPP France Gélinas put forward.

There are other measures that we've thought about exploring as well, including raising the age that people can access tobacco and vaping products up to 21 so it's further out of reach.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Stephanie Bowman:** Great. Thank you.

I'll turn back to Tony for my last minute: Tony, we know that in Bill 23 there were some allowances for purpose-built rental buildings to be taken down and replaced, and people are even concerned about demovictions right now and other things. What do you think about an idea where we say, "Let's just pause that," and—again, whether it's new sites or converting non-residential property to residential—to make sure that we get new supply in and at least put a hold so that those people who are really worried right now about losing their rental homes can feel that they are protected from any kinds of demovictions etc.?

**Mr. Tony Irwin:** I think that the reality is that there are some buildings that eventually do need to come down. We need a fair system in those cases. The government's proposed framework for demovictions—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that presentation.

We'll now go to MPP Triantafilopoulos.

**Ms. Effie J. Triantafilopoulos:** Thank you for saying my name so well, Chair.

Thank you to all the presenters. My first question is to Tony. Tony, in reading about your organization, it states that you represent over 2,200 members who own or manage over 350,000 households in our province. That's a huge reach that your association has. You also spoke about the fact that over the next 10 years, 300,000 unique units need to be built, and obviously I'm assuming you mean in the purpose-built sector.

**Mr. Tony Irwin:** Correct.

**Ms. Effie J. Triantafilopoulos:** You also talked about the need for partnerships if we're going to be able to achieve our goal. Could you expand a little bit more on what kind of partnerships are really needed to be able to achieve that goal?

**Mr. Tony Irwin:** Thank you for the question. Partnerships can come in many forms, whether it's governments providing land; whether it's municipal governments, for example, waiving property taxes for 20 years or 25 years in exchange for a certain percentage of affordable units in a development; or whether it's, obviously, low-cost loans, which come through CMHC. Those are things governments can do to help make a project work.

Working with not-for-profits, of course, is also very important to help the people they serve ensure that they can get affordable housing units. We know that we all have to come together and we all have to pull the levers that are available to us. Whether it's land or tax abatements or financing, those are all really important things to help rental projects work.

And then working with other partners, of course, just makes sense. It just makes sense, when we're all trying to achieve the same goal, to work together with groups who also share that interest. Whether it's projects that have different social supports on site, mental health services or

other sorts of social supports on site, it's obviously really helpful to people who live in those developments. It's all ways that really help, in the end, to achieve what we want, which is a community where people enjoy living, where they get services that they need and we can make it work economically.

**Ms. Effie J. Triantafilopoulos:** You also mentioned that in terms of housing starts, the highest number of starts in 30 years was in 2022. In your view, why would there have been a lack of housing starts in the previous years? What was the barrier, or what was the impediment?

**Mr. Tony Irwin:** For several decades, purpose-built rental housing projects really were not economically viable. That's why condominiums were being built in great numbers. And it's not about one versus the other; it's just about context around what was happening. We saw all the cranes in Toronto and other places building condominiums. The economics for those projects are different. The developer knows what they're facing, they can price their units accordingly and they can sell all the units and move on to another project. We need that, but we also need purpose-built rental housing that is that way the day it's built, that is always going to be that way.

Why were those projects not happening? Because of, quite frankly, many of things I've talked about previously today: the time delays; the economics simply didn't work. You go to the bank and try to get a loan, and the bank is saying, "These numbers don't work," so you can't do purpose-built rental. The government has done a lot of things to make that better. Unfortunately, the pandemic and economic factors we're facing now have kind of thrown a wrench into that, but I'm hopeful that we're going to get through that and get back to the place where we were when we saw record numbers, and we can get back to that and surpass it.

1750

**Ms. Effie J. Triantafilopoulos:** You also mentioned that there are infill sites where you believe up to 180,000 new homes could be built. What would it take for that to be able to happen?

**Mr. Tony Irwin:** It would take, basically, an as-of-right sort of framework that says if you're going to build a building on such site, it's not going to take five years to get your approvals. It will be some sort of as-of-right model that says as long as you meet these basic criteria, you can go; you can build. There are jurisdictions that have that. I think it's very important to identify that these sites make sense, so why would we make them go through the same hurdles that a site that has nothing, no servicing or that doesn't have all the infrastructure, needs to go through? That's different. These sites need to be fast-tracked. They need to get quicker approvals so we can get shovels in the ground and start building.

**Ms. Effie J. Triantafilopoulos:** Are these jurisdictions outside of Canada or in Canada where they're already doing this?

**Mr. Tony Irwin:** It's jurisdictions in the United States where you can get projects approved in six months and you can get going because they don't have the same red tape and the same barriers that we have here.

**Ms. Effie J. Triantafilopoulos:** You also mentioned that the Landlord and Tenant Board needs to meet its own service standards. Could you elaborate on that?

**Mr. Tony Irwin:** The Landlord and Tenant Board unfortunately is not functioning well for anyone who uses it. The government has made huge strides and made the largest single investment in its history to double the number of adjudicators—we're very grateful for that—and to hire additional back-office staff to help process applications. That's great. We know it takes time for the money to flow, for people to be hired and for them to be trained and to be working, so we recognize there's some time that will be needed to see results from that.

But we need a system that adjudicates applications more quickly, both for rental housing providers and for residents, who need and deserve fair access to justice. We need a system that works well for all parties.

**Ms. Effie J. Triantafilopoulos:** Thank you so much, Tony.

I also wanted to speak to Hillary and Lesley for a moment. I wanted to commend you both and your organizations very much for all the years of hard work and advocacy on this issue. I know we've met in the past, and you know I'm a strong supporter of the new measures that have been implemented, so I wanted to congratulate both of you.

**Ms. Lesley James:** Thank you.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. David Smith:** I want to thank all the presenters here today, both Hillary and Tony, but my question is to Lesley because Heart and Stroke is a leading funder for research, and that's pretty good. I'm seeing that it reduces deaths by 50%, and that's pretty good. I would like to know what you think of the economic outlook that we just presented last week and how it's playing into some of the decision-making of your organization.

**Ms. Lesley James:** There are pieces of the fall economic statement that were missing that we would have liked to have seen. But we're quite pleased with the vape tax and really applaud the government for demonstrating leadership in that regard. Definitely we'd like to see more investment into the health care system and into public health units and into the Smoke-Free Ontario Strategy.

**Mr. David Smith:** Are you making any efforts with salt ingredients in production and manufacturing? How far along that way have you been able to get to a reduction of salt or sodium?

**The Chair (Mr. Ernie Hardeman):** We will never know because you're out of time.

Thank you. That does conclude the time for this panel. I want to thank the presenters very much for taking the time to prepare and come here and talk about your view on the statement. Again, thank you very much for being here.

I also want to say that concludes the business for today, and I want to thank all the presenters from all the different panels today.

As a reminder, the deadline for written submissions is 6 p.m. on Wednesday, November 22, 2023, and I want to add on to that, for the panellists that are still here, that they can also do a written submission. If there was something you wanted to include going forward, if you do it before 6

o'clock on Wednesday, November 22, you can turn it in, and it will become part of the gathering today. With that, I want to thank you.

## COMMITTEE BUSINESS

**The Chair (Mr. Ernie Hardeman):** I do think we had notice that MPP Fife wanted to propose a motion.

**Ms. Catherine Fife:** The motion that's before you, the first one—it's the longer one—relates to the notice that I served this morning, and I will read it into the record.

I move that, in addition to the dates previously agreed to by the committee, the Standing Committee on Finance and Economic Affairs meet for pre-budget consultations on the following dates:

—Tuesday, February 6, 2024, from 10 a.m. eastern until 12 noon eastern and from 1 p.m. eastern until 6 p.m. eastern in Scarborough, Ontario; and

—Wednesday, February 7, 2024, from 10 a.m. eastern until 12 noon eastern and from 1 p.m. eastern until 6 p.m. eastern in Etobicoke, Ontario; and

—Thursday, February 8, 2024, from 10 a.m. eastern until 12 noon eastern and from 1 p.m. eastern until 6 p.m. eastern in Toronto, Ontario; and

That the Clerk of the Committee be authorized to immediately revise the notice of hearing on the Ontario Parliamentary Channel and on the Legislative Assembly's website; and

That the Clerk of the Committee be authorized to arrange travel for up to two staff persons to be designated by the government member of the subcommittee on committee business, up to two staff persons to be designated by the official opposition member of the subcommittee on committee business, and one staff person to be designated by each independent member of the committee to travel with the committee, and that reasonable expenses incurred for travel and meals be paid for by the committee upon receipt of a properly filed expense claims; and

That the deadline for requests to appear for hearings are on the following dates:

—hearings held in Scarborough, Etobicoke and Toronto be 12 noon eastern on Monday, January 29, 2024;

That witnesses shall be scheduled in groups of three for each one-hour time slot, with each presenter allotted seven minutes to make an opening statement followed by 39 minutes of questioning for all three witnesses, divided into two rounds of 7.5 minutes for the government members, two rounds of 7.5 minutes for the official opposition members, and two rounds of 4.5 minutes for the independent members of the committee as a group; and

That witnesses appearing be permitted to participate in-person or participate remotely; however, a maximum of one individual may appear in-person on behalf of an organization, and any additional representatives of that organization shall participate remotely; and

That the Clerk of the Committee shall provide a list of all interested presenters to each member of the subcommittee on committee business and their designate as soon as possible following the deadline for requests to appear; and



That if all requests to appear at hearings cannot be accommodated, each member of the subcommittee or their designate provide the Clerk of the Committee with a prioritized list of presenters to be scheduled, chosen from the list of all interested presenters for those respective hearings by the following dates:

—Tuesday, January 30, 2024, at 2 p.m. eastern for hearings in Scarborough, Etobicoke and Toronto; and

That the deadline for all written submissions be amended to 7 p.m. eastern on Thursday, February 8, 2024; and

That the committee meet for report writing at Queen's Park on the following dates as needed:

—Tuesday, February 20, 2024, from 9 a.m. eastern until 10:15 a.m. eastern and from 3 p.m. eastern until 6 p.m. eastern; and

—Wednesday, February 21, 2024, from 9 a.m. eastern until 10:15 a.m. eastern and from 1 p.m. eastern until 6 p.m. eastern; and

—Tuesday, February 27, 2024, from 9 a.m. eastern until 10:15 a.m. eastern and from 3 p.m. eastern until 6 p.m. eastern; and

—Wednesday, February 28, 2024, from 9 a.m. eastern until 10:15 a.m. eastern and from 1 p.m. eastern until 6 p.m. eastern; and

That in the event that hearings are undersubscribed by 75% or more in any location, the subcommittee on committee business be authorized to cancel the hearing(s) at that/those location(s) and reschedule presenters to appear on an alternate date if possible.

The official opposition have moved this motion because the government has left out key areas for consultation, including Scarborough, Etobicoke and Toronto. These are significant places in the province of Ontario facing significant challenges, and we felt that the committee should at least take the time to go to Scarborough and to go to Etobicoke and to consult with Toronto.

With that, I will entertain a debate or discussion. But I will be requesting a recorded vote.

**The Chair (Mr. Ernie Hardeman):** You've heard the motion. Any discussion? No further discussion. Is the committee ready to vote? The recorded vote has been requested, so the Clerk will call the vote.

### Ayes

Fife, Kernaghan.

### Nays

Anand, Byers, Crawford, Dave Smith, David Smith, Triantafilopoulos.

**The Chair (Mr. Ernie Hardeman):** I declare the motion lost.

Okay, and we have a second motion.

**Ms. Catherine Fife:** It's much shorter. Thank you so much, Chair, for your indulgence.

I move that the Standing Committee on Finance and Economic Affairs meeting scheduled for Thursday, November 23, 2023, be cancelled; and

That the committee meet for clause-by-clause consideration of Bill 146 on Monday, November 27, 2023, from 9 a.m. until 10:15 a.m., from 1 p.m. until 6 p.m. and from 6:30 p.m. until midnight; and

That the deadline for filing amendments to the bill be amended to 8 p.m. on Friday, November 24, 2023.

The reason that we have brought forward this motion is that the government, on Bill 146, just gave us a notice of clause-by-clause late afternoon yesterday. The bill itself is very technical, including many tax changes and other legal changes, and stakeholders have not had an opportunity to get back to us.

The written submission deadline—

*Interjections.*

**Ms. Catherine Fife:** How are you going to vote for this if you're not listening to it?

The written submission deadline is tomorrow at 5 p.m. The amendments deadline is two hours after that, which makes no sense whatsoever. I mean, it's just a farce of a process. The current timeline does not allow for the committee to meaningfully consider both the written and oral presentations and is a disservice to those who wish to provide feedback on this legislation.

When the government announced last Thursday that the deadline for appearing before this committee was, I think, 5 o'clock on Friday, and we determined this on Thursday—you gave so little opportunity for people to extend their interest in appearing before the committee. There is obviously not going to be a meaningful process of clause-by-clause by late afternoon, and the bill itself is a technical piece of legislation that requires greater thought.

So I will submit those arguments to this committee. I'm basically trying to buy some more time for our democracy.

**The Chair (Mr. Ernie Hardeman):** You've heard the motion. Any discussion? No discussion. Is the committee ready to vote?

**Ms. Catherine Fife:** Recorded vote.

### Ayes

Fife, Kernaghan.

### Nays

Anand, Byers, Crawford, Dave Smith, David Smith, Triantafilopoulos.

**The Chair (Mr. Ernie Hardeman):** The motion is lost.

There being no further business, the committee stands adjourned until November 22 when we will resume public hearings on Bill 146.

*The committee adjourned at 1804.*





## STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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### **Vice-Chair / Vice-Présidente**

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Mr. David Smith (Scarborough Centre / Scarborough-Centre PC)  
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