



# **Compendium of Policy Resolutions 2024-2027**

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# COMPETITIVENESS

## A. Support for Ontario's Steel Industry and its Supply Chain Clusters

Submitted by: The Hamilton Chamber of Commerce and the Sault Ste. Marie Chamber of Commerce

### Issue

The Ontario steel industry includes steel producers as well as manufacturing industries within its value chain and geographical clusters and has long been a cornerstone of the provincial economy. Recently, a combination of protectionist economic policies, instability in the global market economy, and foreign competition from industries benefiting from unfair economic advantages has led to a sharp decline in their ability to compete globally. As we collectively pursue net zero emissions nationally, it will be imperative for the provincial government to ensure the successful energy transition for our most carbon intensive industries as their operational costs are projected to increase. The Ontario government needs to focus public policy and investment efforts towards supporting this important industry, clusters and the innovation it creates.

### Background

Steel is a versatile material whose local production is essential to supporting local industries, consumer products, building and maintenance of our transportation and physical infrastructure. Ontario is home to more than 70% of Canada's steel production capacity. Our steel industry directly employs 16,000 and indirectly employs about 53,000 Ontarians.<sup>1</sup> Ontario's steel industry thereby has a multiplier of approximately 3.3:1; that is, there are 3.3 jobs outside of the steel industry for every direct job within the industry. Beyond contributing to overall employment, Ontario steel makers contribute to supply chains within the broader manufacturing sector in the province. In particular, steel makers play a crucial role in Ontario's 400-km automotive corridor, with direct impacts on the province's auto assemblers, and over 1,200 auto parts suppliers.<sup>2</sup> Challenges faced by this industry have a notable ripple effect across the province on related SME companies, suppliers, and manufacturers.

The rise of the steel industry was integral part of Canada's development as a world-class economy in the 20th century. From Algoma in Sault Ste Marie to Dofasco and Stelco in Hamilton, Ontario firms especially distinguished themselves as centers of excellence and advancement in new varieties of steel. Steel producers by principle agree to compete against imports on a fair commercial basis but are in global competition against foreign government subsidies, state-owned enterprises, and other forms of support that run counter to the trade rules. Moreover, Canada finds itself in a unique position where our domestic firms are subject to increasingly stringent carbon emissions reductions targets that pose significant existential threats to many of our existing manufacturing industries unless governments step in to support energy transition and to level the playing field between domestic and foreign produced products.<sup>3</sup> Market conditions are even further jeopardized by ongoing violations of WTO practices, the ineffectiveness of trade remedy laws and lack of full reciprocation within trade treaties.

While the majority of media coverage has focused on the decline of the industry, tariffs, foreign competition and oversupply in the existing market, experts remain optimistic that fundamental forces, which if harnessed, will continue to support the prosperity and global demand for Ontario steel. While challenges related to international markets remain a federal issue, the province can still play a critical role in:

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<sup>1</sup> Ontario Newsroom <https://news.ontario.ca/medg/en/2018/04/ontario-supporting-4700-jobs-in-hamiltons-steelindustry.html>

<sup>2</sup> Ontario Newsroom <https://news.ontario.ca/medg/en/2018/04/ontario-supporting-4700-jobs-in-hamiltons-steelindustry.html>

<sup>3</sup> Global Affairs Canada [https://international.gc.ca/trade-commerce/controls-controles/steel\\_alumacier\\_alum.aspx?lang=eng](https://international.gc.ca/trade-commerce/controls-controles/steel_alumacier_alum.aspx?lang=eng)

1. Supporting investments for organizations in new technologies under various funding envelopes;
2. Working with the federal government to negotiate more equitable trade regimes and adjudications processes, as well as studying the potential remedies a border carbon adjustment regime could enable;
3. Incentivizing the development of a skilled workforce equipped to participate in the transition to advanced manufacturing;
4. Easing goods movement infrastructure bottlenecks, especially near trading hubs;
5. Incentivizing the development and participation of steel industry clusters and value chains.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Taking inspiration from the European Steel Technology Platform, work with the federal government to develop a coordinated steel manufacturing strategy that especially prioritizes investment in trade enabling infrastructure near major clusters.
2. Explore the legislated and voluntary expansion of procurement tools to include fair and preferential treatment for Canadian steel products where the exported alternative doesn't meet or exceed Canadian and provincial environmental, health and safety regulations and does not allow similar, fair and equal access to their markets for the same product.
3. Given their role as suppliers of high-performance material in the manufacturing supply chain and in flowing down R&D improvements,<sup>4</sup> prioritize allocation of the newly announced Ontario Carbon Trust funds to help energy-intensive businesses like steel industry to invest in low-carbon processes, technology and innovation and other capital investments.<sup>5</sup>
4. Work with the Government of Canada to study a border carbon adjustment regime that would protect our domestic industry from international firms not subject to the same climate change targets.
5. Strongly encourage that local suppliers and domestic steel content be used in all provincially and federally funded projects if the materials can be supplied from domestic sources.

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<sup>4</sup> Birnbaum, Cohen, Harris and Warrion (2009) Ontario Manufacturing, Supply Chains and Knowledge Networks: A Report to the Toronto Regional Research Alliance (TRRA), Toronto: TRRA October 2009

<sup>5</sup> Government of Ontario <https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf>

## **B. Investment in Mining Innovation to Support the Critical Minerals Strategy**

Submitted by: The Greater Sudbury Chamber of Commerce. Co-sponsored by: North Bay & District Chamber of Commerce, Thunder Bay Chamber of Commerce and the Timmins Chamber of Commerce.

### **Issue**

Mining is a capital-intensive industry. New technologies are currently in development that have the potential to reduce the initial capital burden on mining organizations. Supporting the adoption of innovative new technologies will accelerate their development, eventually reduce their costs, strengthen the industry and increase competitiveness. This will increase mining reserves and support the province in its effort to continue mining critical minerals that are in global demand.

### **Background**

Mining is a competitive advantage for the province. According to the Ontario Mining Association, there are currently 40 mine sites operating in Ontario along with significant opportunity for exploration and future mine development<sup>6</sup>. Ontario's mineral production, including indirect and induced impacts, provides more than \$12 billion in Canadian GDP and creates 78,800 jobs<sup>7</sup>. The Ontario Mining Association also estimates that there are over 1,400 mining supply and service sector companies in Ontario<sup>8</sup>. Although "the number fluctuates with various commodity price changes, mining in Ontario produces revenues of around \$10 billion per year."<sup>9</sup> The City of Toronto is the mining finance capital of the world, and Ontario's expertise in mineral production, mining supply and services, finance, and innovation are in global demand.

With the provincial government now focused on its critical minerals strategy, it is more important than ever that we continue to invest in mining innovation. The province has developed its first ever-critical minerals strategy to help generate investment, increase the provinces competitiveness in the global market and create jobs and opportunities in the mining sector.<sup>10</sup> New technologies and high growth sectors such as information and communications technology, electronics, energy, aerospace and defense, health and life sciences, and transportation rely on critical minerals. Ontario is well positioned to become a global supplier, producer and manufacturer of choice for certain critical minerals, including but not limited to nickel, copper, cobalt and platinum group elements, however it requires a sustainable pipeline of attractive mining projects.

It is generally understood that the average new mine project will require an investment of \$1.0-2.0 billion depending on the depth of the ore body and the amount of development required. Furthermore, project execution will take several years before reaching first ore and generating any cash inflow to return on the investment. This poses not only a significant challenge for mining organizations with respect to developing an ore body that ultimately generates a net present value, but also for the province of Ontario to support its critical minerals strategy. New technology exists that has the potential to reduce the capital burden of mine development, attract a new generation of workers, reduce emissions and improve the operating efficiency of the mine once in production, however in some cases, this requires significant testing to mitigate risk before becoming widely accepted.

Generally, Ontario mining companies and the government contribute research and innovation funds on a 1:1 ratio. Matching investments are provided regardless of the type of project. With fewer resources available from industry, this skews investments towards cheaper and lower risk research projects, and away from the innovation and commercialization projects that are necessary to realize productivity gains in the sector. In order to attract funds and partnerships from global mining companies, the Government of Ontario needs to consider

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<sup>6</sup> [https://oma.on.ca/en/ontario-mining/facts\\_figures.aspx](https://oma.on.ca/en/ontario-mining/facts_figures.aspx)

<sup>7</sup> <https://oma.on.ca/en/ontario-mining/EconomicContribution.aspx>

<sup>8</sup> [https://oma.on.ca/en/ontario-mining/facts\\_figures.aspx](https://oma.on.ca/en/ontario-mining/facts_figures.aspx)

<sup>9</sup> <https://oma.on.ca/en/ontario-mining/EconomicContribution.aspx>

<sup>10</sup> <https://news.ontario.ca/en/release/60622/ontario-developing-first-ever-critical-minerals-strategy>

adjusting its funding ratios to provide incentives to support larger-scale, longer-term, visionary provincial mining innovation projects given that the ventures have a strong business case and a high return on investment.

For innovation to work, it must be adopted. Mining innovations need to be demonstrated and implemented as workable beyond the theoretical, but also show commercial viability. The lack of commercialization is one of the reasons why so little of the funding for mining research has impacted mine operations. The Research, Demonstration and Implementation (RD+I) approach to focus on practical applications, distinct from academic research, was developed by the Centre for Excellence in Mining Innovation (CEMI), and is aimed at addressing this very important issue. Mining service and supply firms also make significant contributions to the commercialization process and the provincial government has recently supported their efforts via selective funding. That said, mining organizations themselves are typically left to take on the risk associated with adoption. While new equipment or technology has been developed and tested to some extent, this does not guarantee that it will endure the harsh mining environment and meet production demands over the long term.

Perhaps, the best example of such technology is the development of battery electric mining equipment. Battery electric mining equipment has the potential to reduce the amount of capital required to build a new mine along with its future operating cost. The volume of rock excavation required for the mine ventilation system is reduced as a result of eliminating heat and emissions from traditional diesel equipment. While the cost of diesel fuel is exchanged for the cost of recharging batteries, the net operating cost of the mine is reduced given the size of the ventilation system is smaller, drawing less electricity to supply fresh air and keep the mine at temperature. The challenge with battery electric equipment starts with its initial cost. For example, the average battery electric underground loader is roughly three times the price of traditional diesel equipment given it is still in the early states of its development and far from mass-produced. Furthermore, while a number of mining organizations have chosen to trial one or two vehicles within their mine, they are not necessarily ready to change their entire mobile fleet. The benefit to current operations resides on other factors (health and safety, reduction in carbon footprint, attraction of an environmentally and health and safety conscious workforce) as opposed to the immediate financial benefits.<sup>11</sup> The financial opportunity exists more so in relation to new mine development, taking advantage of the reduction in capital for mine development. However, a significant risk remains for mining organizations when deciding to purchase and entire fleet of battery electric equipment, particularly loaders and haulage trucks that carry a larger volume of material on incline grade. This equipment has yet to prove it can reliably meet production demands over the longer term. A further step forward in adoption is required to work through remaining challenges and for mining organizations to gain confidence in product.

Several other technologies also have the potential to influence both current mining operations as well as new mine development such as continuous mining machines or tunnel-boring machines, which would transition mining from a batch process of drilling, blasting, mucking and hauling material to a continuous process where material is cut, then fed at smaller particle size up to surface. Ore sorting technologies are also under development that will allow for pre concentration of mill feed, reducing the amount of tailings produced and ultimately reducing processing costs. Autonomous mining equipment, or remote mining equipment, also serves to remove the worker from certain dangerous parts of the mining operations making it much safer and more productive given that the time required to move workers above and below surface is eliminated. The increase in safety may also attract a new generation of professionals to the mining industry. Technological advancement in mining will remove traditional barriers to underrepresented populations wanting to join the industry and allow them to benefit from well paying jobs offered by the industry.

In face of the current economic environment and competition from jurisdictions with lower wages, operating costs, and less stringent environmental regulations, Ontario has little choice but to innovate. New, expensive, and complex mining equipment technologies are being developed as a result of the depth of Ontario's significant identified mining resources and reserves, which are a challenge to exploit. The new technologies will result in a new paradigm of worker safety and productivity that will ensure that Ontario remains the leader

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<sup>11</sup> <https://electricautonomy.ca/2021/02/18/bevs-in-mining-non-financial-benefits/>

in both mineral supply and mining technology supply and services. However, for innovation to work, it must be adopted. Investment needs to follow the entire process, starting with research, then development and last but not least, implementation.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Increase the relative government-to-industry funding ratio for mining innovation and ensure that it supports the entire project lifecycle.
2. Engage the mining industry through OMA, the supply and service industries and groups such as MineConnect, and other cross-sector industries as well as First Nations and Indigenous communities in discussions that aim to support implementation and commercialization requirements.
3. Work closely with mining organizations to develop and implement new technologies such as battery electric vehicles that have the potential to improve mine project economics, increase mine reserves, and support the province in developing future mines to fulfill its critical minerals strategy.

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## **C. Capturing The Battery Value-Chain**

Submitted by: Sault Ste. Marie Chamber of Commerce. Co-sponsored by: Timmins Chamber of Commerce, and Greater Sudbury Chamber of Commerce.

### **Issue**

The transition to a net-zero economy will be metal-intensive. New technologies will require base metals—for example, copper for electrification and nickel for battery EVs. The economic impacts for Ontario are significant but time is running out to compete in battery-cell manufacturing, the part of the value chain that holds most of the value-creation and macroeconomic opportunities. Ontario is well positioned to support investment in mining innovation that amplifies the provincial Critical Minerals Strategy and takes advantage of the quickly evolving battery value-chain.

### **Background**

The Ontario Chamber of Commerce report *The Climate Catalyst, Ontario's Leadership in the Green Economy* demonstrates the significant opportunity that exists for Ontario to lead the global movement to decarbonizing every aspect of daily life, commercial and industrial activity, natural resource extraction, consumption, and value-added activity.

Green technologies will need hefty amounts of rarer metals, such as lithium and cobalt for batteries, tellurium for solar panels, and neodymium for the permanent magnets used both in wind power generation and EVs. The required pace of transition means that, for some of these commodities, we will soon need ten times or more than is available today. This resource demand and Ontario's abundance of supply to support decarbonization gives Ontario the potential to generate significant economic opportunity and first mover competitive advantage in the battery value chain if action is taken immediately.

The McKinsey & Company report: *Capturing the battery value-chain opportunity* by Nicolò Campagnol, Alexander Pfeiffer, and Christer Tryggestad estimates that a new battery-manufacturing plant with a total capacity of 30 to 40 gigawatt hours (GWh) per year could directly create as many as 3,200 jobs. A similar number of jobs could be added indirectly through suppliers and construction as well as through the food and basic-services sectors. As a result, battery manufacturing could generate significant growth in GDP, especially if an ecosystem of related industries develops. This comes at a time when the automotive industry's move to EVs has raised fears of lost jobs in car manufacturing and in the production of internal-combustion engines.

Winning companies and regions will be those that act in the next few years. Governments can play an important role in facilitating industry growth in their respective countries, particularly through direct financial incentives but also by encouraging the development of local battery ecosystems.

Cell manufacturing, the most important step in the battery value chain, is estimated to account for up to 40 percent of battery-industry value creation by 2030. Manufacturers are investing billions of dollars in new battery-cell plants. If demand for battery cells grows at about 30 percent per year, the equivalent of about 90 additional gigafactories, as we know them today, will be needed in the next ten years worldwide.

Challenges include securing funding, carrying out a billion-dollar project on budget, recruiting the right talent, and training hundreds of workers. Other potential issues include securing capacity of capable machinery producers as well as qualifying and developing a supply chain.

There are already six or seven at-scale cell manufacturers with ten or more years of track record and significant volumes and plants in several countries. Customers want options for sourcing batteries, but generally no more than three or four, so ten to 15 suppliers should suffice to supply the global market. Since more than 15 players

have already announced their intention to begin cell manufacturing in Europe alone, we expect the industry to consolidate.

Companies face a variety of obstacles in the race to scale, but they can overcome those challenges using the following strategies.

- Become a low-cost producer
- Recruit skilled workers
- Secure raw-materials supply
- Improve product sustainability
- Form partnerships with customers

Batteries are emerging as a critical ingredient in the transition to a more sustainable future because of their role in electrifying transportation and balancing power grids. Battery use is more than an opportunity to eliminate vehicular CO<sub>2</sub> and NO<sub>2</sub> emissions in a world grappling with climate change; scaling up production of battery-cell manufacturing capacity also offers significant value-creation opportunities for manufacturers, creates new jobs that pay well, and supports economic growth.

Battery ecosystems can be powerful tools for economic development, and governments that wish to capture the value-creation opportunity of batteries should consider moving quickly and forcefully to build them. Embracing the battery ecosystem and supporting Ontario's critical mineral strategy will become a powerful economic development tool for the province.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Facilitate value-chain collaborations through industry forums, and encourage talks between the mining sector, electric vehicle producers and cell manufacturers.
2. Invest in research and educational institutions to develop talent and advance technology.
3. Attract cell manufacturers by establishing proactive public policies, and working with the federal government and Municipalities, to develop a fast-track process for permitting and land leasing.
4. Work with the federal government, lending institutions, venture capital markets and angel investors to make investments, loans, grants, and guarantees to overcome capital limitations.
5. Encourage and facilitate effective cross-border collaborations and trade with other suppliers and partners in the value chain.

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## **D. Supporting Ontario's Supply Chain by Establishing a Focal Point Within the Provincial Government and Investing in the Manufacturing Workforce**

Submitted by: the Vaughan Chamber of Commerce and the Newmarket Chamber of Commerce

### **Issue**

The supply chain in Ontario lacks sufficient direction and planning to operate a modern and secure supply chain despite the high demand present in the manufacturing sector.

### **Background**

The manufacturing industry faced immediate impact when COVID-19 hit and Canada launched its lockdown measures at all levels of government. In particular, 72% stated their company's supply chains are being disrupted by COVID-19<sup>12</sup>. They are experiencing workforce impacts, supply shortages, reduced access to PPE, project shutdowns, unplanned spending, and layoffs. As the pandemic and lockdown measures continue to hit Ontario, manufacturers face high demand with virtually no supply readiness and reliable government support.

At the same time, the manufacturing sector has been experiencing delays in receiving inbound containers, and dealing with increased global shipping costs up to 50-80%. Although some manufacturers turned to airfreight to access critical components that were produced offshore, the airfreight capacity constraints and expensive costs did not withstand the continuation of this solution.<sup>13</sup>

With the impacts of the lockdowns and long global supply chains for many manufacturing components, York Region manufacturers face countless challenges, with many forced to rethink production and supply in order to survive. The Government of Ontario recognized the benefit of this support by announcing the Supply Chain Management Act in the beginning of the pandemic, to make sure the demand for crucial suppliers are visible and trackable<sup>14</sup>. The regulations allowed the collection of key data on inventories, orders and supply constraints, and the development of a virtual inventory tool.

The launch of this act and Ontario Together, a new website that is bridging some gaps between the private and public sector, showcases the potential steps necessary to protect the province's supply chain and make sure businesses have the support they need. Notwithstanding the steps to protect the province's supply chain and make sure the front lines have the essential goods and services, this strategy needs to be developed beyond its capacities by fully executing a solution for all sectors impacted by the supply chain issues.

Similarly, with respect to advancing the coordination of all regulation, this can also mean providing the manufacturing sector with a strategy that provides investments in tech operations, nearshoring opportunities, and reskilling and upskilling in the workforce. Reshoring the manufacturing sector has popular interest. However, offshoring has introduced cheaper labour and environmental standards offered in the global market. Since the 1980s, Canadian manufacturing has been significantly declining and many manufacturers have benefited from high profit margins.

For Ontario, the real challenges are in responding and recovering from the risky supply chain, and increasing its global competitiveness. By responding to protectionist policies, tech advancements, the need to upskill and reskill, York Region could become a provincial hub for advanced manufacturing and prepare for the unexpected

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<sup>12</sup> <https://www.supplychaincanada.com/coronavirus-covid19-resources>

<sup>13</sup> [https://www.supplychaincanada.com/media/reports/Supply\\_Chain\\_Resiliency\\_Report.pdf](https://www.supplychaincanada.com/media/reports/Supply_Chain_Resiliency_Report.pdf)

<sup>14</sup> <https://news.ontario.ca/en/release/56488/ontario-protecting-supply-chains-to-support-covid-19-emergency-response>

global market.<sup>15</sup> The provincial government must support career pathways programs to connect young people to the endless career options in supply chain. For businesses to respond quickly and effectively to the supply chain issues, building skills will be important for the supply chain to recover.

The provincial government needs to consider the necessary steps to invest in technology and people, in order for companies to operate and produce, while being competitive in the economy. Developing a modernized strategy is vital for the manufacturing sector. The government should coordinate and oversee the regulations that manage the supply chain, and establish specific measures that address reduction from financial harm and lessen barriers from major global disruptions. This proactive approach can make it faster to respond to global markets and interprovincial transportation networks<sup>16</sup>.

## **Recommendations**

The Ontario Chamber of Commerce calls on the Government of Ontario to:

1. Implement a supply chain department within the provincial government tasked with the coordination and oversight of all regulations that directly manages the efficiency of the supply chain.
2. Invest in educational programs aimed toward future economic activity to introduce students to the importance of supply chain to our economy, and to the many career opportunities that exist in logistics, data protection, risk management to support security against cybercrime, customs brokerage, distribution, and sea, air and land transportation.
3. Develop a two-year pilot project to provide funding and resources to encourage greater research and development in the areas of supply chain logistics, and the safe adoption of cutting-edge technologies. Sufficient use of technologies will be vital to support a resilient supply chain that is increasingly digitized and vulnerable to cyber attacks in hardware, services, or software from third-party providers.
4. Work with businesses to explore opportunities for nearshoring and investments in supply chain resilience.

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<sup>15</sup> <https://www.emerald.com/insight/content/doi/10.1108/IJPDLM-05-2013-0128/full/html>

<sup>16</sup> <https://ppforum.ca/publications/revitalizing-canadas-manufacturing-economy-for-a-post-covid-world/>

## **E. Fostering Electric Vehicle Success in Ontario**

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-sponsored by: the Woodstock Chamber of Commerce and Leamington Chamber of Commerce

### **Issue**

As countries continue to grapple with the global climate crisis and gas prices have set all-time record highs, more and more people are turning to electric vehicles (EVs) as part of the solution. At the same time, the Government of Canada is pushing to eliminate the sale of gas-powered passenger vehicles by 2035. Canada and Ontario possess everything necessary to develop the world's most Environmental Social Governance (ESG) friendly electric vehicles, batteries, and components. Key in unlocking that potential will be a strong EV market that promotes growth in the sector. Now is the time to put in place the necessary support to help build that market. Ontario must maintain momentum with recent historic investments. The province cannot fall behind other jurisdictions in Canada or the United States and must develop a comprehensive plan including infrastructure to foster EV growth in the province.

### **Background**

The reason many are so enticed to transition over to EVs is because they are seen as the future of the auto sector. It is not enough for Ontario to adopt the advancements that come from EVs and their development. Rather, it needs to lead the charge from developing new technologies and innovations to commercializing and integrating these exciting new technologies into the marketplace. Ontario has the opportunity, resources, and technology to develop into a hub for research, innovation, and development for the auto sector in its transition to EVs. A comprehensive strategy is needed for research and development to attract additional investors and partners to bolster the growth of Ontario's EV sector from the mining stage to the manufacturing stage. This strategy will need support from industrial partners, Ontario's colleges and universities, and labour groups involved in the sector. Canada has the potential to be the leading source of the most ESG batteries and raw source materials in the world. Canada has a strong record of promoting ESG resource extraction in the world, which needs to be used to develop the Canadian and Ontario mining sector that is essential to produce the batteries needed to fuel the EV revolution. There is no place with more potential to provide raw materials than Ontario, with the mining potential located in the north and the Ring of Fire. Ontario is well positioned to solidify its position as an internationally recognized leader in developing the mining of raw materials that will support the production of ESG batteries and other EV components. However, a coordinated strategy and plan that will align this opportunity with the needs of industry will be critical to ensure Ontario's ongoing success and leadership in the automotive sector.

The most significant hinderance to consumer adoption of EV's is the upfront cost. Consumers can save thousands of dollars over the long-run with powering EVs versus traditional internal combustion engines, but the initial sticker shock for many turns them away. Many other jurisdictions across North America and the globe have recognized this barrier to adoption and have put in place programs to incentivize consumers to make the switch to EVs. Whether done to reduce greenhouse gases, improve local air quality, or just to be innovative, the lack of any financial motive to convince consumers to migrate to EVs leaves Ontario lagging behind our continental and global competitors.

Across Canada, consumers qualify for a rebate of up to \$5,000 on zero-emissions vehicles, or a rebate up to \$2,500 for plug-in hybrid vehicles.<sup>17</sup> However, unlike other provinces, Ontario lacks any provincial

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<sup>17</sup> Transport Canada, "Incentives for Purchasing Zero-Emission Vehicles," Transport Canada (/ Gouvernement du Canada, November 22, 2022), last modified November 22, 2022, accessed September 26, 2023, <https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/light-duty-zero-emission-vehicles/incentives-purchasing-zero-emission-vehicles>.

compensation for consumers to make the switch. Ranging from \$2,500<sup>18</sup> in Newfoundland and Labrador to \$7,000<sup>19</sup> in Quebec, other provinces are developing programs to encourage consumers to embrace innovation in an industry that is essential to Ontario's economy. Ontario had been the leader in EV subsidization previously offering up to \$14,000 in rebates for consumers choosing electric until the program was cancelled in 2018.<sup>20</sup> Now is the time to consider re-introducing some form of rebate to incentivize the transition from gas-powered, internal combustion vehicles to EV vehicles. An EV incentive could be a simple method to encourage consumers to adopt EVs and make Ontario a stronger market for additional EV investment.

Any potential incentive program needs to be inclusive of businesses so that they can move their fleets away from traditional gas-powered, internal combustion vehicles. Businesses know that EVs are the future of the auto sector and want to take advantage of their low cost of fueling as well as their environmental benefits. But businesses have to evaluate and make decisions based on return-of-investment. Thus, any subsidy scheme needs to go beyond the personal consumer and be inclusive of businesses and their transition into EVs.

The other major component from the consumer end that has limited the growth of the EV market is "range anxiety." The current EV models have larger travel ranges than ever before, with some exceeding the range offered by full tanks of gas. However, the convenience of a five-minute fill-up is hard to move away from, and without the necessary infrastructure it becomes impossible to compete.

To support the consumer and commercial adoption of EVs, the Government of Ontario needs to develop a comprehensive EV infrastructure plan that will enable a strong EV sector and market. The infrastructure that will be needed to support the increasing consumer and commercial adoption will be crucial to meet the growing demand for EV's. Level 1 chargers that connect straight to a standard 120-volt home outlet can take hours to fully charge an EV. Slow charging can be very challenging for those who routinely work on the road or have long commutes.<sup>21</sup> Therefore, many EV owners choose to invest in a level 2 charger. Many of the same jurisdictions that are providing consumers with subsidies to convert also provide subsidies for level 2 chargers. For example, the Province of New Brunswick provides those who receive the provincial electric vehicle rebate, an additional rebate of up to \$750 to offset the cost of the purchase and installation of a level 2 charger.<sup>22</sup> If the province is going to foster a strong EV sector then it needs to provide consumers, both personal and commercial, the means to reduce range anxiety while ensuring they have the full use of their vehicles.

The province also needs to start moving beyond personal home chargers in the garages of suburban communities and limited charging spots at commercial outlets. Any comprehensive plan must include the following elements for EV infrastructure:

- Increasing access to EV Chargers in rural and remote areas of the province, including in provincial parks, recreation areas, and along vital transportation arteries.
- Expanding access to EV Chargers in municipally owned parking facilities as well as on-street public parking in downtown cores, and other business areas.

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<sup>18</sup> "Electric Vehicle Rebate Program - Newfoundland & Labrador Hydro," accessed January 13, 2023, <https://nlhydro.com/electric-vehicles/ev-rebate/>.

<sup>19</sup> "New Electric Vehicle Rebate | vehiculeselectriques.gouv.qc.ca," accessed January 13, 2023, <https://vehiculeselectriques.gouv.qc.ca/english/rabais/ve-neuf/programme-rabais-vehicule-neuf.asp>.

<sup>20</sup> "Ontario Cancels EV Rebate Program, Wants to Lower Gas Prices Instead," accessed December 22, 2022, <https://www.guideautoweb.com/en/articles/47389/ontario-cancels-ev-rebate-program-wants-to-lower-gas-prices-instead/#:~:text=Ontario%20Cancels%20EV%20Rebate%20Program%2C%20Wants%20to%20Lower,gas%20prices%20down%20by%2010%20cents%20a%20litre>.

<sup>21</sup> "What Are The Different Levels Of Electric Vehicle Charging? - Forbes," accessed January 4, 2023, <https://www.forbes.com/wheels/advice/ev-charging-levels/>.

<sup>22</sup> "Electric Vehicle Incentive Program Announced," accessed December 15, 2023, [https://www2.gnb.ca/content/gnb/en/news/news\\_release.2021.07.0522.html](https://www2.gnb.ca/content/gnb/en/news/news_release.2021.07.0522.html).

- Implementing a strategy to ensure that residents in older neighbourhoods with a lack of private parking have access to public charging stations with on-street parking.
- Develop guidelines around multi-unit residential buildings so that residents can have access to adequate charging infrastructure for EVs and have a framework for installing and operating chargers.

Furthermore, there needs to be a plan so that businesses can adequately transition their workplaces to supporting EVs and adopting EVs as part of their standard fleet of commercial vehicles. Businesses must be part of the movement towards EVs for any market to develop and the sector to be strong in the province.

Ontario's competitors are not waiting for the province to make the first move. The United States (US) has developed the National Electric Vehicle Infrastructure Formula Program (NEVI) that commits \$5 Billion over five years to fund the strategic development of EV Infrastructure.<sup>23</sup> Under this plan, many US states are receiving funding to push forward with infrastructure development that will foster and enhance the adoption towards EVs within their state. For example, the state of Michigan will receive approximately \$110 million over the five years of the program.<sup>24</sup> Ontario cannot afford to sit by and let regional competitors take the lead on EV infrastructure.

The physical infrastructure needs to be combined with human capital necessary to be a leader in the sector. This means working with post-secondary institutions to lead technological development that maintains and attracts high quality personnel in Ontario to further the field of research. Additionally developing the training and skill sets needed by Ontario's workforce to further the transition towards EVs with the ability to grow to meet increased demand for skilled workers. Without the skilled and trained workforce, investment in the sector will look elsewhere.

If Ontario is going to attract investment in the EV sector, the province must show that it is committed to the furtherance of EV technology. The Government of Ontario needs to show a commitment to making EVs work everywhere in the province with accessibility for all consumers including businesses. If other jurisdictions including regional competitors in the United States are seen as leaders over Ontario, then we risk losing out on further EV investment opportunities and partnerships that could bring thousands of jobs to the province.

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<sup>23</sup> "National Electric Vehicle Infrastructure Formula Program Bipartisan Infrastructure Law," accessed December 22, 2022, [https://www.fhwa.dot.gov/environment/alternative\\_fuel\\_corridors/nominations/90d\\_nevi\\_formula\\_program\\_guidance.pdf](https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/nominations/90d_nevi_formula_program_guidance.pdf).

<sup>24</sup> "National Electric Vehicle Infrastructure Formula Program," accessed January 5, 2023, <https://www.michigan.gov/egle/about/organization/materials-management/energy/transportation/nevi>.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Introduce a rebate program comparable to other Canadian jurisdictions to subsidize the cost of transitioning consumers, both for individuals and businesses, from traditional gas-powered vehicles to Electric Vehicles.
2. Develop a comprehensive plan around Electric Vehicle infrastructure that is inclusive of rural, remote, and core urban areas.
3. Develop a plan to help address the needs of businesses to adapt to the growing use of EVs so that their employees, consumers, and operational fleets have access to the necessary infrastructure to make a smooth transition away from traditional gas-powered vehicles.
4. Develop a comprehensive strategy to bolster research and develop talent through Ontario's colleges and universities as well as workplace training programs to develop the workforce needed to foster growth in the EV sector.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **F. Ignite the development of the Ring of Fire**

Submitted by: Greater Sudbury Chamber of Commerce. Co-sponsored by: Thunder Bay Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, North Bay & District Chamber of Commerce, Timmins Chamber of Commerce

### **Issue**

The Ring of Fire is a transformative project for Canada. Provincial action is required to expedite the development of the Ring of Fire and ensure the economic and social potential of this multi-generational project is realized.

### **Background**

The Ring of Fire is a mineral-resource-rich area in the James Bay Lowlands region of Northern Ontario. Located on approximately 5,000 square kilometres of land, significant deposits of critical minerals like copper, zinc, nickel, platinum, palladium, vanadium, and gold, along with the first and largest deposit of chromite in North America, have been discovered since the early 2000s. Based on current projections, the Ring of Fire is estimated to hold more than \$117 billion in geological riches with deposits being significant enough to sustain activity for a century.

The Ring of Fire is certainly significant to Northern Ontario, but it should be a priority for the whole province, as it will have far-reaching impacts across the entire country. The critical minerals found within the Ring of Fire will help create unprecedented economic prosperity across the Far North.

The Ring of Fire holds billions of dollars' worth of high-quality chromite, an essential metal in stainless steel production, demand for which is expected to increase in the years to come. China, the largest importer of chromite, accounting for 60 percent of global demand, has already demonstrated significant interest in the Ring of Fire.

In March 2022, Australian-based Wyloo Metals purchased Noront Resources' mineral assets in the Ring of Fire in a \$616.9-million deal. Now called Ring of Fire Metals, the company owns the rights to the high-grade Eagle's Nest deposit, which contains nickel, copper, platinum and palladium deposits.

Ring of Fire Metals is in discussions with the United States government about possible funding for its project.<sup>25</sup> The U.S.'s Department of Defence said it is willing to help fund feasibility studies for early-stage mining companies in North America with promising projects that could help alleviate shortages in some critical minerals.

As the world continues to develop more sophisticated technology, the need for these critical minerals will only escalate. In the first 10 years of the Ring of Fire production, all levels of government stand to increase their tax revenues by nearly \$2 billion, with the provincial government projected to accrue between \$870 to \$940 million. In the long term, the provincial government is expected to receive \$2.89 billion to \$3.25 billion in taxes from the Ring of Fire. Long-term benefits to Ontario's GDP have been forecasted to range between \$16.8 billion and \$27 billion.

The Ring of Fire is also estimated to sustain over 5,500 full-time equivalent jobs annually within its first 10 years, along with significant GDP increases and economic activity in multiple sectors. Benefits will impact the

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<sup>25</sup> <https://republicofmining.com/2022/11/15/u-s-government-considering-funding-for-ontarios-ring-of-fire-by-naill-mcgee-globe-and-mail-november-15-2022>

mining and mining supply sectors, but will also generate economic opportunities within the manufacturing, construction, utilities, wholesale/retail, trade, and financial services sectors, among others.

While there is still a long way to go before any mining can actually take place in the region, there has been some progress, and there have been several key milestones reached within the development.

Revenue sharing agreements and equitable partnerships with Indigenous communities in the region will be critical to ensuring the Ring of Fire generates benefits for Indigenous procurement, employment, and economic development.

In April 2022, the chiefs from Webequie and Marten Falls First Nations submitted terms of reference for an environmental assessment for the Northern Road Link project, the third and final road necessary to complete the all-season connection to the province's highway system. These two First Nations are co-leading the planning of the Northern Road Link project, with Ontario committing close to \$1 billion to support critical legacy infrastructure, such as the planning and construction of an all-season road network, as well as investments in high-speed internet and road upgrades.

Connecting the mineral-rich opportunities in the Ring of Fire with manufacturing sectors in the rest of the province would help the province become a leading producer across North America of the critical minerals needed for electric vehicles and a clean economy.<sup>26</sup>

Premier Doug Ford said the Province will continue to work with Indigenous communities towards the development of the Ring of Fire. Ford says the minerals extracted from the Ring of Fire will make the province a “resource powerhouse,” allowing Ontario to become a leader in electric vehicle production in North America.<sup>27</sup>

For example, a joint venture between LG Energy Solution Ltd. (LGES) and Stellantis N.V. will invest more than \$5 billion to build a facility in Windsor, Ont., to manufacture batteries for EVs in Canada, representing the largest automotive manufacturing investment in the history of the province. Such green technology requires significant amounts of rarer metals, and Canada's abundance of supply gives this country the potential to generate significant economic opportunity.

Also in 2022, the Province named newly elected Timmins MPP George Pirie as the new Minister of Mines. Part of his mandate will be to develop the Ring of Fire, and he will focus on ensuring Ontario has the federal government on board as a “willing and full partner” in funding roads studies.<sup>28</sup>

The Ring of Fire has been referred to as a “game changer,” and “the most promising mining opportunity Canada has seen in a century.” The Ring of Fire also offers a unique opportunity to be a template for the development of natural resources in remote and isolated locations alongside Indigenous communities. This type of framework can serve to help inform resource development across the country.

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<sup>26</sup> <https://news.ontario.ca/en/release/1002031/ontario-and-first-nations-celebrate-historic-milestone-for-the-ring-of-fire>

<sup>27</sup> <https://toronto.ctvnews.ca/progressive-conservative-leader-doug-ford-touts-party-s-progress-in-ring-of-fire-plan-1.5893230>

<sup>28</sup> <https://www.timminstoday.com/local-news/george-pirie-takes-the-helm-as-mines-minister-5653730>

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Continue to promote the development of the Ring of Fire as a project of provincial and national economic and social significance across all sectors so both levels of government can realize their goals set out in their respective Critical Minerals Strategies.
2. Continue to work with the federal government, industry, and community partners to build capacity and community readiness of Indigenous communities so that they may take full advantage of resource development in the Ring of Fire.
3. Actively promote the Ring of Fire, along with other mining projects, in the global arena as a trade and investment opportunity.
4. Strengthen the partnerships with the federal government, the private sector, and Indigenous communities to explore innovative technologies and R & D opportunities to reduce energy costs and create efficiencies in the Ring of Fire.
5. Ensure Indigenous communities are active participants and proponents of these long-term projects.
6. Support mutually beneficial partnerships with Indigenous communities and businesses, including equitable opportunities for Indigenous procurement, employment, and economic development.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **G. Changes to Alcohol Retail in Ontario Need to Support Local Industry and Jobs in the Wine and Grape Sector**

Submitted by: The Windsor-Essex Regional Chamber of Commerce. Co-sponsored by: The Amherstburg Chamber of Commerce, Leamington Chamber of Commerce, and Prince Edward County Chamber of Commerce

### **Issue**

As the Ontario government considers new retail for wine in the province, it is essential that the government uses this opportunity to ensure Ontario grape growers and wineries can grow their businesses, contribute to provincial and regional economies, and create local jobs. Key to ensuring the future growth of the Ontario grape and wine sector is:

- Eliminating the 35% import tax currently imposed on local Ontario wineries;
- Eliminating the 6.1% retail store tax on domestically produced wine; and,
- Not trading the current retail monopoly for a grocery-led oligopoly.

### **Background**

In 2015, the Ontario wine and grape industry contributed \$4.4 billion to the Ontario economy, supported 18,000 jobs, and hundreds of small family-owned businesses accounted and attracted over 2.4 million tourists to wine country every year.<sup>29</sup> This accounted for nearly half of Canada's wine and grape industry. An average bottle of Ontario wine sold generates \$29.69 of business revenue, \$5.23 of tax revenue and \$8.71 of wages. For every \$1.00 spent on Canadian wine in Ontario, \$3.95 in GDP is generated across the province.

In 2015, there were approximately 456 grape growers operating in Ontario with a combined acreage of 18,383 grape-bearing acres. There were also approximately 180 wineries in Ontario that sold over 8.3 million nine litre equivalent cases of wine. Total winery revenue representing wine sales, wine kit sales and non-wine revenue such as merchandise, events, etc. was \$562.9 million.

The wine and grape industry is a key economic driver in Ontario but is especially important to the Niagara, Lake Erie North Shore and Prince Edward County areas. Windsor-Essex County alone has 17 wineries due to its unique maritime climate which allows it to have longer sun hours and greater heat units than any other area in Canada. This unique climate contributes to the production of award-winning wines created from the finest locally grown vinifera and French hybrid wine grapes.<sup>30</sup>

Ontario is already one of the most open wine jurisdictions in the world. At the LCBO, Ontario wines hold only a 24 percent market share. Other wine producing nations around the world dominate their own market. Spain, South Africa, Argentina and Chile each own over 90% of their domestic market. Italy owns over 80%, Australia over 75%, the USA over 60% and even Russia is at 50% ownership of their own market. Major wine producing countries such as Spain, Italy, France, America and Australia provide hundreds of millions of dollars in subsidies, particularly for marketing abroad. These subsidies are often directed by the foreign wineries at maintaining and growing market share in Canada and Ontario.

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<sup>29</sup> <https://wgaoc.ca/economic-impact/>

<sup>30</sup> <https://www.epicwineries.com/wineries/>

Alongside limited market share, Ontario wineries pay the 35% import tax that is also levied against foreign wineries. The elimination of this tax would allow Ontario wineries and grape growers to create more jobs in rural Ontario, maintain protection of the Greenbelt, and continuously invest in the Ontario economy.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Eliminate the Import Tax on Domestic Wines: Ontario wineries currently pay a 35% import tax through the LCBO markup structure. Ontario wineries are seeking a 35% permanent tax credit that is predictable.
2. Eliminate the Alcohol Manufacturer Retail Store Tax. No other Ontario business has a tax (6.1% for wine, 61% for spirits) on top of the other sales taxes the government collects.
3. Prevent private oligopolies from rising: Ensure market is accessible to retailers of all sizes, including independent licenses for specialty wine shops i.e., a license enabling independent stores with no chains or ability to consolidate.
4. Work with other provinces to enable Ontario wineries to better serve their customers. Enable cross-border shipping so Ontario wineries can ship purchased products to customer's homes in provinces including Quebec, Saskatchewan, and Alberta.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## H. In the Spirit of Business

Submitted by: The Prince Edward County Chamber of Commerce

Sponsored by: Peterborough and the Kawarthas Chamber of Commerce, 1000 Islands Gananoque Chamber of Commerce, Brockville and District Chamber of Commerce, Guelph Chamber of Commerce, Port Hope and District Chamber of Commerce, Belleville Chamber of Commerce, Quinte West Chamber of Commerce

### Issue

Currently, the policy regime applied to craft brewery and winery industries is not aligned with the one applied to the craft distillery industry, resulting in challenges for growth and sustainability of the sector as an integral part of Ontario's economy.

### Background

Craft distilling is an industry in rapid growth. Distillers are creating jobs and boosting economies in large and small centres. The segment supports 6000 jobs in Ontario and annually contributes \$1.5 billion to Ontario's Gross Provincial Product, while craft distillers and the spirit industry generate over \$2.5 billion in annual sales.

The spirits industry works closely with local farmers, connects to tourism and hospitality industries, and contributes to the economic growth of rural areas across Ontario.

However, significant challenges still need to be addressed, *i.e.*, **tax at craft distillery tasting rooms is 61.5%, which is 10 times what Ontario wineries pay**. Additionally, craft distilleries do not receive recognition for using ingredients produced in Ontario.

For these reasons the craft distillery industry should be considered in policymaking.

In its 2019 report, "Refreshing the Sale of Beverage Alcohol in Ontario", the Ontario Chamber of Commerce (OCC) identifies several positive economic results from the industry that would only be enhanced by parity with the other sectors of beverage alcohol, including:

- The spirits industry and craft distillers in Ontario generate over \$2.5 billion in annual sales.
- The spirits industry supports 6,000 jobs across the province and contributes \$1.5 billion to Ontario's Gross Provincial Product every year.
- Ontario is currently home to 45 spirit distillers (as of December 2021). There has been an increase in the number of small and artisan distillers that specialize in niche products across Canada.
- The spirits industry works closely with local farmers and contributes to the economic growth of rural areas across Ontario.

The report also connects the beverage alcohol industry to several adjacent industries, including farming, tourism, and hospitality. The power of beverage alcohol to be a force for economic development – particularly rural economic development – should, therefore, be reflected in policymaking.

The province of Nova Scotia continues to be a leader in the spirits industry since the government opened the door to growth in 2014 by reducing the mark up by 60-80% with another 10% mark down if distillers use provincially grown agriculture products. The government cut the license fee from \$2000 to \$500, increased production threshold, and introduced a graduated mark up based on annual production. These measures allowed craft distillers to thrive. In British Columbia, since the introduction of a graduated tax system, the industry has grown from 17 to 48 distilleries in the province.

Craft spirits are considerably more laborious to produce than large-scale industrial spirits and are also marketed at higher prices. Any short-term revenue reductions from lower LCBO mark ups and tasting room taxes will be surpassed by the increased revenue from higher employment and consumers supporting local premium spirits that will come from a thriving craft distillery industry.

In the past few years there has been some movement towards parity with other craft alcohol industries, such as:

- Allowing craft distillers to distribute their products to bars and restaurants.
- Allowing craft distillers to open “Pop-up” retail stores via Special Occasion Permits; and
- The continuation of “The Small Cidery and Small Distillery Program” for a three-year commitment (expires in 2025).

Craft distillers believe these changes are a step in the right direction, but additional changes are required to reach parity with other craft alcohol industries in Ontario. For example, the update to “Canada’s Guidance on Alcohol and Health” recognizes that the consumption of beverage alcohol is equivalent across different categories, therefore craft distillers believe it is possible to have all regulations regarding alcohol align to the same standards.

This call for change is not only coming from the chambers of commerce and boards of trade but also from Craft Spirits Ontario.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Approve the continuation of “The Small Cidery and Small Distillery Program” until 2027 and that both industries be considered in tandem moving forward.
2. Remove the LCBO fees applied to sales from Craft Distilleries and craft cideries directly to licensees and by-the-glass sales.
3. Align the craft distiller's regulations with the craft beer and wine industry by applying a graduated rate to the current spirits basic tax, with a zero percent mark-up on the first 50,000 litres sold.
4. Lower the LCBO markup on spirits and ciders made primarily with Ontario ingredients by Ontario facilities to be equivalent to microbreweries, graduated by production method and volume.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **I. Addressing the Challenges of Ontario’s Largest Economic Sector: Small Business**

Submitted by: Greater Sudbury Chamber of Commerce. Co-sponsored by: Thunder Bay Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, North Bay & District Chamber of Commerce, Timmins Chamber of Commerce, Guelph Chamber of Commerce, Port Hope and District Chamber of Commerce

### **Issue**

The cumulative regulatory burden, constant legislative changes, and reporting requirements present a disproportionate impact on small businesses and are an obstacle to prosperity, growth and competitiveness.

### **Background**

Businesses throughout the province have repeatedly highlighted the cost of regulatory compliance as a barrier to investment and growth. Business owners have said they find it incredibly difficult to navigate the regulatory framework – especially when that framework is frequently changing due to new and/or updated legislation. When new and/or updated legislation unwittingly introduces hidden costs, the problem is only exacerbated. The Government of Ontario needs to take steps to reduce red tape for small businesses and make it easier for them to understand and comply with regulations.

Recent years have seen significant changes implemented or proposed to WSIB, labour relation, the minimum wage, and pension plans. Businesses saw many changes as a result of Bill 148, the Fair Workplaces, 2017 Better Jobs Act, and the subsequent introduction of Bill 47, the 2018 Making Ontario Open for Business Act, which repealed or rewrote many of Bill 148’s changes. Businesses continue to see many changes due to environmental regulations and the federal carbon tax. While regulatory change is not necessarily “bad” – in fact, updating and modernizing regulations should be a priority for all governments – it can have a lasting, negative impact on businesses, if they are implemented haphazardly, or if the government does not make compliance easy. The cost of such changes disproportionately burdens small businesses that often do not have dedicated human resource departments or dedicated personnel to manage the complexities of the requirements.

According to Innovation, Science and Economic Development Canada, Ontario had 439,694 small businesses in December 2021<sup>31</sup>. Statistics Canada defines a small business as one with fewer than 100 employees.<sup>32</sup> The Ontario government has shown its commitment to broad, structural red tape reduction. The province created the Ministry of Red Tape Reduction to modernize legislation, regulations and policies that can be burdensome, inefficient and inflexible.

The Ontario government recognizes that reducing unnecessary red tape will save businesses time and money and that such reduction is an integral part of growing Ontario’s economy. The province has introduced its Less Red Tape, Stronger Ontario Act (Bill 46), which includes 28 legislative, regulatory and policy measures designed to improve competitiveness, strengthen our local supply chains, and make government services easier to access.<sup>33</sup> We applaud the government’s efforts to reduce red tape thus far. However, there is still much work to be done.

The Government of Ontario can ease the regulatory burden by establishing a regulatory concierge service for small businesses in Ontario. A concierge service would be a single-access point for information, support and expertise on regulatory compliance in Ontario. The concierge service would offer one-on-one support to small

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<sup>31</sup> <https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2021>

<sup>32</sup> <https://www.statcan.gc.ca/o1/en/plus/1253-small-and-medium-businesses-driving-large-sized-economy>

<sup>33</sup> <https://news.ontario.ca/en/backgrounder/1002504/reducing-red-tape-to-build-a-stronger-ontario>

businesses so that they can successfully navigate regulatory frameworks and achieve compliance with greater ease and so they could devote their limited resources to growing their businesses and the economy.

Such a concierge service is nothing new. The federal government has its Business Benefits Finder, which is a single access point to funding, expertise, facilities, and global opportunities for small- and medium-sized enterprises (SMEs) seeking to grow through innovation.<sup>34</sup>

Other jurisdictions have understood the benefit of one-stop support for businesses:

- Greater Sudbury’s Regional Business Centre
- Hamilton’s One-Stop for Business
- The British Columbia Business Registry
- One Stop Business Registration Portals in Wisconsin and Virginia

While certain single-window initiatives in Ontario exist, such as Service Ontario’s ONE-Key, these are ‘self-serve’ initiatives rather than concierge services, and they do not address the regulatory burden that weighs on Ontario’s small businesses.

Creating a team of industry experts to guide business owners through regulations in Ontario will make Ontario attractive for investment and allow existing businesses to spend their resources more efficiently.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create and promote a provincial concierge service to provide single-window, one-on-one, customized access for small businesses to guide them through regulatory compliance processes and help them achieve compliance obligations.
2. Develop interconnectivity between municipal, provincial, and federal concierge services to enable knowledge-sharing and to ensure that each is able to provide the best guidance and expertise to its clients.
3. Continue to work with the Ontario Chamber of Commerce, Ontario’s business community, and with small businesses in order to reduce red tape.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>34</sup> [https://innovation.ised-isde.canada.ca/s/?language=en\\_CA](https://innovation.ised-isde.canada.ca/s/?language=en_CA)

## **J. Supporting Ontario Craft Beverage Alcohol Producers By Updating AGCO Liquor License Rules**

Submitted by: Hamilton Chamber of Commerce. Co-sponsored by: Guelph Chamber of Commerce

### **Issue**

A series of recent Alcohol & Gaming Commission of Ontario (AGCO) changes to the liquor control act have facilitated more opportunities for Ontario breweries, wineries, distilleries and cideries to reach customers than ever before. Largely in part due to the COVID-19 pandemic with an interest in facilitating local diversification of alcohol distribution outlets, the Ontario government has instituted a series of changes that now permit all Ontario liquor license holders the ability to sell to-go or take- out alcohol.

This has created a significant opportunity for growth for Ontario craft beverage producers that may have previously had limited exposure to audiences beyond their local geography. However, there remains uncertainty around the legal functioning and requirements for to-go alcohol sales, particularly from the perspective of the variety of types of organizations that hold liquor licenses in the absence of a formal update to the licensing regime.

Liquor license holders can vary from alcohol producers themselves, to restaurants and bars, and to small retail operations. These operators are often subject to varying rules across jurisdictions, and Ontario craft beverage producers currently are forced to navigate the various rules unique to each jurisdiction they wish to sell their products in. There is a need for uniform provisions across the province that would simplify compliance for all liquor license holders and Ontario craft beverage producers alike.

### **Background**

The COVID-19 pandemic significantly altered Ontarians' lives in permanent ways as all levels of government were forced to adopt rules and regulations across sectors of our economy to accommodate pandemic-related operating restrictions and respond to a potentially disastrous economic climate. There are dozens of examples of governments adapting existing legislation to permit the functioning and survival of many Ontario-based businesses at the peak of the pandemic, and many of these changes have been good for the long-term health of our economy.

One such series of policy changes pertaining to alcohol distribution in Ontario may seem minor at first glance but have in fact significantly altered the economic landscape for alcohol retailers and producers alike, creating new opportunities to access more customers than ever before. However, these changes are not without their challenges, and it is time that the provincial government evaluate these policy changes to further support the Ontario craft beverage industry and small retailers alike.

Historically, Ontario has one of the most centralized, borderline monopolistic alcohol distribution frameworks in the country. The model dates to the prohibition era where alcohol distribution was tightly regulated and relegated to LCBOs and Brewers Retail/The Beer Store. This was in response to the perceived need to control the consumption of alcohol as much as possible and to limit its negative societal impacts. In doing so, the government established a rigid policy framework that limited alcohol availability, consumer options, means of distribution, and overall accessibility to the public. Over several decades, Ontario's alcohol distribution model remained largely unchanged, despite changing public opinions and perceptions over the use of alcohol and the government's authority over its use. The negative health impacts of alcohol overconsumption are not to be ignored, but most users do so in a recreational and non-harmful manner.

When COVID-19 struck Ontario and our province entered a lockdown, the provincial government had to quickly adapt operating rules and procedures for nearly all sectors of our economy. This was done in a rapid-fire manner and often in iterations, tinkering with policy based on experiences, to land on the best option that

would preserve public health and safety, while still creating enabling conditions for private enterprise to operate and prosper. For the hospitality and alcohol beverage industries, these included significant changes to the Liquor Control Act that now permitted to-go alcohol sales for restaurants, bars, and other small retailers for the first time in the history of the province of Ontario.

This was seen as a major boon to both the hospitality and alcohol beverage industries, finally liberalizing nearly one hundred-year-old policies that significantly restricted not only access to alcohol for consumers, but also access to market share for alcohol producers. Now, rather than be subject to extensive lines and limited operating hours at LCBO and Beer Store locations, consumers had the option to purchase alcohol directly from their favourite restaurants or through newly established retail bottle shops. Simultaneously, this change created a major opportunity for Ontario craft beverage producers – whether they be a brewery, winery, distillery, or cidery – to access new customers via new channels that the previous model focused on listings in LCBOs and Beer Stores could not provide.

While the LCBO and Beer Store remain the primary source of alcohol for most Ontarians, it can be very difficult, expensive and competitive to be listed at those retailers. Moreover, there's not a guarantee that your large order listing will sell, creating significant risk and reward decisions for small to medium-sized craft alcohol beverage producers. By permitting alcohol sales through new channels, the provincial government made it easier than ever for small to medium-sized craft alcohol beverage producers to list their products at potentially hundreds of outlets across the province, with a significantly lower risk, focusing on lower inventory numbers and rapid sales reporting between the producers and retailers.

Now, residents in Hamilton can go to their local licensed retail shop or order from their favourite restaurant and have access to a unique selection of craft alcohol beverage products from across Ontario that are otherwise unlisted at traditional alcohol retailers. These changes have created new opportunities for Ontario craft breweries, wineries, distilleries and cideries to get their products to market in a fairer manner and have created significant economic opportunities for these operators that were previously unavailable to them.

With these changes, however, have come some challenges. Primarily, given the relatively recent changes to alcohol distribution options and the lack of detail within those legislative provisions, hospitality operators, retail bottle shop operators, and beverage alcohol producers are reporting a diversity of experiences when it comes to enforcement and application of the legislation by law enforcement. There seems to be multiple interpretations of the rules among agents enforcing the regulations under the Liquor Control Act between jurisdictions that have complicated an otherwise rich opportunity for all parties involved. This creates uncertainty in the market when there are competing interpretations of the legislation and in fact serves to undermine the economic opportunity created by legislation in the first place. Where craft beverage alcohol producers quickly realized market growth through the liberalization of alcohol distribution, it was pulled from under their feet when enforcement agencies began to interpret legislation in different ways, creating dozens of different interpretations of rules and regulations between jurisdictions, complicating their ability to sell their products to new markets across the province.

While the legislative changes to permit more diverse options for purchasing Ontario craft beverage alcohol are welcome, it is time for the provincial government to evaluate these changes and measure their successes and shortcomings. The provincial government ought to conduct a review of these changes with a lens of understanding the varying experiences between jurisdictions, with enforcement of the rules with a goal of creating a unified approach to enforcement and application of these Ontario liquor license new rules. A comprehensive review for to-go alcohol sales ought to be explored, creating certainty for those selling alcohol to-go about the application of its rules and to provide clarity to those producing beverage alcohol products, with an eye to getting their products to market in a fairer manner than historically seen in Ontario.

This evaluation and ultimate policy implementation will create a more stable market for all hospitality and retail businesses interested in to-go alcohol sales, support local Ontario businesses, diversify consumer options, and help to support main street economies.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Consult with Ontario craft beverage alcohol producers, hospitality establishments and licensed retail operators to document the varying application of applicable rules under the AGCO between jurisdictions and the experiences of each, with an eye to;
2. Inform the development of a province-wide liquor licensing review that would provide clarity to local enforcement agencies, hospitality operators, retail operators, and Ontario craft beverage producers interested in selling their products in outlets across the province.
3. Build into any new legislation an evaluation mechanism that would require a review of the performance of the licensing regime every three to five years with an eye for both economic and social performance monitoring.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **K. The Revitalization of Manufacturing in Ontario**

Submitted by: Oakville Chamber of Commerce

### **Issue**

The provincial government has a critical role in addressing key competitiveness issues that have a real impact on Ontario's manufacturing sector. This includes retaining skilled workers, introducing competitive incentives to invest in technology and helping Ontario-based manufacturers become more competitive and lower their business costs.

### **Background**

The manufacturing sector is a cornerstone of Canada's economy, playing a crucial role in creating jobs, fostering innovation, and driving economic growth. The nation's 90,000 manufacturers directly generate 9.5 per cent of Canada's real gross domestic product (GDP), make up one-quarter of its business research and development spending, and account for 60 per cent of the country's outbound goods. Taken together, the sector's direct, indirect and induced impacts amount to 27 per cent of Canada's total economic activity. In addition, by employing 1.79 million Canadians and supporting 3.58 million more jobs through supply chain activity and employee spending, the manufacturing industry undoubtedly makes substantial contributions to communities across Canada.<sup>35</sup>

However, Canada's productivity has been declining for more than two years and productivity has declined in 10 out of the last 11 quarters. This is due to several factors such as limited innovation adoption, skills gaps, inefficient regulatory processes, and weak business investment in machinery, equipment, and technology.

As stated by the C.D. Howe Institute, new capital per worker in Canada was less than \$15,000 in 2022, compared to \$20,000 in other OECD countries and almost \$28,000 in the United States.

Canada's productivity has not only just fallen back to pre-pandemic levels but has fallen to a point that is now lower than at any time since 2017. Meanwhile, U.S. productivity surged 4.7 % in the third quarter of 2023.<sup>36</sup>

In addition, according to the Canadian Chamber of Commerce's Business Data Lab we are lagging as compared to other developed countries from low rates of business research and development spending (BERD).

Data from the Organization for Economic Cooperation and Development (OECD) consistently shows that Canada underperforms well below average against global peers in terms of research and development (R&D) investment intensity (i.e., R&D investment as a share of GDP).

In comparison to our international peers, Germany plans to increase research investment to 3.5 percent of GDP by 2025 and Finland to 4 per cent of GDP by 2030, while Canada currently only sits at about 1.6 per cent.<sup>37</sup>

In support of encouraging innovation, investment, and technology within the industry and the commercialization of products in manufacturing, the Ontario government should implement a complementary patent box regime that grants preferential tax treatment for income derived from patented inventions.

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<sup>35</sup> <https://cme-mec.ca/initiatives/manufacturing-canadas-future/#:~:text=Manufacturing%20is%20a%20cornerstone%20of%20Canada's%20economy&text=The%20nation's%2090%2C000%20manufacturers%20directly,of%20the%20country's%20outbound%20goods.>

<sup>36</sup> <https://www.cdhowe.org/expert-op-eds/feeble-business-investment-shows-morneau-right-about-economic-stagnation-financial>

<sup>37</sup> <https://bdl-lde.ca/terminal/>

Previous budgets have committed to review the implementation of a Patent Box system to encourage commercialization of products and new technology adoption in Ontario. This has also been successfully adopted in other international jurisdictions and Canadian provinces. Such a system would support initial production scale-up by reducing corporate taxes paid on earnings from new products.

Finally, attaining skilled labour continues to be a challenge for Ontario manufacturers. To that end, the province should continue to promote skilled trades and apprenticeship programs through an on-the-job training investment tax credit. There are many supportive measures for technology purchases and apprenticeship programs, but what often stops employers from fully leveraging these supports is limited resources to upskill employees through work-focused training programs. This can be training to use new machinery or completing the implementation of a new digital platform.

The current *Ontario Made Manufacturing Investment Tax Credit* certainly helps, providing funding to purchase new machinery and real estate. However, small changes to eligibility would improve the measure to make sure it can capture hardware, software, moulds and die, and benefit more companies who have a strong local footprint, but some level of foreign ownership.

This tax measure would be effectively supplemented by an on-the-job training incentive. By providing matching funding for training done in relation to technology improvement in a work environment, we can provide workers the tools to succeed, not in a classroom environment, but in the real world, where the knowledge can immediately grow their skills and their income. Making businesses more productive.

Several North American jurisdictions have similar training in place, for example Georgia, Kentucky and Quebec.

There is clearly a movement among many large Original Equipment Manufacturers (OEMs -automotive market) to on-shore or bring back manufacturing to North America (US, Canada, and Mexico) to shorten supply chains and reduce risk of related disruptions.

Geopolitical tensions and domestic trade considerations in the US have further encouraged and supported the onshoring activities particularly related to China. Also, the recent UAW and UNIFOR labour agreements have fueled a push within North America to focus new investments in addition to production relocation from US and Canada to Mexico.

Canada and Ontario need a clearly stated strategy aimed at taking advantage of the move to onshoring as well as presenting Ontario as a better alternative within the above to Mexico or the US.

In addition to a strategy, we need to focus on taking some very deliberate actions, immediately to support and encourage business investment and confidence in Ontario.

Furthermore, Ontario needs a world-class, agile regulatory system that supports growth and innovation. Although there have been steps taken by both the Ontario government and the federal government to reduce the regulatory burden on manufacturers, additional steps are required surrounding meaningful regulatory statements.

The province needs to streamline and significantly reduce bureaucracy surrounding investments in Ontario. New construction or other building permits, process permits, and other related licenses required to set up or expand manufacturing in Ontario are taking five to ten times longer than in the US.

While some progress was made in streamlining these approvals through an online portal, some applicants are still required to submit applications via fax, and processing times remain significantly above those noted in other provinces and US states.

Ontario should learn from neighboring jurisdictions (especially Manitoba, Dakota and Illinois) to establish a single online window covering all types of permits and streamline the various local approvals currently required for transit across Ontario regions.

The timeframe and complexity of getting approvals for investments from multiple layers of government is directly delaying and, in some cases, stopping investment decisions. As such, the ongoing ability of companies to comply with complex regulations is increasing business costs.

For many companies, it still takes them over a year to obtain a permit or an approval. Whereas in US states, it can take as little as two weeks. We urge the provincial government to adopt similar processes that will result in an accelerated timeline.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Leverage the ongoing provincial tax review to establish measures effectively rewarding commercialization and production of goods and advanced technologies in Ontario such as the Patent Box System.
2. Enhance the current *Ontario Made Manufacturing Investment Tax Credit* with an on-the-job training incentive to include all on-the-job training for manufacturing workers, up to 50% for the first 5 years.
3. Establish a single online window covering all types of permits and streamline the various local approvals.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **FISCAL/TAXATION**

### **A. Achieving Property Tax Fairness Across Ontario**

Submitted by: Sault Ste. Marie Chamber of Commerce

#### **Issue**

Commercial and industrial payers contribute significantly to Ontario's property tax base, which is the primary source of revenue for municipal government. However, real concerns about the benefits received by businesses versus residential taxpayers, and the rationale for the notable disparity in tax treatment between residential and non-residential ratepayers, continue to persist. Put plainly, the proportion of property value and the resulting tax contributions made by these two distinct groups of property owners relative to the overall tax revenue collected by municipalities for the services they consume are vastly different and inequitable. This trend affects commercial and industrial enterprises of all sizes and across all sectors and is pervasive in communities across the province.

#### **Background**

Ontario's Property Tax system has not been fully reviewed since the new Ontario Fair Assessment System (OFAS) was first introduced by the former Harris government approximately 25 years ago.

Since that time, significant changes have occurred across Ontario's economic landscape influencing global and local competitiveness, and fundamentally altering traditional economic paradigms. This trend has been further compounded by increasing demands placed on municipalities as they are confronted with new and evolving challenges such as: social housing, the opioid crisis, climate change, rapidly evolving technology, and the growing infrastructure deficit. This list goes on.

While municipalities are alive to such concerns and as pressure on the property tax increases, the municipality community is faced with the daunting task of attempting to balance their fiscal realities against growing and competing demands for local and regional services. This is against the backdrop of significant budgetary demands caused by inflation, raising interest rates and upward wage pressures on both non-unionized and unionized positions. With municipalities considering budget increases in the ranges of 4-8%, the impact to business will be significant, and in some circumstances, businesses may be paying upwards of 8.5 times that of a residential property.

This situation is compounded by the limited revenue tools available to municipalities to meet their financial obligations and an antiquated system of property tax mitigation programs and relief mechanisms to achieve locally sensitive tax policy priorities that have not been comprehensively revisited or reformed since the mid-1990's.

It is also important to note that property tax bills in Ontario include a substantial portion of the total levy that is directed toward the province to fund our education system. In many cases, this share of the property tax bill (known as the provincial education tax) exceeds the amount collected for municipal purposes. While the province has taken measures to reduce the "Education Tax", the disparity in terms of tax rate treatment between non-residential and residential property owners for municipal purposes remains extreme when the education tax rate is considered, further exacerbating the disproportionate property tax burden shouldered by commercial and industrial property owners and their tenants.

When property tax is unfavourably biased against the business community, the province's economic competitiveness, its ability to attract and retain talent and investment, create jobs, and to position Ontario for growth and prosperity, are undermined.

In acknowledging the shortcomings of Ontario's current property tax system, the province made a promise in its 2019 Spring Budget to develop an action plan to *Respect Ontario Property Taxpayers*, underpinned by a comprehensive review to explore opportunities to:

- Enhance the accuracy and stability of property assessments;
- Support a competitive business environment;
- Provide relief to residents; and
- Strengthen the governance and accountability of the Municipal Property Assessment Corporation (MPAC) to ensure better representation for Ontario property taxpayers.

To support a meaningful and informed review process, the government committed to seek input on these issues through consultation with residents, businesses, municipalities and other stakeholders.

Thus far, no plan has been revealed to fulfill this promise. However, recognizing that 2023 or 2024 are potential years in which MPAC will undertake a comprehensive province-wide reassessment (re-evaluation) of all property to provide the basis for property taxation in 2021 through 2024, the timing of a thorough and thoughtful review of Ontario's property tax system, with a focus on modernization to ensure competitiveness, is crucial to inform transparent, stable and equitable property tax treatment for the future.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Honour its 2019 Budget Commitment to ensure a modern and competitive property tax system, and to develop an action plan to respect Ontario's property taxpayers based on meaningful and thoughtful consultation and collaboration with affected stakeholders which includes: residents, businesses, industries, municipalities, and field experts.
2. Consider providing new revenue and/or property tax mitigation tools with flexibility to municipalities in order to manage property tax burdens in a fair and equitable manner, address new economic paradigms, and to target relief to business property owners/tenants in response to local tax policy priorities and objectives.
3. Continue to address the significant disparity between residential and non-residential tax rates for education tax purposes.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **B. Extend exemptions for the Non-Resident Speculation Tax**

Submitted by: Greater Sudbury Chamber of Commerce. Co-sponsored by: Thunder Bay Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, North Bay & District Chamber of Commerce, and Timmins Chamber of Commerce

### **Issue**

Businesses in Ontario that need to hire foreign talent to fill specific roles face even greater challenges with the Non-Resident Speculation Tax, which is an additional tax placed on foreign nationals and foreign corporations purchasing a home in the province. While there are exceptions for the tax, it needs to be reconsidered in its entirety.

### **Background**

The Non-Resident Speculation Tax (NRST) is applied to the purchase or acquisition of an interest in residential property location anywhere in Ontario by individuals who are foreign nationals or by foreign corporations or taxable trustees.<sup>38</sup> Implemented in 2017 under the Kathleen Wynne Liberal government, it was intended to quell the trend of foreign speculators looking to turn a quick profit.

Originally, the NRST applied to properties purchased in the Greater Golden Horseshoe Region at a rate of 15%. However, as part of the More Homes for Everyone Act, the NRST was expanded provincewide in March 2022 and the rate was increased to 20 per cent. Then, on October 24, 2022, the Province raised the tax to 25 per cent.<sup>39</sup>

The Minister of Finance told Ontarians in March 2022 that the province was adopting “the most comprehensive Non-Resident Speculation Tax in the country,” because young families, seniors and workers are desperate for housing that meet their needs. However, a lack of housing supply and rising costs have put the dream of home ownership out of reach for many families.

While it is understandable that the NRST is meant to discourage foreign speculation, the Ministry of Finance has failed to see the extenuating impact its expansion to the rest of the province, particularly Northern and rural Ontario, has had on a company’s ability to attract skilled foreign workers.

Attracting labour is already a significant provincial issue for many businesses, but it is even more difficult for those businesses in Northern and rural Ontario. The shortage of skilled workers is well documented. It has been historically difficult for companies in northern and rural communities to find strong Canadian or foreign national candidates for a wide variety of positions. While most companies prefer to hire Canadian candidates whenever possible, they are sometimes left with no other option than to hire international talent.

For example, a prominent employer in Greater Sudbury said it is experiencing its own issues with the NRST, stating the tax will have ongoing and serious implications on the company’s ability to attract international applicants with specialized skills in the mining industry. Exacerbating the situation is the long processing time for immigration and permanent residency.

That company is adamant the NRST will deter candidates from accepting offers of employment in Northern Ontario communities. This mining company states there is an overall demographic problem that exists in Canadian mining today whereby the mining industry continues its aggressive expansion, resulting in fierce

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<sup>38</sup> <https://www.ontario.ca/document/land-transfer-tax/non-resident-speculation-tax#section-6:~:text=the%20Act%20applies.-,Exemptions%20from%20the%20NRST,-An%20exemption%20from>

<sup>39</sup> [https://www.pentictonherald.ca/spare\\_news/article\\_b93c99de-f0a8-596d-b2ed-27d8a30ed417.html](https://www.pentictonherald.ca/spare_news/article_b93c99de-f0a8-596d-b2ed-27d8a30ed417.html)

competition between large and small organizations for experienced professionals. This means that any potential candidates have multiple career options at their disposal. Despite the company's best efforts, extensive recruitment efforts do not always result in sufficiently strong Canadian or Permanent Resident candidates to fill important mining roles.

There are few exemptions to this tax. The Ontario Immigrant Nominee Program (OINP) affords an exemption to all foreign applicants seeking gainful employment in Ontario. The province also offers exemptions if the foreign national has refugee status or is purchasing property with a Canadian spouse.<sup>40</sup>

Five communities in Northern Ontario have been successful in working with the federal government to implement the Rural and Northern Immigration Pilot (RNIP), which allows eligible employers to make full-time, permanent job offers to skilled foreign workers who can help fill identified labour shortages in the community.<sup>41</sup> Successful RNIP candidates are also fast-tracked for permanent residency. Purchasing a home without the added burden of the NRST will support retention in these communities. Since 2020, these five communities have recruited hundreds of skilled workers, who bring their family members with them. These new immigrants are not provided the same exemption as foreign nationals under the OINP.

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Immediately expand the exemption to the NRST to include participants in the Rural and Northern Immigration Pilot, as well as those awaiting permanent resident status (e.g., Afghan Initiative and Ukrainian Initiative arrivals) and post-graduation work permit holders living in Ontario communities.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>40</sup> <https://www.ontario.ca/document/land-transfer-tax/non-resident-speculation-tax#section-6~:text=the%20Act%20applies.-,Exemptions%20from%20the%20NRST,-An%20exemption%20from>

<sup>41</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/rural-northern-immigration-pilot/pr-eligibility.html>

## **C. Tax Rebates for Home Care**

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Brockville and District Chamber of Commerce, and Belleville Chamber of Commerce

### **Issue**

Receiving healthcare at home is the preferred route for most people where feasible, saving both them and the government money, compared to staying in institutions. However, upfront capital costs are a major barrier to home care. Lack of access to a hospital bed and patient lift limit peoples' access to home care.

### **Background**

Our population is quickly getting older. The Government of Canada's Action for Seniors report states one in seven Canadians were seniors in 2021 with that number expected to jump to 1 in 4 by 2030. The Canadian Institute for Health Information is predicting a 68% increase in Canada's senior population from 2017 to 2037, accounting for 10.4 million people.

When it comes to aging, most Canadians want to stay in their own homes as long as it is feasible. The same goes for those with ongoing healthcare needs due to illness or injury.

The National Home Modifications Survey, commissioned by March of Dimes Canada in April 2021, found 78% of Canadians want to age in their current homes, but only 26% predict they'll be able to do so. The survey found 50% of adults and seniors identified costs of home modifications as a barrier.

For many, the decision to move into long-term care is complicated, even if it's the best way to meet their healthcare needs. The National Institute on Ageing (NIA) estimates some 40,000 Canadians were on waitlists for nursing homes at any given time in 2019. Meanwhile, they estimated a further 430,000 Canadians have unmet homecare needs. The NIA estimates 22% of people currently in nursing homes would be better served at home with the appropriate support.

Our municipal, provincial and federal governments spend billions of dollars every year on assisting people with long-term healthcare needs with the majority going to long-term care homes and subsidies for institutional care. The NIA estimates that in 2018, public spending on long-term care in Canada included \$20 billion for nursing home care and \$4 billion for home and community-based care.

Most Canadians in need of regular healthcare are getting it at home whether by choice or lack of available institutional space. Some require a moderate level of support while others need several hours of daily care. Regardless, the costs are cheaper for care at home than in an institution.

Based on a 2011 study, Home Care Ontario estimates that the costs for care is \$842/day for a hospital bed, \$126/day for a long-term care bed, and \$42/ day for home care.

Home care allows Ontarians to get the care they want at a much lower cost to the public and, depending on the subsidies they are eligible for, a lower cost to themselves.

Receiving care at home has challenges and significant expenses. Many people's homes need renovations and special equipment from beds to lifts. There are costs for private services, including medical care, housekeeping,

transportation, physical therapy, cooking, and personal care. The role of family caregivers can only offer so much and is dependant on a senior's family situation.

Home Care Ontario found that families fund more than 20 million hours of home care annually for 150,000 people at an average cost of \$17,600 per year per family.

People with mobility challenges have a major barrier to home care if they do not have a hospital bed and patient lift. Due to the risk of injury in lifting patients out of bed, some home care providers will not provide services to people without adequate lifting devices.

Some people would be able to look after themselves for routine tasks but end up bed ridden for most of the day due to lack of a hospital bed and patient lift. They may be limited to being mobile only while the homecare worker is on site due to challenges getting in and out of bed.

The Ontario Seniors Care at Home Tax Credit does provide incentives for hospital beds and other homecare needs, but at \$1,500 the amount is not enough for all of the services it aims to assist with and is only available to residents age 70 and older. While seniors are a large part of the home care demographic, there are many younger Canadians with long-term healthcare needs.

Offering subsidies to receive care at home will save Ontarians money when it comes to healthcare spending and relieve pressure on our overburdened healthcare system.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create a refundable tax credit of up to \$10,000 in a five-year period toward special medical equipment and renovations, including hospital beds and patient lifts, for people of all ages requiring home care services.
2. Expand funding for virtual home monitoring programs through Ontario Health Teams and other health care providers, to help seniors live safely in their homes and reduce the burden on the hospital system.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **D. A New Deal for Ontario Municipalities**

Submitted by: Greater Kitchener Waterloo Chamber of Commerce. Co-sponsored by: Cambridge Chamber of Commerce

### **Issue**

Current fiscal arrangements between the Ontario government and municipalities are not resolving on-going challenges for provincial businesses.

### **Background**

The Association of Municipalities of Ontario (AMO) has indicated that current fiscal arrangements between the provincial government and municipalities are not working for communities or the businesses and industries at the foundation of local economies.

The system is not working for taxpayers during an affordability crisis and not addressing homelessness, gridlock, or declining infrastructure. A New Deal has been provided for the City of Toronto however challenges extend to every municipal government across Ontario.

The Association of Municipalities of Ontario has recommended a Social and Economic Prosperity Review. A detailed and objective analysis of current fiscal arrangements for services and infrastructure should ultimately provide options that are affordable for governments and taxpayers. Residents and businesses expect inter-governmental collaboration and appropriate decisions around effective delivery models.

The proposed review would include revenue options, costs and financial risks, detailed analysis around infrastructure investments and service delivery requirements.

An effective relationship between the Government of Ontario and 444 municipal governments is the foundation for collective prosperity and sustained economic growth. Ontario municipalities own and operate nearly half a trillion dollars of infrastructure that is the foundation of the provincial economy. Providing businesses and taxpayers with the best possible decisions to manage these assets is a core municipal focus. Municipalities are consistently forecasting growth and accompanying activities to further understand supports required for sustained economic activity.

Property taxpayers, including small business and seniors on fixed incomes, cannot afford to continually pay for provincial costs covering health and social services that municipalities are increasingly responsible for administering. As noted by AMO, the property tax base was never implemented for income re-distribution.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. As recommended by the Association of Municipalities of Ontario (AMO), initiate a major review of provincial-municipal fiscal arrangements to ensure cost-effective program delivery and maintenance/expansion of infrastructure.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## E. Enforcing Fair Property Tax Ratios

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Barrie Chamber of Commerce, Thunder Bay Chamber of Commerce, Brockville and District Chamber of Commerce, Chamber of Commerce Brantford-Brant, Quinte West Chamber of Commerce, Belleville Chamber of Commerce, & Guelph Chamber of Commerce

### Issue

Businesses in Ontario pay much higher property tax rates than residents, despite using fewer services. The Ontario Municipal Act requires municipalities to tax commercial and industrial properties at a ratio of 0.6 to 1.1, but many municipalities have no plans to comply.

### Background

Commercial and Industrial property taxes in Ontario municipalities are calculated based on a ratio of what residential property owners pay. For example, if a municipality has a commercial tax ratio of 1.75, commercial property owners are paying 175% what a resident is paying for the same amount of property tax assessment.

The Ontario Municipal Act Reg. 386/98: Tax Matters – Allowable Ranges for Tax Ratios sets an allowable range for property tax on commercial and industrial properties at 0.6 to 1.1.

A quick look at tax ratios from a selection of municipalities from across Ontario from 2023 demonstrates that this range is not being followed:

	Commercial	Industrial
Barrie	1.43	1.51
Milton	1.46	2.09
Peterborough	1.5	1.5
Brantford	1.75	2.25
Guelph	1.84	2.2
North Bay	1.88	1.4
Woodstock	1.9	2.63
Sudbury	1.91	3.45
Belleville	1.92	2.4
Kingston	1.98	2.63
Thunder Bay	1.98	2.37
Clarington	1.98	2.49
Sarnia	2.02	2.4
Niagara Falls	2.15	2.95
Sault Ste. Marie	2.31	4.38

Municipalities are coming under increasing financial pressure due to factors that include inflation in everything from capital projects to wages, increased demand for services, and an increased role in areas like public health and homelessness. Despite this pressure coming from a variety of sources, they essentially have one tool for raising the funds to do it — property taxes.

More financial pressure on municipalities is leading them to further increase tax ratios to the benefit of residents at the expense of the business community.

The City of Peterborough spent a decade lowering its commercial and industrial tax ratios to 1.5, achieving that several years ago. This year it voted to increase the tax ratios to 1.65, shifting \$3 million in taxation from residents to businesses. Businesses in the City of Peterborough will on average pay 22% more in property tax in 2024.

Similar stories are playing out across Ontario and businesses cannot continue to bear the brunt of property taxation on behalf of residents. Businesses use fewer services but are expected to pay significantly more for them.

It is clear Reg. 386/98 of the Ontario Municipal Act has no teeth. Municipalities across Ontario have been charging property tax ratios well outside the allowable range for decades with no plans to change. The Government of Ontario needs to put some teeth in the act and hold non-complying municipalities to account.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Enforce existing property taxation ratios set out in the Ontario Municipal Act Reg. 386/98: Tax Matters – Allowable Ranges for Tax Ratios by withholding provincial support — including access to provincial funding streams — to municipalities that:
  - a. are not taxing commercial and industrial properties at the required rates or
  - b. are not actively transitioning to the required rates based on a plan that specifies gradual decreases on a timeline approved by the Province.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## INFRASTRUCTURE/TRANSPORTATION

### A. The Expansion of Electric Vehicle (EV) Infrastructure and Market in Ontario

Submitted by: The Oakville Chamber of Commerce

#### Issue

Automotive technology and improvements in electric vehicles continue to evolve at a rapid pace, however consumer demand remains low. Provincial government measures that address key areas of support such as the expansion of EV charging infrastructure as well as increased purchase incentives would spur both consumer confidence as well as demand.

#### Background

In October 2020, the federal and provincial governments jointly announced their support to transform Ford Motor Company of Canada's Oakville Assembly Complex (OAC) from an internal combustion engine (ICE) plant to a battery electric vehicle (BEV) plant. This project, valued at \$1.8 billion, will help secure the future of Ford's Oakville Assembly Complex and thousands of well-paying direct and indirect jobs to be derived from this transition into electrification. This transformation of OAC into a BEV assembly plant is in line with the Government of Canada's commitment to sustainable growth and greening the economy, and will help support the auto supply chain, mainly located in Ontario. Electrification will allow us to position the innovative Canadian automotive industry as a global leader in BEV manufacturing.<sup>42</sup>

Furthermore, the federal government's "Greening Government Strategy" outlines its goal to reduce greenhouse gas emissions (GHGs) from the atmosphere. The proposed Canadian Net-Zero Emissions Accountability Act, introduced in Parliament on November 19, 2020, will formalize Canada's target to achieve net-zero emissions by the year 2050, and establish a series of interim emissions reduction targets at 5-year milestones toward that goal.

The transportation sector contributes 25% of Canada's emissions, of which 12% is from light duty vehicles.<sup>43</sup>

The Government of Canada has also set a mandatory target for all new light-duty cars and passenger trucks to be zero-emission by 2035, accelerating Canada's previous goal of 100% sales by 2040. Additionally, they have set an interim target of 50% by 2030. These are ambitious targets. (Today, we are sitting at approx. 5% of sales are ZEVs.)

Key impediments to higher consumer uptake of ZEVs including cost and lack of sufficient public infrastructure. By prioritizing EV charging Infrastructure as well as purchase incentives the government will support its goal to reduce GHGs and will support the province's auto sector in this rapid shift to electrification.

To remain globally competitive the provincial government must remain competitive with its global counterparts. For example, the Biden Administration introduced a \$2 trillion "American Jobs Plan" to rebuild the economy and revitalize infrastructure. A key pillar of the plan is a \$174-billion investment to "win the EV market." This includes supporting automakers as they transition to electrification, offering consumer incentives

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<sup>42</sup> <https://pm.gc.ca/en/news/news-releases/2020/10/08/new-commitment-battery-electric-vehicle-manufacturing-ontario>

<sup>43</sup> <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/reduce-emissions.html>

to buy EVs, building 500,000 new EV chargers by 2030, and using the power of federal procurement to electrify the federal fleet.<sup>44</sup>

Ontario has a history of excellence as a top auto-producing jurisdiction in North America. For generations, the auto sector has supported the livelihoods of Ontario workers and has remained an essential part of Ontario's economy. In 2019, the sector contributed \$13.9 billion in GDP to the provincial economy and employed 100,000 people in auto assembly and parts manufacturing. Despite this, Ontario has seen investment dollars go to competing jurisdictions. There is intense global competition for auto investments, and a major driver of this shift is that southern U.S. states and Mexico offered lower costs and less red tape.<sup>45</sup>

According to a recent analysis by Electric Autonomy, Canada needs to invest \$4.7 billion in charging infrastructure if we are to keep pace with the U.S. This is far more than the \$376 million the federal government has promised to spend on charging stations.<sup>46</sup>

Research demonstrates that consumers continue being cautious of making the switch to electric vehicles due to price, a shortage of charging infrastructure, concerns about EVs' range, and a lack of awareness of electric vehicles and their benefits.

According to a recent Leger poll, the top reasons Canadians cite for not buying an EV are: their limited driving range (55 per cent); their higher purchase price (54 per cent); a shortage of public charging stations (47 per cent); and the time it takes to charge an EV (45 per cent).

However, there is widespread support for government subsidization of EV purchases. The poll found that the most popular policies and programs to support EV adoption are: tax (GST/HST) deductions (51 per cent); free public charging stations (45 per cent); government incentives (45 per cent); preferential insurance rates (43 per cent); and free annual registrations for EV owners (39 per cent).<sup>47</sup>

Canada's vast geography, and 1.1 million km of public roads, present another challenge that needs to be met by any measures. With only 1,000 publicly accessible fast charger stations available to Canadians right now, most in densely populated areas, we have a long way to go before consumers are assured there is no inconvenience associated with going electric.<sup>48</sup>

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Prioritize funding and make incentives available for public and business charging infrastructure.
2. Encourage increased adoption of Electric Vehicles (EVs) by consumers and businesses by offering EV incentives for the purchase of EV vehicles in Ontario.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

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<sup>44</sup> <https://ipolitics.ca/2021/05/12/canada-must-act-fast-to-benefit-from-americas-shift-to-electric-cars/>

<sup>45</sup> <https://files.ontario.ca/medjct-driving-prosperity-ontario-automotive-plan-phase-2-en-2021-11-23.pdf>

<sup>46</sup> <https://ipolitics.ca/2021/05/12/canada-must-act-fast-to-benefit-from-americas-shift-to-electric-cars/>

<sup>47</sup> <http://www.cvma.ca/press-release/new-survey-underscores-need-ambitious-government-efforts-convince-canadians-purchase-electric-vehicles/>

<sup>48</sup> <https://ipolitics.ca/2021/05/12/canada-must-act-fast-to-benefit-from-americas-shift-to-electric-cars/>

## **B. Investing in Northern Ontario’s Highway Infrastructure**

Submitted by: Greater Sudbury Chamber of Commerce. Co-sponsored by: Timmins Chamber of Commerce.

### **Issue**

Northern Ontario suffers from an infrastructure deficit. Continuing investment to complete the four-laning of Highway 69 (Highway 400 North) should be the first step to rectifying a critical infrastructure shortage that has limited Ontario’s economic potential, ability to attract and retain workers, and connectivity both within the province and across Canada.

### **Background**

Highway 69 is the main connective road between Northern and Southern Ontario. It connects Highway 400 North with the City of Greater Sudbury (the largest municipality in Northern Ontario), where it meets Highway 17 West headed toward Sault Ste. Marie and further on to Western Canada. It acts as the funnel for Southern Ontario residents, businesses, and tourists heading north and vice versa. Moreover, it is an integral link in the Trans-Canada Highway, connecting the Greater Toronto Area and Northern Ontario to Western Canada.

Plans to expand Highway 69 were originally announced in 1991. Despite its importance as a trans-Canada highway, Highway 69 and other northern highways still suffer from a lack of timely and adequate investment. From April 2021 to March 2022, the Ontario government is committing \$2.6 billion to repair and expand provincial highways and bridges of which only 0.24% is earmarked for Northern Ontario.<sup>49</sup>

In late December 2021, the four-laning of a 14-km stretch of Highway 69 from Highway 607 to Highway 522 was completed with plans to complete the final roadside remediation on this section by the summer of 2022. Ontario’s Ministry of Transportation (MTO) states that the remaining two-laned 68-kilometre section of the highway from Parry Sound to French River is still in the engineering and property acquisition phases and that construction on the remaining section depends on the acquisition of lands and environmental approvals. There is no way to predict the length of time that it will take to complete this section of the highway.

The provincial government should commit to completing the four-laning of Highway 69 to:

- Unlock Ontario’s economic potential;
- Reduce highway closures due to accidents (often with fatalities) and inclement weather;
- Help businesses who depend on this highway get their goods to market;
- Improve Ontario’s inter- and intra-provincial connectivity;
- Support regional economic development to reverse Northern Ontario’s declining population trends.

### **Unlocking Ontario’s Economic Potential:**

Investment in highway infrastructure has long been recognized as a viable method of creating good-paying, middle class jobs. Investing in Northern Ontario’s highway infrastructure would create well-paying jobs that would contribute not just to local communities, but to the province’s economy as a whole, during the project and for many decades after.

Most economic growth in the province remains contained in Southern Ontario and has not been realized in the North. Between 2000 and 2020, Northern Ontario has seen 9 years of negative real GDP growth since 2000, while Southern Ontario only saw 3 years of the same.<sup>50</sup> Investing in Northern Ontario’s highway infrastructure can help revitalize regional economies, which in turn can help unlock Ontario’s economic

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<sup>49</sup> <https://www.ontario.ca/page/ontarios-highway-programs>

<sup>50</sup> Email from Northern Policy Institute Staff – 11 January, 2022

potential.

Whether due to weather conditions or fatal collisions on the narrow, undivided road, Highway 69 is often closed for extended periods of time, adding hours to commutes and disrupting reliable access to and from Northern Ontario for businesses, residents, and tourists. According to the MTO, there were a total of 38 closures due to accidents on Highway 69 in the Sudbury area from 2019 to 2021 and of these, the highway was fully closed a total of 16 times.<sup>51</sup>

A safer and more reliable Highway 69 would have a positive impact on regional and provincial productivity by improving ease of access and mobility and reducing the time it takes to transport materials or finished goods, especially for businesses reliant on “just in time” delivery to achieve maximum productivity efficiencies. Four-laning Highway 69 would have a positive cascading effect on not just the economies around the Highway, but all of Ontario.

#### Improving Ontario’s Inter- and Intra-Provincial Connectivity:

Successful inter- and intra-provincial trade is foremost dependent on the existence of a safe, reliable, and convenient highway network that allows passengers, heavy transports, and tourists to travel across the province and country. The highway was originally designed at a time when the majority of freight traffic was still being transported by railway, and the two-lane highway cannot accommodate the increased heavy transport traffic. Frequent highway closures due to accidents, which often result in fatalities, can have a significant adverse impact on commercial activity, act as an economic and tourist deterrent, and are unsafe for drivers. Completing the four-laning of Highway 69 will help improve traffic flow, safety, and reliability for drivers and improve access for passengers driving on the highway. In its current partial two-lane state, the highway negatively impacts residents, businesses, and the supply chain of the entire province.

#### Reversing Northern Ontario’s Declining Population Trends:

A 2020 Come North Conference report showed that all 11 census districts in Northern Ontario, are experiencing labour shortages, population decline, or population aging.<sup>52</sup> Investments in northern highway infrastructure will serve to attract and retain residents and workers to northern and rural regions.

It is difficult to attract and retain people and investment to Northern Ontario when safe and convenient transportation to Southern Ontario and other parts of Canada is inadequate. With the federal government’s changes to aviation regulations risking reduced flight service in Northern Ontario, and little to no passenger rail service, building a robust highway connecting Northern and Southern Ontario is not only critical to the region’s economy but to the sustainability of Northern Ontario’s communities as well. The province cannot afford to neglect such alarming trends in Northern communities, as they are critical to Ontario’s economy.

### Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Expedite investments in Northern Ontario's transportation infrastructure by planning and funding the completion of Highway 69 to four lanes; and
2. When highway upgrades and improvements are studied, consider traffic volumes in relation to the rate of accidents, injury, deaths, economic advantage, as well as the potential for increased traffic volumes and economic benefits of increased volumes.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

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<sup>51</sup> Email from Ministry of Transportation Northeast Operations Staff – 06 December, 2021

<sup>52</sup> <https://www.northernpolicy.ca/upload/documents/come-north/en-come-north-conference-report-20-12-11.pdf>

## **C. Encouraging Municipal Government Collaboration to Address Transit Needs and Gaps**

Submitted by: Halton Hills Chamber of Commerce. Co-sponsored by: Milton Chamber of Commerce

### **Issue**

The lack of adequate or any transit options in small and rural communities impacts business competitiveness and the mobility of residents. Greater collaboration between adjacent municipalities with and without adequate transit solutions could help address transit gaps by extending or building on existing transit systems.

### **Background**

Public transit in small towns and rural communities is often either insufficient or non-existent. Limited mobility negatively impacts business productivity by hindering its talent pool and potential for growth. Limited and/or insufficient transit puts communities at a disadvantage when it comes to attracting and retaining industry and investment. Access to affordable, public transit would allow local businesses to remain competitive, and residents to maintain independence with access to healthcare providers, employment and community hubs.

For example, Toronto Premium Outlets, located in Halton Hills, is a very popular shopping destination, attracting tourists from around the world. Located directly off of Highway 401, they employ over 900 full-time workers. During peak seasons, Toronto Premium Outlets employs over 2000 workers, the majority of which reside in the neighbouring municipalities of Brampton, Milton and Mississauga. At any given time, as many as 50% of all employees at the mall are part-time workers, many of whom are students. Transit from both Brampton and Milton terminate approximately five kilometers from Toronto Premium Outlets. Consequently, workers must drive to work, be dropped off, take a taxi or a ride hailing service like Uber, which is costly and contributes to congestion on the 401, Steeles Avenue, and the Trafalgar Road.

Since it is not feasible for every municipality, especially more rural and/or remote communities to invest in community-wide public transit nor for the province to directly subsidize every municipality's transit needs, the Government of Ontario is encouraged to put in place the necessary policies, infrastructure and/or funding to make it feasible for neighbouring municipalities to develop and implement innovative solutions that address transit challenges and gaps that exist across municipal boundaries.

Encouraging or building on existing cross-municipal collaboration adjacent municipalities may opt to extend existing transit systems to service a wider geographic region, specifically into regions that lack transit options and service key employment zones. Addressing cross-municipal transit needs has spillover benefits for surrounding municipalities and economies as workers, commuters, and residents of both, can travel more seamlessly between regions and be significantly better connected.

Municipal government collaboration on current transit gaps in regions lacking transit options, would address the last-mile problem facing residents and commuters, and provide a more cost-effective alternative to owning a personal vehicle.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Put in place the necessary policies to encourage and streamline transit project collaborations between municipalities, First Nations, and regions, Example: Work with insurance companies to understand and support extensions of transit service into adjacent municipalities.
2. Put in place the necessary infrastructure and/or funding that make it feasible for municipalities and/or regions to identify transit gaps, and build on or extend existing transit service across municipal boundaries in adjacent municipal boundaries into adjacent municipalities that lack adequate transit options.
3. Urge the federal government to invest in multi-municipalities or regional transportation plans]
4. Expand the Community Transportation Grant Program (announced January 25, 2019) to encourage and specifically support this kind of municipal collaboration.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **D. Addressing the Carbon Footprint of Ontario's Post-Secondary Institutions**

Submitted by: Vaughan Chamber of Commerce, Belleville Chamber of Commerce, 1000 Islands Gananoque Chamber of Commerce, and Quinte West Chamber of Commerce

### **Issue**

As Ontario's businesses and industry move toward a carbon-neutral future, the province will need to train the next generation of workers and entrepreneurs with the skills to work and innovate within a zero-carbon environment.

### **Background**

Renewable energy technology – from battery technology, solar power and smart grids to tall mass timber construction and smart buildings – is evolving quickly, affecting the trades in utilities, construction, automotive, truck and heavy equipment servicing, and maintenance occupations.

College vocational education, including the trades, is central to building, managing and maintaining clean energy systems, net-zero structures, affordable, clean, safe and efficient transportation options, including zero-emission vehicles and charging or fueling stations, public transit, and strategic trade corridors, including roads, bridges, rail, and airports.

In an effort to support Ontario's transition to a zero-carbon economy, Ontario's public colleges will be a critical player.

Ontario's post-secondary institutions can promote carbon zero initiatives both by retrofitting existing facilities to reduce their carbon footprint and investing in technology. And, as colleges develop clear paths to carbon-free heating and cooling, they provide unparalleled opportunities for local businesses and organizations to follow suit. Local businesses can also work with college researchers on zero carbon products and services and, with by retrofitting colleges to house zero carbon infrastructure, Ontario's SMEs can innovate in spaces that are carbon-neutral.

Seneca's Centre for Innovation, Technology and Entrepreneurship (CITE) is a 274,000 square foot building that brings applied research and commercialization, specialized training and student and business-led entrepreneurial activities under one roof. The building is LEED Gold certified and incorporates the latest technology to reduce its carbon footprint which includes 438 solar panels @ 375W per panel at full sunshine on its roof.

Another example is the Joyce Centre for Partnership and Innovation at Mohawk College in Hamilton, is at 96,000 square feet the city's first zero-carbon institutional building which produces onsite, or procures carbon-free, renewable energy in an amount sufficient to offset the annual carbon emissions associated with operations.

Most Ontario colleges were established 50 years ago and many of their 700 buildings are aging, preventing these institutions from housing the technology needed to train the next generation of workers. This aging infrastructure also has a substantial environmental footprint that will need to be addressed as industries work to move to a carbon net-zero status and align with on-going initiatives to cut greenhouse gasses.

By training the next generation of workers in modernized facilities with green technology, Ontario can help establish the foundation required to implement a zero-carbon economy.

## **Recommendations**

The Ontario Chamber of Commerce urges the Ontario Government to:

1. Assess the cost and resource requirements to replace training facilities in Ontario's post-secondary institutions with infrastructure that is modernized to train graduates and SMEs to implement a zero-carbon economy.
2. Work with the federal government to advocate for funding to support retrofitting initiatives to promote carbon-zero facilities in Ontario's post-secondary institutions.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **E. Bridging the Digital Divide by Supporting Rural, Remote, and First Nations Communities Broadband Accessibility Through Coordinated *Dig Once* Policies**

Submitted by: Timmins Chamber of Commerce. Co-sponsored by: Sault Ste Marie Chamber of Commerce.

### **Issue**

Rural, Remote, and First Nations Communities have historically lacked access to reliable broadband connectivity. With broadband infrastructure becoming increasingly expensive to provide to communities with smaller populations, compounded by the great distances between them, more efficient strategies are needed to ensure that all Ontarians have equitable access to reliable, affordable broadband services. Current policies focus less on the direct deployment of fiber to communities which poses challenges for remote and First Nations communities. By increasing the available conduit through sound P3 partnerships, telecommunications providers can move into a previously disadvantaged region more easily. By coordinating with municipalities, a provincial "Dig Once" strategy could significantly reduce costs for future fibre deployments, particularly when coupled with infrastructure-sharing provisions that can benefit these isolated communities.

### **Background**

"Dig Once" is a policy that reduces broadband deployment costs by placing conduits (plastic pipes that hold fiber-optic cable) during road construction when access to the trench is easy. Using this method, a conduit can be placed while minimizing the need and cost of excavation and restoration. Later, the fiber-optic cable can then be pulled through the conduit without any excavation.

Digging Once facilitates the installation of conduits in more and more locations in the public right-of-way, encouraging competition among regions with access to modern technology. Ideally, by Digging Once, conduit is being installed in more and more locations in the public right-of-way, encouraging competition, thus lowering the cost of broadband internet. A more robust network also increases economic development, encourages community growth, and creates a more qualified and connected workforce. While other initiatives are in place to close the digital divide, Dig Once policies work to deploy more conduit and fiber at a lower cost in more locations, thus getting Ontario closer to allowing everyone access to reliable internet networks.

As identified in the Ontario Economic Report released by the Ontario Chamber, population decline and other significant economic barriers can clearly be tied to inadequate broadband, an essential driver of intra-provincial migration thanks to the pandemic's push towards digital adoption and work from home. Additionally, many rural, remote, and Far North communities—many of them First Nations, continue to be severely impacted by a lack of access to reliable, affordable broadband, which leaves many of them at risk of falling behind the rest of the province. Providing this vast, expansive resource to these far-reaching "last mile" communities can be costly to both the provider and end-user and would urge governments to consider legislation to alleviate the cost of laying broadband infrastructure to these regions, encouraging investment.

A key means of reducing the cost of future broadband deployments is to have "Dig Once" policies that require the construction of fiber-optic conduit as part of any public works project. Proponents of these policies see this as a crucial part of an enabling framework to empower rural and remote communities to advance broadband connectivity at the local level. Some reasons to implement a Dig Once policy include reducing deployment costs, encouraging competition among internet service providers, and working to close the digital divide.

If reliable, affordable access to broadband technology continues to dampen economic prosperity in rural, remote, and First Nations communities, then the Provincial Government, in partnership with the Ontario Municipalities, must look to coordinated Dig Once strategies to promote investment from the private sector to encourage the expansion of broadband infrastructure.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Coordinate with Ontario Municipalities, in partnership with telecommunications and broadband companies, to develop a uniform Dig Once strategy to increase the accessibility of broadband and fiber assets to rural, remote, and First Nations communities.
2. Along with the Municipalities, create regulations that make the laying of conduit/fiber assets mandatory for public infrastructure builds.
3. Through consultation with municipalities and broadband companies, identify best practices for constructing telecom networks in rights-of-way to ensure that municipal assets are protected, including, for example, through the use of permitting and Municipal Access Agreements.
4. Consult with the Federal Government to identify how financial tools can be leveraged to offset investment and provide affordable, equitable access to underserved communities.
5. Where ground-based infrastructure is unattainable, develop accessible alternative solutions.

Effective Date: April 30, 2022  
Sunset Date: April 30, 2025

## **F. Building Rural Transportation and Transit Infrastructure**

Submitted by: Greater Kitchener Waterloo Chamber of Commerce

### **Issue**

Employers in rural areas of Ontario are increasingly dependent on adequate transportation systems for sustaining workforce requirements.

### **Background**

As labour and skills demands are increasingly challenging for Ontario employers, reliable transportation options for employees are critical across all sectors.

Ontario's Minister of Transportation Caroline Mulroney noted in *Connecting the Southwest: A Draft Transportation Plan for Southwestern Ontario* (January 2020) that people need services that work for them, most notably a safe and reliable system that connects smaller communities to larger centres, which improves access to jobs, and supports an open and competitive business environment. The report further states that employees need to be able to access jobs where they are available, whether they are in the agricultural sector, financial centres, automotive plants, schools or hospitals.

A 94.1 FM in St. Thomas report on January 20, 2023, noted that local Mayor Joe Preston planned a meeting with Ministry of Transportation officials at the upcoming Rural Ontario Municipal Association (ROMA) conference to discuss regional transit options. Preston emphasized that connecting St. Thomas to London with convenient transit was vital for growth and enhanced connectivity will improve the movement of people, goods and services. His municipality would be requesting increased funding which is urgently required through the imminent opening of an Amazon facility near Talbotville and the Maple Leaf Foods processing plant in south London.

The London Free Press further noted on January 17, 2023, that a transit system linking St. Thomas and London would offer a more convenient and accessible option for students travelling to and from Fanshawe College and Western University. Mayor Preston indicated his city would operate the transit system dependent upon financial support from the provincial government. An hourly bus is planned from downtown St. Thomas to south London.

A November 29, 2022, report in The Brantford Expositor indicated that Brant County and Brantford are drafting a regional transportation plan. Brant Mayor David Bailey noted that bus service is desired to link communities in his municipality with Brantford, Woodstock and Cambridge.

Currently, Brant Transit offers a shared ride service within the county and into Brantford. Riders are required to book in advance. Ride Norfolk, a project funded by the provincial government, operates daily weekday service between Brantford and Simcoe along with other communities including Port Dover, Delhi, Tillsonburg and Turkey Point.

In Perth County, PC Connect operates five routes with services into London and Waterloo Region. The system was launched in November 2020 with funding from the Ontario Community Transportation Grant Program. The objective is moving passengers from Perth County into larger urban centres where connections are established with local transit systems.

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Increase funding for inter-municipal transit services to assist employers in responding to escalating workforce demands.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **G. Ontario's Readiness for Urban Mobility – Smart cities and digital transformation**

Submitted by: Milton Chamber of Commerce. Co-sponsored by: Oakville Chamber of Commerce, Burlington Chamber of Commerce, and Halton Hills Chamber of Commerce

### **Issue**

The province has a role to support the application of data and innovative technologies that enable municipalities to establish intelligent transportation networks and optimize urban mobility. The future efficient movement of both people and goods and services will depend on the effective management of a connected infrastructure.

### **Background**

A reliable transportation network is essential for trade, the movement of goods and services as well as people. It is also integral to our province's economic competitiveness. As our communities become more connected through the collection of data, artificial intelligence and technology, it is vital that we are prepared for the business climate of the future and that we remain competitive with other jurisdictions. The market for automated and connected vehicles is growing rapidly and large economic benefits are expected. According to McKinsey, investors have spent over \$200 billion USD on autonomous-vehicle technologies and smart mobility in the last decade.<sup>53</sup>

Population growth as well as increased employment growth is positive for our local economy; however, it also underlines the need for building a resilient transportation network that works for all modes of transportation to supply the movement of goods and people.

Ontario has taken steps towards becoming a leader in the development, commercialization and adoption of advanced mobility technologies, like Connected Vehicles/Autonomous Vehicles (CA/AV). Ontario was the first Canadian province to permit on-road testing of autonomous vehicles in 2016, updating its pilot regulation to match other global AV testing jurisdictions in 2019.<sup>54</sup> Since then, Ontario has launched the Ontario Vehicle Innovation Network (OVIN), which funds collaborative research projects, supports SMEs to commercialize technologies, and aims to develop a strong mobility workforce and talent pipeline through skills development and training.<sup>55</sup> Moreover, Ontario has begun investments in intelligent transportation system (ITS) technologies along provincial highways, in order to support mobility innovations like connected and automated vehicles.<sup>56</sup>

The creation of a dedicated program could further incentivize municipalities to invest in infrastructure/technological updates within their local jurisdictions, thereby creating a healthy environment for emerging transportation technologies.

It is vital that municipalities engage in the development of a technological transportation system where data from smart infrastructure, transportation networks, and connected vehicles can empower planners, transit agencies, and other municipal leaders to make advancements in urban mobility. The future efficient movement of both people and goods and services will depend on the effective management of a connected infrastructure. As the industry evolves and becomes a reality, it will become a competitive economic advantage for municipalities that embrace it—and a disadvantage for communities that don't.

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<sup>53</sup> <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/mobilitys-future-an-investment-reality-check>

<sup>54</sup> <https://files.ontario.ca/auto-strategy-en-final.pdf>

<sup>55</sup> <https://news.ontario.ca/en/release/1001266/ontario-launches-flagship-initiative-to-lead-development-of-ev-and-smart-transportation-technologies>

<sup>56</sup> <https://www.ontario.ca/page/connected-and-automated-vehicles>

The creation of a dedicated program could further incentivize municipalities to invest in infrastructure/technological updates within their local jurisdictions, thereby creating a healthy environment for emerging transportation technologies.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Encourage municipalities to include adoption of emerging transportation technologies in their short- and long-term “Transportation Master Plans (TMPs)” to ensure that they are prepared for the inevitable adoption of new modes of transportation (such as Connected and Autonomous Vehicles and related transportation infrastructure).
2. Create a dedicated program (e.g., matching funds) that encourages municipalities to invest in infrastructure/technological updates within their local jurisdictions, thereby creating a healthy environment for emerging transportation technologies.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## H. Reducing Traffic Congestion On Ontario Highways Due to Vehicular Accidents

Submitted by: Tillsonburg District Chamber of Commerce. Co-sponsored by: Chatham-Kent Chamber of Commerce, and Woodstock District Chamber of Commerce

### Issue

Traffic congestion negatively affects the economy in numerous ways. People are frequently late to work when they are stuck in traffic, resulting in lost productivity and stress. It prevents deliveries from arriving on time, which can delay production, and congestion wastes fuel and causes vehicle emissions, thus increasing the cost of transporting goods and overall pollution levels.

### Background

While vehicular accidents occur everywhere, they cause less traffic delays and highway closures in some jurisdictions than others based on the response systems that governments have in place. The state of Georgia's Department of Transportation (GDOT) has implemented measures to minimize closures and delays on metro Atlanta highways. Since 2008, GDOT has paid private wreckage companies in metro Atlanta a \$3,500 bonus to clear truck accidents in 90 minutes or less. Since the Towing and Recovery Incentive Program (TRIP) was launched, the average time to clear an accident plummeted by 80 percent, prompting GDOT to consider expanding the program across the state of Georgia.<sup>57</sup>

The agency also works to keep traffic moving by using cameras to monitor highway conditions, and dispatches Highway Emergency Response Operators (HERO) units to help drivers, clear debris, and direct traffic after accidents occur. These efforts have a measurable impact because at least 50 percent of traffic congestion in the Atlanta region is caused by accidents.<sup>58</sup>

Florida has similar programs in place under its Open Roads Policy, which sets the goal of clearing major highway incidents and truck crashes across the state in 90 minutes or less. Rapid Scene Clearance (RISC) is a program put in place under this policy which, like Georgia's, provides financial incentives to qualified and participating heavy duty towing service providers. In addition to financial incentives of a \$600 to \$3500 bonus for meeting response and clearance deadlines, the program is successful because its tow operators must meet equipment and training standards to be eligible to participate. This contrasts with systems in use elsewhere, where heavy-duty tow operators are called without consideration of their capabilities. The operators do not participate in a RISC-type program and so are not contractually obligated to meet training and equipment standards.<sup>59</sup>

Such efforts are part of Traffic Incidence Management (TIM) quick clearance programs, which is the practice of rapidly and safely removing temporary obstructions from roadways in order to increase the safety of incident responders by minimizing their exposure to adjacent passing traffic, reduce the probability of secondary incidents, and relieve overall congestion. Quick clearance practices can result in many benefits for drivers, responders, and the environment, including decreases in:

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<sup>57</sup> Georgia Department of Transportation's (GDOT) Towing and Recovery Incentive Program (TRIP) Can Reduce Clearance Times by 80 Percent, *U.S. Department of Transportation*, [Georgia Department of Transportation's \(GDOT\) Towing and Recovery Incentive Program \(TRIP\) Can Reduce Clearance Times by 80 Percent. | ITS Deployment Evaluation](#).

<sup>58</sup> David Wickert, 2019, The Atlanta Journal-Constitution, <https://www.ajc.com/news/state--regional-govt--politics/gdot-tackles-truck-accidents-metro-atlanta-highways/ZXuWYCvFpBb9aaJihOixjL/>.

<sup>59</sup> CAA, 2021; Traffic Incident Management, Florida Department of Transportation, <http://www.floridatim.com/Overview.htm>.

- non-recurrent congestion delay;
- secondary incidents, including those involving responders;
- response time to traffic incidents and other emergencies;
- vehicle fuel consumption;
- vehicle emissions;
- motorist stress levels;
- aggressive driving behaviour;
- freight movement impacts in the region;
- regional economy impacts;
- local tourism impacts; and
- future potential land use impacts.<sup>60</sup>

While major urban areas in Canada typically have TIM practices in place, such as Ontario's COMPASS Transportation Management Centre, they are often not used to their full potential. A 2021 [CAA report](#) highlights additional solutions for non-recurrent traffic congestion based on examples of TIM programs in other jurisdictions. A key example is:

- **Freeway service patrol**, such as Florida's Road Rangers program and Maryland's Coordinated Highways Action Response Team (CHART). Freeways are routinely patrolled by personnel who are trained and equipped to perform minor repairs, assist motorists, remove debris, provide fuel, provide first aid, push vehicles out of travel lanes and assist emergency services. Such programs reduce incident duration and prevent secondary crashes, thus decreasing congestion. For every dollar spent, freeway patrol systems bring in \$6 to \$28. A similar program, the Highway 407 ETR Highway Safety Patrol is in place in Ontario on a smaller scale.<sup>61</sup>

Ontario could therefore benefit from similar practices given the high traffic volume on its highways, especially in the Oxford County area. Approximately 60,000 trucks pass the 401/403 junction in Woodstock each day. Additionally, Drumbo/Innerkip Exit 250 is among the worst stretches on the 401 for accidents. Inspector Tony Hymers, Oxford OPP Detachment Commander, has articulated a need for an accident reporting centre in Oxford County, similar to those in the City of London, Chatham-Kent, and the Collision Reporting Centres of Toronto, which are used to report property damage-only accidents. This gets cars off the road quickly.<sup>62</sup>

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<sup>60</sup> Traffic Incident Management Quick Clearance Laws: A National Review of Best Practices, 2022, US Department of Transportation, [https://ops.fhwa.dot.gov/publications/fhwahop09005/role\\_relevance.htm](https://ops.fhwa.dot.gov/publications/fhwahop09005/role_relevance.htm); Traffic Incident Management. FHWA, [https://ops.fhwa.dot.gov/eto\\_tim\\_pse/about/tim.htm](https://ops.fhwa.dot.gov/eto_tim_pse/about/tim.htm).

<sup>61</sup> Traffic Incident Management: Volume 1, 2018, CAA, <https://www.caa.ca/wp-content/uploads/2018/07/18-CAA-Infrastructure-Papers-TrafficIncidentMgmt-ENG-.pdf>.

<sup>62</sup> Traffic Services Collision Reporting Centres, Toronto Police Service, <https://www.torontopolice.on.ca/traffic/crc.php>; Collision Reporting, Chatham-Kent Police Service, <https://ckpolice.com/collision-reporting/>.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement a proof-of-concept vetting program to create a pool of qualified towing. Companies that can be called to accidents, as well as an incentive program for contractors to clear accidents in 90 minutes or less. Test this program along the 401 from Oxford County to the westerly termination of the 401 in Windsor for 18 months and report on its effectiveness. If it proves to greatly reduce congestion, implement the program for all 400 series highways.
2. Create a proof-of-concept accident reporting centre in Oxford County covering the areas in Oxford along the 401 and 403. After 18 months report on its effectiveness. If it proves to be effective, establish reporting centres in jurisdictions along the 400 series highways.
3. Implement a temporary highway patrol service, through which roving vehicles patrol. Congested and high incident areas and provide direct service to motorists in distress, from Toronto to Waterloo Region along the 401 for 18 months and report on its effectiveness. If it proves to reduce congestion, implement the program permanently.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **I. Regional Transportation Fare Integration**

Submitted by: Ajax-Pickering Board of Trade, Toronto Region Board of Trade and Vaughan Chamber of Commerce. Co-sponsored by: Newmarket Chamber of Commerce and Mississauga Board of Trade

### **Issue**

Connectivity in modes of transit is essential to the success of the Greater Toronto and Hamilton Area Regional Transit Plan. A crucial element of this connectivity is a one-card fare integration system for the Greater Toronto and Hamilton Area.

Although progress has been made in the process of fare integration, there is still more that must be done. To ensure a seamless transportation network, and to build further momentum across the wider region for fare integration, GO Transit needs to be integrated with the Toronto Transit Commission, Durham Region Transit, and other municipal transportation services. This issue must be addressed as soon as possible, to keep up with the needs of the growing population and visitors to the Greater Toronto and Hamilton Area (GTHA).

### **Background**

We applaud the federal, provincial and municipal governments for making their largest-ever investments to help fund transit infrastructure within the GTHA. The present transportation system is widely viewed as inadequate and traffic congestion is now a cross-regional issue that affects all municipalities and residents in the GTHA and beyond. The ability of businesses to move people and goods, of commuters to get to work and home, of visitors to travel in and through the GTHA, and the vitality of the regional economy are dependent upon an efficient regional transportation network. This is important to both the region and the province: GO Transit and the municipal transit agencies that connect to it serve two-thirds of Ontario's population (approximately 10 million people).

Network connectivity needs to be the backbone of the regional transportation plan; transfers between municipal transit systems should be easy and efficient. Connectivity must not stop at any particular municipal boundary; rather, it should be continuous throughout the GTHA and be based on an integrated fare system which incorporates "smart" card technology.

GO Transit and the nine municipal transportation agencies in the GTHA have already made progress on fare integration. Currently, GO Transit has signed co-fare agreements (allowing for discounting of fares when transferring from one transit agency to another) with eight municipal agencies. The PRESTO fare card allows users of more than one transit agency to get an immediate discount when they transfer between GO and one of the participating agencies. In addition, all the 905 transit operators (except Milton) have agreed to accept each other's transfers without additional fares.

While the TTC previously offered a co-fare funded by the provincial government, that discounted rate for PRESTO users expired in 2020.

To illustrate the cost implications to commuters: A trip from Rexdale in Etobicoke to Toronto's financial district is 26 KM and costs riders \$3.20, while a trip from Rexdale to an industrial job in Vaughan is only 4 KM, but costs riders \$7.08. From Markham and Steeles in North Scarborough to Union Station downtown takes about 92 minutes by bus and subway, or 52 minutes by bus and GO. Most still crowd onto the overloaded Yonge subway rather than using available space on the GO Train because the bus + subway fare is \$3.20 each way while the bus + GO fare is \$12.25.

The implementation of a regional fare integration system is integral to the creation of a sustainable, attractive and efficient transportation network. The benefits of the move to a smart card system will support the

development of further infrastructure and will make the regional transportation network more customer friendly, leading to greater use of the network and ultimately assisting in the alleviation of regional congestion and gridlock.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Through Metrolinx, implement a fully integrated fare system at the earliest possible opportunity for the GTHA regional transportation system including GO Transit and all municipal agencies, which will make for a more customer-friendly, seamless, and affordable transit network, and help alleviate wider-region traffic congestion and gridlock.
2. Facilitate the equitable distribution of fare dollars collected by an integrated fare system among the participating regional transit operators and Metrolinx.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **J. Support for Metrolinx Big Move and ‘Next Wave’ Priority Projects**

Submitted by: Richmond Hill Board of Trade. Co-sponsored by: Vaughan Chamber of Commerce and Newmarket Chamber of Commerce.

### **Issue**

Over the past 25 years, there has been tremendous population and business growth throughout the Greater Toronto – Hamilton Area (GTHA), particularly in the 905. In fact, York Region is now one of Canada’s fastest-growing large urban municipalities with nearly 1.2 million people, with a growth rate of 5.7% (Source: York Region). Notwithstanding the many positive results from urban intensification, increased traffic congestion typically accompanies population growth if infrastructure investments do not keep pace, as they have failed to do in the GTHA and beyond.

Starting 2025, Canada will welcome 500,000 new immigrants annually with ~50% of those immigrants settling in the GTHA (Source: IRCC). With the need for post-COVID working-from-home and inflationary pressures, immigrants and the mainstream population are looking to affordable larger living spaces. As a result, larger volumes of the population are looking at regions connected to Toronto for housing, work and business opportunities, resulting in the need for expanded transit infrastructure that connects the GTHA to York and other regions. The current lack of public transit options leads to less choice for commuters and ultimately increased vehicular traffic, which results in costs to business supply chains such as movement of goods delays.

The failure of our transportation infrastructure to keep pace in the face of unprecedented growth also affects tourists and visitors to the wider region and contributes to air pollution and carbon emissions. Recent investments by all levels of government in public transit, including the extension of the Toronto-York-Spadina subway extension to Vaughan and construction of VIVA-YRT bus rapidways, are welcomed additions to the transportation network in York Region. To maximize these investments in public transit infrastructure, support must be given for the Metrolinx Big Move transportation plan and ‘Next Wave’ priority projects including the construction acceleration of Yonge North Subway Extension.

### **Background**

Transportation and transit infrastructure is critical to the success of our region, our province and our country. For that reason, we must focus on the bigger picture. Municipal boundaries act as transit boundaries that prevent effective movement of passengers. Transit policies and routes should be planned based upon population growth and need, not on municipal boundaries. York Region is one of the fastest growing areas in Canada contributing to some of the longest commute times in North America, with no subway line connecting York Region to the GTHA. To entice people to use public transportation and alleviate traffic congestion, the Yonge North Subway Extension is a top priority of the regional municipality of York and each of the nine municipal governments in York Region. In fact, transportation is the top local issue for the vast majority of York Region residents.

The Yonge subway extension will complement investments made in our existing transit network and help connect the GTHA by integrating with neighboring transit options. They will also maximize the recent investments in GO Transit, VIVA-YRT, Eglinton Crosstown LRT, UP Express connectivity to Pearson Airport, and the Toronto-York-Spadina Subway Extension. They will ensure for greater connectivity with surrounding communities.

Already included in the Metrolinx Big Move and identified as ‘Next Wave’ Priority Projects, developments of this magnitude will lead to new business and job creation, intensification, and the attraction of more affordable housing as well as significant environmental benefits. In fact, by eliminating the need for 2,500 bus trips that

currently service a stretch of Yonge Street each weekday, the Yonge North Subway Extension has significant potential to reduce carbon emissions and eliminate up to 28 tonnes of Greenhouse Gas (GHG) emissions each day.

In June 2019, the Ontario government unveiled a new transit plan for the Greater Toronto Area which included several new subway projects such as the Yonge North Subway Extension. However, no significant construction milestones have commenced other than upgrades to the Finch station contract which was awarded in September 2022. The Metrolinx website does not specify any future project timelines beyond September 2022.

As populations continue to grow and densities rise throughout the GTHA and beyond, there is an urgent need to create connected infrastructure for future generations that ensures for the greatest range of mobility options. Projects of this size and scope require the financial support of all levels of government over an extended duration of time. The longer we wait, the more expensive projects of this magnitude become.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Canada, the Government of Ontario, the Regional Municipality of York and the City of Toronto to:

1. Continue to prioritize construction for the Yonge North Subway Extension.
2. Maintain an open and transparent line of communication with the business community in the region with project information, status updates, construction timelines, and economic and environmental impacts with construction.
3. Maintain transparency by providing relevant information and project updates for *all other* Metrolinx projects currently underway in various municipalities.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **K. Support for the renewal of the Billy Bishop Toronto City Airport Tripartite Agreement**

Submitted by: Toronto Region Board of Trade

### **Issue**

In 10 years, the Tripartite Agreement which governs the operation and existence of Billy Bishop Toronto City Airport will expire. As the province continues to recover from the pandemic, we need to double-down on our competitive advantages. The time is now to modernize and renew the agreement under which the airport operates to ensure Billy Bishop Airport can continue to offer connectivity that drives trade and tourism, facilitate vital support for provincial healthcare, create thousands of jobs, and embrace technology that will make the airport cleaner, greener and quieter in order to achieve climate change goals.

### **Background**

Around the world, downtown airports like Billy Bishop Toronto City Airport support businesses, provide connectivity and unlock opportunities that make a city world class. These airports play an important role in the economy and are critical in building knowledge economies that rely heavily on the circulation of people and ideas.

Ontario is fortunate that its capital, Toronto, has one of the closest downtown airports in the world. Located roughly 3 km from the downtown core, Billy Bishop Toronto City Airport has a unique competitive advantage. It links Ontario to important economic and trade centres in eastern Canada and northeastern United States. With connections today to Windsor, Ottawa, Sault St. Marie, Timmins and Thunder Bay, the airport makes investment, trade, tourism, and development opportunities possible for businesses and workers in these communities and the communities around them.

Prior to COVID-19, Billy Bishop Airport supported the movement of nearly 3 million people, making it one of Canada's top 10 busiest airports and Ontario's 3<sup>rd</sup> busiest passenger airport. Additionally, its connectivity to the United States makes it the 5<sup>th</sup> busiest Canadian-U.S air border. This supports the movement of people and goods that result in a positive environment in Ontario for trade, investment, talent attraction and retention, as well as rebuilding the visitor economy.

The airport is a convenient, reliable, and valuable connection point that is strongly supported by the local community and overwhelmingly supported by the local business community for its role in unlocking bilateral trade and facilitating convenient travel for business and leisure. The airport has a bright future and is set to increase its value and impact for Toronto and Ontario's economy through the addition of US preclearance. This investment will:

- Increase economic opportunity with a net impact of C\$4.8 billion in annual GDP (up from \$2.1B in 2019), 32,400 jobs (up from 14,000 in 2019) and \$28M in monetized time savings for travelers and Canadian businesses;
- Generate an additional \$60 million in direct on-site tax revenues across federal, provincial, and municipal levels;
- Support Toronto's waterfront revitalization efforts, which will create approximately 40,000 new residences and 40,000 new jobs in the city;
- More generally, Ontario has an entrenched trade relationship with the United States. In fact, if Ontario were a country, it would be the U.S.'s third largest trading partner.

In addition to the economic benefits and value of the airport, it also has an important function connecting Ontarians to some of the best health care facilities and services. As the Toronto base for ORNGE, Ontario's air ambulance and medical transport, more than 3,600 life-saving flights were recorded in 2021.

In 10 years, Tripartite Agreement which governs the operation and existence of Billy Bishop Toronto City Airport will expire. As the province continues to recover from the pandemic, we need to identify, secure, and optimize our competitive advantages.

The time is now to modernize and renew the agreement under which the airport operates.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Declare their support for Billy Bishop Toronto City Airport as a critical transportation link for Ontario and a key piece of infrastructure for the province's economic future, including by working with the City of Toronto, Government of Canada, and their counterparts to advance modernizing and renewing the Tripartite Agreement for the airport with urgency.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **L. Supporting Accurate Mapping Layers That Bolsters Reliable Broadband Accessibility for Ontarians**

Submitted by: Paris and District Chamber of Commerce. Co-sponsored by: Timmins Chamber of Commerce, Peterborough and Kawartha Chamber of Commerce, Huron Chamber of Commerce, Leamington District Chamber of Commerce and Simcoe and District Chamber of Commerce

### **Issue**

The importance of high-speed broadband to residents is self-evident and the necessity of accurate broadband mapping information is critical to ensuring all residents receive high-speed service. The Provincial Government has committed to providing high speed internet of 50 Mbps/10 Mbps to all premises by the end of 2025, and funding is being provided to internet service providers (ISP) towards achieving this goal. Municipalities have a responsibility to ensure taxpayer funds allocated to this task are spent efficiently so identifying the areas that are currently unserved or underserved will help to direct resources and build out the infrastructure needed to support the work being done by the ISPs.

The United States government has directed all internet service providers in the USA to provide accurate mapping information twice a year to the FCC for public viewing via the Broadband DATA Act.

### **Background**

The Federal and Provincial governments have been gathering mapping information from internet service providers and the Federal Government recently updated the ISED mapping data to provide a more accurate picture of the locations of ISP services.

The current mapping information provided is done in a hexagonal pattern with each hexagon representing an approximate geographic area of 25 square kilometres. More granular data of serviced areas is displayed on the "Rural Road Coverage" layer, but only once the user has zoomed to or beyond "level 11". The current average user may not understand this needs to be done and could miss the benefit from this more accurate information layer. There is also a lack of transparency as to where this data comes from. Although it is shown that service is available at a specific location, there is no way to learn which ISP(s) the "Rural Road Coverage" data represents. Users would have to engage all of the ISPs listed in their area in order to discover which one(s) service their specific location.

ISED currently only accepts data from larger internet service providers so smaller providers, which tend to operate in more rural and remote areas, are not necessarily reflected in the mapping data.

Businesses are reluctant to locate in more rural areas due to the lack of, or slow internet, and residents are considering moving for the simple fact that their broadband cannot keep up with their employment needs and their kids' schooling requirements.

In July 2021, The United Nations Human Rights Council proposed a resolution, which included a sponsorship from Canada, that supported an addition to Article 19, which declared access to the internet as a catalyst for the enjoyment of human rights, most notably, the right to freedom of expression.<sup>63</sup>

If reliable, affordable access to broadband technology continues to dampen economic prosperity in rural, remote, and Indigenous communities, then the Provincial Government, in partnership with the Ontario

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<sup>63</sup> Article 19: <https://www.article19.org/resources/un-hrc-maintains-consensus-on-internet-resolution/>

Municipalities, must look to require better asset mapping information from the private sector to encourage the expansion of broadband infrastructure.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario:

1. To ensure that all Ontarians have equitable access to reliable broadband connectivity at competitive rates by:
  - a. Working with the Federal Government to provide municipalities with accurate mapping layers that represents and provides a level playing field and equitable opportunities to ALL ISP services.
  - b. Is provided in a format that is user friendly, and whose sources of data are transparent and informed with best available information.
  - c. allows municipalities the option (if so desired) to extract the granular data relevant to their region and incorporate it into their own mapping resource.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **M. Supporting Ontario Contractors and Expediting Infrastructure Builds by Addressing the Backlog of Ontario One Call Locate Requests Through Adaptive Technological Innovation**

Submitted by: Timmins Chamber of Commerce. Co-sponsored by: Trent Hills Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Branford-Brandt Chamber of Commerce, Windsor-Essex Chamber of Commerce, North Bay and District Chamber of Commerce, Greater Sudbury Chamber of Commerce, and Thunder Bay Chamber of Commerce

### **Issue**

For any excavating of a new building, repairing buried infrastructure, landscaping, residential paving, building concrete slabs, or anything else that requires you to break ground, you must contact Ontario One Call at a minimum of five (5) days prior to your excavation.<sup>64</sup> However, contractors and developers who submit a locate request through Ontario One Call are being subjected to up to a three (3) month wait time to have a locate come and do the initial assessment process to allow the dig to move ahead, which is currently one of three steps. The backlog of locate submissions to Ontario One Call has further compounded the already growing barriers to completing projects on time—including workforce shortages, permitting and planning delays, which hinder our region’s ability to remain competitive.

### **Background**

The Ontario One Call system is the primary method for identifying underground infrastructure prior to excavation and is essential for protecting public safety and maintaining the integrity of essential services. The backlog of locate requests in the Ontario One Call system has grown to unacceptable levels, causing delays and increasing the risk of damage to underground infrastructure and potential harm to the public. Uniquely, Northern Ontario has a very narrow window of opportunity to complete critical infrastructure projects vital to our region’s economic growth and development, given our short summer season. Furthermore, the massive financial burden these delays bring to our firms can heavily impact the outcome of the project and our community’s ability to encourage new investment in the future.

It was encouraging to see the passing of Bill 93: Getting Ontario Connected Act, 2022. The legislation facilitates major changes to how locates are delivered in Ontario, including a much broader use of Dedicated Locator services. It supports several operational improvements meant to remove barriers to timely locate delivery. The legislation also improves and streamlines the compliance system, enhancing Ontario One Call’s powers in this area. However, the challenge with the five-day turnaround exists not through legislation but in a lack of human resources to facilitate to a short window. In the ever-growing workforce deficit that does not discriminate by sector, the Province must consider how p3 partnerships or automation can fill in the gaps.

A city in British Columbia has recently adopted automation to resolve the locates shortages that provide tangible cost and time-saving measures. The City of Burnaby has been recognized with the Municipal Information Systems Association BC’s Spirit of Innovation award for successfully automating its BC 1 Call “Dial Before You Dig” process, providing faster, 24-hour service to customers while saving staff time and money. Burnaby received over 10,000 requests through BC 1 Call in 2021, a vital resource for contractors and homeowners which provides schematic information on underground utilities prior to breaking ground on construction and

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<sup>64</sup> Contractors. Ontario One Call. (n.d.). Retrieved July 19, 2022, from <https://www.ontarioonecall.ca/contractors/>

renovation projects. By automating this service, the City expects to save an estimated \$500,000 over a 5-year period while freeing up staff to work on other important projects.

Before automating this service, each request took approximately 15 minutes of staff time to process. Now, callers are provided with information within 3 to 5 minutes, and the service is available 24 hours a day, 365 days a year.

Recently, Premier Doug Ford noted that Ontario doesn't have to reinvent the wheel and that we can look to other successful sub-sovereign nations and municipalities that have found innovative solutions to backlogs and challenges. In the case of the ongoing backlogs from Ontario One Call, it is prudent that the Government of Ontario looks to models that can be scaled for use in the Province while leveraging the private sector.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with Ontario One Call to address the severe accumulation of requests for locates and consider how partnerships with independent contractors who can provide locate services can assist in moving these projects forward in a mutually beneficial way to all involved.
2. Explore ways in which adaptive and innovative technology, including the use of augmented reality and algorithmic-based response systems, further expedite infrastructure projects like what the City of Burnaby, British Columbia, has implemented.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **N. 2+1 Roads Save Time, Lives and Taxpayers Dollars**

Submitted by: Thunder Bay Chamber of Commerce. Co-sponsored by: Chamber of Commerce Brantford-Brant, Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Orillia District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Tillsonburg District Chamber of Commerce, & Timmins Chamber of Commerce

### **Issue**

The highway network in Ontario plays a vital social and economic role in the transportation of goods and people. Yet in rural and northern regions it consists primarily of two-lane roads that limit passing opportunities and produce high rates of serious and fatal collisions, especially on primary roads with high traffic volumes. The typical approach to resolve these issues has been twinning – creating a four-lane road by building an additional road platform alongside the existing one. The findings of the recent Northern Policy Institute Paper “Closing the Gap: How 2+1 Roads Can Save Time, Lives, and Taxpayer Dollars” reveals that the 2+1 road model reduces fatalities and serious injuries while requiring relatively little new construction, thereby delivering substantial benefits at a limited cost.

### **Background**

Highways connect people to communities, services, and economic and recreational opportunities. Gaps in the highway network throughout Northern Ontario represent gaps in access to such opportunities. These gaps do not only exist in the form of an absence of roads. Road inadequacies that compromise the speed and safety of transportation should also be understood as 'gaps' that need closing. Notably, most of the highway network in the regions that make up Northern Ontario consists of two-lane roads that offer few safe passing opportunities. Consequently, this highway network sees many serious collisions, road closures, and delays for motorists. An elevated risk of severe collisions and collision-related delays on northern highways harms the economies of communities that rely on these roads.

2+1 roads offer a favourable benefit-cost ratio, with substantial benefits and limited costs. For example, upgrading one stretch of two-lane road on Highway 11 between North Bay and Temiskaming Shores to a 2+1 configuration would deliver a benefit-cost ratio of 1.01 after 20 years, 2.20 after 40 years, and 3.64 after 60 years. Any value of 1 or higher means a project is worthwhile.

These roads comprise three-lane roads with one lane in each direction and a passing lane alternating direction every few kilometres. Globally, 2+1 roads usually include, but do not always include, a median barrier to divide traffic. They address the major shortcomings of two-lane roads at a relatively low cost. They provide regular passing opportunities and a median barrier, significantly reducing dangerous head-on collisions. 2+1 roads also reduce delays for motorists. Fewer drivers become stuck behind slow-moving vehicles as they are able to pass, and roads are closed less often because there are fewer collisions. Finally, 2+1 roads cost less than highway twinning since they can be built entirely on the existing platforms used for two-lane roads.

If introduced in Northern Ontario, 2+1 roads will save lives. They will also improve Northerners' access to other communities and strengthen national supply chains.

As they achieve these benefits at a relatively low cost, we recommend that 2+1 roads be implemented widely across the Ontario highway network in Northern and rural areas with specific attention paid to sections that

are a critical transportation link for regional and cross-country travel and where alternative routes are limited or non-existent in the event of road closures.

Using costing guidelines from Ontario's Ministry of Transportation, it is estimated that upgrading these roads in Northern Ontario to a 2+1 configuration would cost approximately \$1.5 billion. Costing has not yet been undertaken for roads in rural Southern, Eastern and Western Ontario.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement 2+1 roads widely across the Ontario highway network in Northern and rural areas on sections with annual average daily traffic between 3,000 and 20,000.
2. Expedite implementation of 2+1 roads by 2034 on sections of the Northern Ontario highway network where the roads are a critical transportation link for traffic travelling within these regions and across Canada, and where alternative routes are limited or non-existent in the event of road closures.
3. Expedite implementation of 2+1 roads by 2039 on sections of the Ontario highway network in rural Southern, Eastern and Western Ontario where the roads are a critical transportation link for traffic travelling within these regions and across Canada, and where alternative routes are limited or non-existent in the event of road closures.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **O. Building Ontario Fund**

Submitted by: Greater Kitchener Waterloo Chamber of Commerce. Co-sponsored by: Cambridge Chamber of Commerce

### **Issue**

The Building Ontario Fund was recently established to reduce taxpayer risks on major infrastructure projects and expedite construction.

Strategic investments and the capacity to deliver in an efficient and cost-effective framework will benefit all provincial economic sectors. The new bank should provide sustainable growth across all regions of Ontario.

### **Background**

The 2023 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement) formally launched the Building Ontario Fund, a new board governed agency to enable public sector pension plans and other institutional investors to participate in large-scale infrastructure across the province. Projects will be focused on long-term care homes, affordable housing, and infrastructure in the municipal, community, energy and transportation sectors. The Fund has also been provided a \$3 billion funding allocation from the provincial government.

Ontario currently supports major construction projects from borrowing and financing through the Fund will reduce provincial risks. An analysis compiled by Desjardins Financial Group economists Marc Desormeaux and Marc-Antoine Dumont (November 2, 2023) indicated the need for improved infrastructure in Ontario is well established and will become more pressing if delays continue against population increases. An appropriate assessment of the new bank will require analysis related to investments generating optimal returns for taxpayers and models for private sector support.

The Association of Municipalities of Ontario (AMO) indicated on November 2, 2023, that further details are required on how the Fund can meet infrastructure needs across Ontario.

Ehren Cory, CEO of the Canada Infrastructure Bank (CIB), indicated in a November 2, 2023, news release that the creation of the Building Ontario Fund is a positive step forward in getting more infrastructure built in the province. He noted that a growing number of similar funds globally are focused on creating innovative private-public partnerships for the purpose of accelerating project construction.

The CIB consulted with the Ontario Ministry of Finance and Ontario Financing Authority on options for initiating and expediting major projects. Cory further believes there are significant opportunities for the CIB and the Building Ontario Fund to partner and deliver value for all taxpayers.

The national bank is investing in infrastructure that will positively impact the long-term strength of the national economy. Their five key sectors are clean power, green infrastructure, trade and transportation, public transit and broadband.

In a November 7, 2023, Toronto Sun editorial, Cory further notes that a new Fund in Ontario is not surprising since the province faces a significant infrastructure deficit and cannot afford to support projects through the tax base alone.

A release from the Ontario Chamber of Commerce (November 30, 2023) noted that infrastructure is key to increasing productivity and growing the economy. Strategic investments are required now more than ever in low-carbon transit, broadband, housing, energy grids and retrofits. The current Canada Infrastructure Bank

(CIB) is leading the way in demonstrating how private and public stakeholders can collaborate on innovative financing options that produce positive infrastructure outcomes while generating economic efficiencies.

The Ontario Teachers' Pension Plan, in a November 2, 2023, statement, noted that as a pension plan providing retirement security for 336,000 working and retired members in Ontario, they invest in global markets to provide the diversification and long-term performance to ensure that the plan remains fully funded. They welcome opportunities to add to their \$25 billion investment portfolio in Ontario and look forward to engaging with the provincial government to learn more on new projects created by the Building Ontario Fund.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Establish timelines for the Building Ontario Fund to commence investments into projects.
2. Ensure the Building Ontario Fund formulates and follows a strategy to ensure investments in major projects in municipalities and regions across all of Ontario.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## P. Support Essential Infrastructure in Ontario with a New Municipal Funding Framework

Submitted by: Greater Niagara Chamber of Commerce

### Issue

Business growth and success depends on infrastructure, yet the state of infrastructure in the province is in an increasingly poor state of repair. Most infrastructure is municipally-owned, but municipal governments do not have sufficient financial resources to maintain their current infrastructure stock, much less close the multi-billion-dollar backlog of infrastructure that has fallen into disrepair. It is imperative that a new funding model for municipal government be found so that the infrastructure that supports economic growth can be maintained.

### Background

Municipal governments have, over previous decades, become responsible for more and more public goods, and yet must do so with broadly declining revenues. To deliver the services we need for prosperity, growth, and social well-being in a changing world, we need a changed approach to municipal financing.

Municipal governments are responsible for 52% of Ontario's infrastructure, with the Province responsible for 38%, and the Government of Canada for 10%.<sup>65</sup> This distribution places the lion's share of the responsibility for essential infrastructure on municipal governments, yet of all three levels of government, municipalities have the fewest financial tools and the smallest sources of revenue to build and maintain infrastructure.

The financial pressures on municipalities are only growing. Over the next quarter century, Ontario's population is expected to grow by 43.6%.<sup>66</sup> This growth will be front-loaded, with the rate of increase at its highest point in current years and forecast to slowly decline until 2046.<sup>67</sup> That increase alone represents a massive new demand on roads, utilities, schools, healthcare, and emergency services. In addition, Ontario's aggressive housing targets are placing additional pressure on municipal governments to build new infrastructure, frequently without the financial support of the Province.

The Financial Accountability Office of Ontario (FAO) has reported that 45.3% of municipal infrastructure in the province is in a poor state of repair.<sup>68</sup> The exact cost to address this backlog cannot be accurately estimated since even a comprehensive municipal asset dataset does not exist, however, the FAO believes the current backlog is between \$45B and \$59B.<sup>69</sup>

Business depends upon this infrastructure. The cost to repair the province's municipal roads, water, and wastewater infrastructure alone would cost over \$33B.<sup>70</sup> The Province currently transfers approximately \$2.9B per year for infrastructure not under their control, but this is woefully insufficient for the maintenance of infrastructure assets in their current condition, let alone their repair to an acceptable level.<sup>71</sup>

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<sup>65</sup> Financial Accountability Office of Ontario, *Provincial Infrastructure*, 2020. Retrieved from <https://www.fao-on.org/en/Blog/Publications/provincial-infrastructure-2020> on 2024-01-15.

<sup>66</sup> Government of Ontario, *Ontario Population Projections*, 2022. Retrieved from <https://www.ontario.ca/page/ontario-population-projections> on 2024-01-15.

<sup>67</sup> Ibid.

<sup>68</sup> Financial Accountability Office of Ontario, *Municipal Infrastructure*, 2021. Retrieved from <https://www.fao-on.org/en/Blog/publications/municipal-infrastructure-2021> on 2024-01-15.

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

<sup>71</sup> Financial Accountability Office of Ontario, *Provincial Infrastructure*, op. cit.

The FAO reports that a medium-emission scenario for climate change will add another \$4.1B to annual infrastructure maintenance costs, and municipally-owned infrastructure will incur about four times the climate-related infrastructure costs than the Province.<sup>72</sup> The backlog of crumbling infrastructure will only grow under the pressures of population growth, extreme weather, and budget shortfalls.

Municipal governments themselves do not have the budget to deal with this increasing backlog of deteriorating assets. Provincial tax fortunes have been good in recent years, with revenue increases of 6.5% in 2022-23 and 12.2% in 2021-22.<sup>73</sup> Annual corporate tax revenues rose 81% between 2019 and 2022, while annual income tax revenue rose 40% in that same period.<sup>74</sup> Municipal revenue, however, has grown only 17% in four years.<sup>75</sup> Across the country, when adjusted for inflation, municipal tax revenue growth between 2016 and 2021 has been negative, at an average annual rate of -1.1%.<sup>76</sup>

The last full-scale review of how municipalities are funded in Ontario was conducted sixteen years ago.<sup>77</sup> Without a new model for municipal funding in the province, the alternatives are either the continued deterioration of infrastructure to the point where it can no longer support business and population growth, or swingeing property tax increases that will impoverish businesses and residents alike. With far deeper pockets and many more revenue options available to them, the governments of Ontario and Canada must re-examine their fiscal relationship with municipal governments.

We suggest the Municipal Growth Framework model proposed by the Federation of Canadian Municipalities (FCM) as a potential option for the provincial and federal governments. These proposals would allow municipal governments to maximize their existing revenue-generating tools and grant them new ones, enhance current federal and provincial/territorial transfers, and create new transfers. Additionally, the framework seeks to tie municipal revenue to economic growth and population growth in support of the targets that the Government of Ontario has set for housing and population growth, and that the Government of Canada has set for immigration.<sup>78</sup>

Whether or not the Government of Ontario chooses to adopt this framework, a new funding model is needed for municipal governments, and with each passing year, the cost of failing to do this increases.

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<sup>72</sup> Financial Accountability Office of Ontario, *Costing Climate Change Impacts to Public Infrastructure: Summary Report*, 2023. Retrieved from [https://www.fao-on.org/web/default/files/publications/EC2302%20CIPI%20Summary/CIPI%20Summary%20Briefing%20Deck-EN.pdf](https://www.fao.on.org/web/default/files/publications/EC2302%20CIPI%20Summary/CIPI%20Summary%20Briefing%20Deck-EN.pdf) on 2024-01-15.

<sup>73</sup> Financial Accountability Office of Ontario, *Economic and Budget Outlook, Spring 2023*. Retrieved from <https://www.fao-on.org/en/Blog/Publications/EBO-SP2023> on 2024-01-15.

<sup>74</sup> Mike Crawley, "As Ontario rolls in tax dollars, why are its cities so cash-strapped?" *CBC*, 2023. Retrieved from <https://www.cbc.ca/news/canada/toronto/ontario-cities-municipal-finances-revenue-1.6792990>.

<sup>75</sup> Ibid.

<sup>76</sup> Federation of Canadian Municipalities, *FCM Municipal Growth Framework Backgrounder*, 2023. Retrieved from <https://media.fcm.ca/municipal-growth-framework-backgrounder.pdf> on 2024-01-15.

<sup>77</sup> Association of Municipalities of Ontario, *Provincial-Municipal Fiscal and Service Delivery Review*, 2008. Retrieved from <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/PMFSDR/FacingtheFutureTogetherProvincialMunicipalReviewReport.pdf> on 2024-01-15.

<sup>78</sup> Federation of Canadian Municipalities, op. cit.

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with the Association of Municipalities of Ontario, the Federation of Canadian Municipalities, and the Government of Canada and adopt the FCM Municipal Growth Framework model for municipal government funding and inter-governmental transfers.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

# HOUSING

## A. Act to Increase the Stock of Affordable Housing in Ontario

Submitted by: Greater Niagara Chamber of Commerce

### Issue

The lack of affordable housing in Ontario has reached crisis levels, and the cost of housing continues to grow far in excess of inflation. The 2022 Ontario Economic Report identified this cost as a major pressure point for the economy and businesses. Disproportionate income spent on housing siphons consumer dollars out of the rest of the economy, while the growing number of Ontarians on core housing need place an increasing burden on the government and on the charitable and non-profit sector charged with assisting them. Rising house prices translate into upward pressure on wages and encourage speculative action in the housing market.

### Background

Average house prices increased 22.8% in Ontario in 2021, during a year which saw a 4.4% increase in the price of goods and a 2.2% increase in the price of services.<sup>79</sup><sup>80</sup> This is considerably higher than the already-sizable national average increase of 17.7%.<sup>81</sup>

A Scotiabank report of 2021 showed that Ontario had the greatest insufficiency of housing stock out of all Canadian provinces and would have to build 650,000 new units in order to meet the Canadian average. Even reaching that level would likely be insufficient, as the national housing stock per capita is the lowest in the G7, and the country as a whole would need an additional 1.8 million units to reach parity.<sup>82</sup>

The latest report from the Auditor General of Ontario on social and affordable housing, in 2017, found that the province's social housing wait list, at 481,000 people, was the largest relative to overall population in Canada. This waitlist has grown by 36% in the last 13 years for which data were available.<sup>83</sup> In the two decades before the report, only 20,000 new affordable units were built in Ontario, making the stock of affordable housing to population 2% (compared to 8% in Denmark and 11% in the UK).<sup>84</sup>

The problem of affordable housing in Ontario is inexplicably linked to the lack of housing stock. Available housing has already fallen far behind the needs of the population. While CMHC recorded 86,586 housing starts in the province in 2021, the population grew by 80,564 people, and that growth, it should be noted, was 120,447

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<sup>79</sup> Ontario Real Estate Association, "Ontario MLS® home sales set new all-time high in 2021," December 2021. Retrieved from <https://creastats.crea.ca/board/orea-on-2022-01-26>.

<sup>80</sup> Bank of Canada, "Keeping Our Eyes on Inflation," 2021-12-09. <https://www.bankofcanada.ca/2021/12/keeping-our-eyes-on-inflation/> on 2022-01-26.

<sup>81</sup> Ontario Real Estate Association (Ibid.).

<sup>82</sup> Scotiabank, "Which Province Has the Largest Structural Housing Deficit?" January 22, 2022. Retrieved from <https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.housing.housing-note.housing-note--january-12-2022-.html> on 2022-01-26.

<sup>83</sup> Office of the Auditor General of Ontario, "Social and Affordable Housing: 2017 Value-for-Money Audit," 2017. Retrieved from [https://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1\\_314en17.pdf](https://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf) on 2022-01-26.

<sup>84</sup> Ibid.

less than in 2019/2020 (before border restrictions necessitated by the COVID-19 pandemic dramatically slowed immigration).<sup>8586</sup>

As long as Ontario does not have sufficient housing stock to meet the needs of the population, initiatives such as the Canada-Ontario Housing Benefit will not succeed in increasing housing affordability in the long-term. Government funds used to pay rent will bid up rental prices so long as supply remains dramatically less than demand; assistance thus offered will be temporary.

Current action items for the Government of Ontario, such as reducing red tape, investing in infrastructure, or freeing up provincial land, are unlikely to result in the construction of more affordable housing because they are not targeted, and developers have no financial reason not to use these initiatives to construct more executive homes or luxury condominiums.

A solution to the affordable housing crisis requires not just publicly-funded housing but the involvement of the private-sector. The government must seek to untangle the economic factors which have effectively incentivized the construction of expensive housing and make it more economically rewarding for developers to construct affordable housing and units for rent.

This approach should be mirrored at the municipal level, and the Government of Ontario can require municipal governments to require and approve more development of affordable housing, multi-unit construction, and purpose-built rental dwellings. The Government of Ontario can also help municipalities overcome the resistance of current homeowners to the development of affordable units and high-density land use by mandating it at the provincial level, thus effectively removing the decision-making power from municipalities (and neutering resistance at the municipal level).

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create financial incentives that make the construction of affordable units more economically rewarding for developers.
2. Require municipalities to intensify development and approve more multi-unit and affordable rental buildings as part of their official plans.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

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<sup>85</sup> Ontario Home Builders Association/Canada Mortgage and Housing Corporation, “Housing Starts,” retrieved from <https://www.ohba.ca/housing-starts-ontario/> on 2022-01-26.

<sup>86</sup> Statistics Canada, “Annual Demographic Estimates: Canada, Provinces and Territories, 2021,” retrieved from <https://www150.statcan.gc.ca/n1/pub/91-215-x/2021001/sec1-eng.htm> on 2022-01-26.

## **B. Tiny Home Construction Strategy**

Submitted by: Peterborough & the Kawarthas Chamber of Commerce. Co-sponsored by: 1000 Islands Gananoque Chamber of Commerce

### **Issue**

Housing in Ontario has become difficult to attain for many people due to both price and availability. Creating a strategy to encourage tiny homes will help increase housing stock and address issues relating to housing insecurity.

### **Background**

Housing is becoming increasingly out of reach for many Ontarians, both in terms of home ownership and rental. The average house price in Ontario has increased by more than 47 per cent over the last two years, with the price of the average home nearing \$1 million at the end of 2021.

This is no longer a big city affordability issue. Small cities and rural communities across Ontario are not far behind big city real estate prices.

Access to rental homes has challenges as well. Residential vacancy rates have remained low in many communities for a number of years with the price of rentals increasing as demand for all types of housing outpaces supply.

Ontario is going to need 1 million new homes over the next 10 years, according to the report *Baby Needs A New Home: Projecting Ontario's Growing Number of Families and Their Housing Needs*. The report is from the Smart Prosperity Institute, funded by the Ontario Homebuilders' Association. According to the report, we're already 65,000 homes short of what is needed.

For some, the lack of access to housing within their price range has driven them to other provinces that offer a lower cost of living. According to Statistics Canada, our country hasn't seen this level of interprovincial migration in more than 30 years, with Ontario taking the biggest hit. In the second quarter of 2021, nearly 12,000 more people left Ontario for other provinces than moved here. Many of the people leaving are younger, first-time home buyers — the very people our labour market is desperately in need of.

Others have been left with no home at all. This has been especially evident in the downtown cores of many Ontario communities as years of housing insecurity issues have become much more visible.

With many businesses across sectors struggling to attract sufficient talent to meet their economic potential, housing access has become a significant business competitiveness issue.

A large portion of our need for housing can be met through traditional housing, though the pace of the creation of traditional housing stock needs to increase to meet demand.

One growing niche solution is tiny homes. These homes are typically less than 32 m<sup>2</sup> (400 ft<sup>2</sup>) and are required by the Ontario Building Code to be more than 17.5 m<sup>2</sup> (188 ft<sup>2</sup>). Tiny homes are popular both for people looking to downsize and people who have otherwise been priced out of the housing market. The Province has created allowances within the Ontario Building Code to accommodate these type of residences; however, that has not been incorporated into many municipal zoning bylaws. The rules in municipalities across the province vary widely. This is a particular issue when it comes to minimum size and parking requirements, all of which make it a costly and a highly customized endeavour to create tiny homes either as independent or secondary dwellings.

Encouraging and incentivising municipalities to modernize zoning bylaws in a standardized way that makes it easier to build tiny homes would add to our affordable building stock. This will help make our communities more competitive in attracting and retaining talent and address local housing insecurity issues.

Additionally, there is a growing need for temporary shelter. Non-profit and charitable organizations have been trying to find stopgap housing for the housing insecure. Homelessness and housing insecurity are complicated issues that require a multifaceted approach. Shelter beds are the go-to for many municipalities, but that solution doesn't work for everyone due to shelter capacity, hours of operation, privacy conditions, sobriety requirements, and interpersonal conflicts. There is an opportunity to amend the Ontario Building Code to use a type of minimalist tiny home as a stopgap shelter for those with no other options. While not an ideal housing situation, temporarily residing in a minimalist tiny home could provide people who would otherwise be sleeping rough with the safety, security, and dignity of a roof over their head, four walls, and a lockable door.

Tiny homes offer opportunities to address some of the housing issues our province is dealing with by improving access to affordable housing options and shelter for our most vulnerable. A provincial tiny home construction strategy is needed to further explore and develop this niche while ensuring basic living standards are met.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create a strategy for the construction of tiny homes as a tool for increasing housing stock.
2. Encourage and incentivize municipalities with the use of existing government programs to incorporate a standard set of guidelines, in alignment with the Ontario Building Code, for tiny home construction.
3. Amend the Ontario Building Code to allow for minimalist tiny homes as a stopgap shelter for people who might otherwise be living rough.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## C. Ending Exclusionary Zoning to Address Ontario’s Housing Affordability Crisis

Submitted by: Toronto Region Board of Trade. Co-sponsored by: Ottawa Board of Trade and Timmins Chamber of Commerce

### Issue

With Ontario’s current land use planning policies, nearly all residential growth is either low-rise subdivisions of detached homes or high-rise towers, with very few options for modest forms of density such as triplexes or small apartment buildings. These building types represent a ‘missing middle’ of residential housing stock. The current policy makes it too expensive and difficult to build this kind of gentle density, thereby restricting supply, driving up the cost of housing and making it more difficult for businesses to attract and retain workers.

### Background

Ontario is growing. Our population is expected to increase to over 20 million people by 2046, a 36% increase from 2020, with the GTA expected to see the fastest rate of growth.<sup>87</sup> Recent reports have also shown that over the past decade, key provincial forecasts have underestimated our rate of population growth and overestimated how much new housing would be built.<sup>88</sup> And according to one estimate, one million new homes are needed in Ontario to meet current and projected demand over the next decade.<sup>89</sup>

In Ontario, municipalities are responsible for zoning sufficient land for different uses, including residential and employment. In all municipalities, most of the residential land is reserved for detached houses – traditionally for one family (although recent provincial changes have required municipalities to permit two units in the main home and one ancillary dwelling for all detached, semi-detached and row houses<sup>90</sup>).

This type of zoning is referred to as “exclusionary zoning” because it is intentionally designed to prevent lower-income people – and, sometimes explicitly, racial minorities – from living in certain neighbourhoods.<sup>91</sup> This was often done by requiring large lot sizes and only permitting single detached homes, blocking more affordable multi-family buildings that are similar in size and design.

This policy has had broad societal implications, including:

- Contributing to housing shortages that impede the ability of cities to both house its existing talent and attract new talent, impacting business competitiveness.
- Creating environmental impacts by requiring more people to “drive until they qualify”.
- Driving up the cost of housing by arbitrarily limiting a more affordable form of supply, resulting in disproportionate impact on BIPOC communities, newcomers and first-time homebuyers who do not have financial support from their families.

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<sup>87</sup> <https://www.ontario.ca/page/ontario-population-projections>

<sup>88</sup> <https://institute.smartprosperity.ca/publications/forecast-for-failure>

<sup>89</sup> <https://institute.smartprosperity.ca/publications/growing-number-households>

<sup>90</sup> Ontario Planning Act, s. 16 (3), <https://www.ontario.ca/laws/statute/90p13#BK31>

<sup>91</sup> <https://tcf.org/content/facts/understanding-exclusionary-zoning-impact-concentrated-poverty/>

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Enable as-of-right permissions for at least four units in a building in all residentially zoned areas, and consider designating a higher baseline (e.g., eight units and/or four to five storeys) for properties near transit stations.
2. Set minimum standards for building setbacks, lot sizes, parking requirements, front doors, height, building depth, landscaping, and floor space index, ensuring that municipalities do not use other tools to prevent missing middle housing.
3. Require that development charges and fees for missing-middle buildings up to four units match the charges and fees for single-unit homes.
4. Apply these changes to all medium (30,000+) and large (100,000+) municipalities across Ontario, while allowing that different standards could be set for each size category and giving municipalities the opportunity to customize the regulations while meeting or exceeding the minimum standards.
5. Introduce strata ownership tools (i.e. a 'condo-lite' structure) while continuing to support co-ownership, shared ownership models and community land trusts, in order to allow more individuals and families to share in the opportunity to own a home.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **D. Protecting The Economy, Jobs and Housing Affordability By Eliminating The Expansion of Municipal Land Transfer Taxes**

Submitted by: Sault Ste. Marie Chamber of Commerce. Co-sponsored by: Timmins Chamber of Commerce, Thunder Bay Chamber of Commerce, and Greater Sudbury Chamber of Commerce.

### **Issue**

Currently, Toronto is the only municipality in Ontario that charges a second, municipal, land transfer tax (MLTT). Over the last year, several municipalities have passed motions asking the Province to amend the Municipal Act to give all municipalities the power to charge their own MLTT. Municipalities are looking for additional revenue sources while in some circumstance reporting record surpluses, due to the differences in Budget setting and Generally Accepted Accounting Principles and for Municipalities, Public Sector Accounting Standards.

Implanting a Provincewide Municipal Land Transfer Tax will effectively and unjustly remove billions of dollars from the economy and have severe effects on job substantiality, housing affordability and economic recovery.

### **Background**

Ontario is in the middle of a housing affordability crisis. Home prices in Ontario have risen at historic rates in the last ten years. Year-over-year price growth in Ontario was over 30% in December 2021.

A recent poll by Abacus Data shows that Ontarians see high home prices and the rising cost of living as top issues facing the province. The rising cost of living (50%) and housing affordability (39%) are critical for Ontarians, ahead of June's election.

High cost of living and an inability to enter the housing market will result in families leaving their communities and even the province further exacerbating the labour shortages plaguing economic recovery and sustainability. Research conducted this past summer by Abacus Data on behalf of the Ontario Real Estate Association found nearly half of prospective home buyers were considering leaving the province to find an affordable home elsewhere.

As of December 2021, the average price of a home in Ontario is \$922,735. That is up 22.8% from the same time in 2020 when the average was \$751,655. While affordability has historically been primarily a GTHA phenomenon the past few years have seen rural and remote communities succumb to the affordability issues.

An additional land transfer tax would cost Ontario families almost \$15,000 on an average priced home. A new MLTT will make it more difficult for Ontario to attract young talented workers, hurting the Province's long-term competitiveness. Our communities, residents, and businesses simply cannot afford this tax.

Recently released key insights from the Ontario Chamber of Commerce 2022 Ontario Economic Report included:

- Most sectors (62 percent) are facing labour shortages and expect to continue facing them over the next year.
- The business community's main policy priorities this year are business taxes and electricity costs. Small businesses are more preoccupied with financial support such as commercial rent relief, while larger businesses are more focused on long-term infrastructure, regulatory, and workforce development issues.
- Remote work arrangements are expected to partially continue in 2022. While most organizations are optimistic about technology, capital costs and access to digital skills are pervasive barriers to technology adoption at the organizational level.

There is considerable concern that while Municipalities currently focus on the residential tax class, potentially migrating workers to other provincial jurisdictions and removing disposable income from the economy reducing profitability and capital investment, that once the Municipal Act is open to amendment the MLTT will result in tax policy creep to the commercial and industrial tax classes further burdening investment in economic growth and recovery.

In 2014 research was conducted by Altus Group Economic Consulting for Ontario Real Estate Association demonstrating significant loss of jobs and economic activity in Mississauga, London, Hamilton, Ottawa and Thunder Bay would occur if a municipal land transfer tax is imposed in those cities. A provincial wide municipal tax is levy would be added on top of the existing provincial land transfer tax and would be therefore a double or second tax.

The economic impact of a new tax of this kind in the five Ontario cities studied would total more than \$1 billion and a loss of more than 10,000 jobs. These results are part of a study, Potential Economic Implications of the Municipal Land Transfer Tax in the Selected Ontario Municipalities. The effects in each city are predicted as follows:

- Mississauga: Loss of \$482 million in economic activity; loss of 3,157 jobs; loss of \$163 million in wages and salaries.
- London: Loss of \$270 million in economic activity; loss of 1,771 jobs; loss of \$92 million in wages and salaries. (2014)
- Hamilton: Loss of \$342 million in economic activity; loss of 2,240 jobs; loss of \$116 million in wages and salaries. (2014)
- Ottawa: Loss of \$543 million in economic activity; loss of 3,558 jobs; loss of \$184 million in wages and salaries. (2014)
- MLTT ad in Thunder Bay/Thunder Bay: Loss of \$60 million in economic activity; loss of 392 jobs; loss of \$20 million in wages and salaries. (2014)

Compounding the concerns are related issues to Municipal budgeting and the presentation of financial statements as governed by Generally Accepted Accounting Principles for Municipalities, Public Sector Accounting Standards. A full report is available from the C.D Howe Institute Commentary 460, Two Sets of Books at City Hall? Grading the Financial Reports of Canada's Cities, <https://www.cdhowe.org/public-policy-research/two-sets-books-city-hall-grading-financial-reports-canada%E2%80%99s-cities>.

“In nearly all Canada’s larger cities, obscure financial reports – notably inconsistent presentations of key numbers in budgets and end-of-year financial reports – hamper legislators, ratepayers and voters seeking to hold their municipal governments to account.

The differences in accounting methods in most cities’ budgets as compared to the presentations of their financial results are large and have real-world consequences. By using cash rather than accrual accounting, cities exaggerate the costs of investments in infrastructure, hide the cost of pension obligations, and make it hard to match the costs and benefits of municipal activities to taxpayers and citizens. Moreover, many cities present their budgets late, after significant money has already been committed or spent, do not publish their financial results in a timely way, and bury key numbers deep in their reports.”

In a follow up document the Solving the Municipal Budget Mystery: Fiscal Accountability in Canada's Cities, 2021. <https://www.cdhowe.org/public-policy-research/solving-municipal-budget-mystery-fiscal-accountability-canadas-cities-2021> the authors William Robson and Miles Wu conclude that:

“Canada’s cities are central to the lives of most Canadians and absorb commensurately large shares of Canadians’ incomes. City councilors, taxpayers and voters need clear information about their finances if they are to hold officials and elected representatives to account for the quality 16 Ontario’s Municipal Act prevents municipalities from approving a budget for the year following an election in the same year as the election. As a result, municipal elections in October 2018 prevented Ontario municipalities from presenting their 2019 budgets until January 2019. Many did not present until February, March or even April – not consistent with legislative control of public funds. and cost of municipal services. Cities will be under financial stress in the post-COVID era, elevating the importance of good understanding of, and intelligent debate about, municipal finances.

The budgeting practices of most major Canadian municipalities are not up to the mark. Municipalities should present budgets that are consistent with PSAS and that readers can compare easily with their subsequent financial statements. Municipalities should produce information that is more accessible and timelier. Before Canadians grant their cities more taxing powers or increase the support they receive from senior governments, they should insist on better transparency and accountability for cities’ use of public funds. The recommendations in this Commentary would help raise the financial management and fiscal accountability of Canada’s municipalities to levels more in line with their importance in Canadians’ lives.”

Municipalities should look elsewhere, not to a Municipal Land Transfer Tax on local homeowners that they and businesses cannot afford. Ontario is in the middle of a housing affordability crisis and struggling to secure a footing for sustainable economy recovery an growth, this where all levels of government need to collaborate to make home ownership more affordable, stimulate economic prosperity and not introduce a new tax that will add thousands of dollars to the cost of living.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Not impose new taxes, including municipal land transfer taxes, on Ontario homeowners and business, that will restrict housing supply by limiting sales volumes and make the housing affordability crisis worse.
2. Support a review with the inclusion of stakeholders of the Municipal Act to update the municipal taxation system to better align with modern municipal economies, promote access to housing, and simplify the system.
3. Use all the tools at their disposal to help municipalities build more affordable homes for families and foster an environment for economic stability, sustainability, and growth.
4. Work with Municipalities to amend the property tax regime and modernize the transparency of budget setting and financial reporting.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **E. Maximizing Growth in Built Areas**

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Barrie Chamber of Commerce, Brockville and District Chamber of Commerce, Belleville Chamber of Commerce, Greater Oshawa Chamber of Commerce, & Guelph Chamber of Commerce

### **Issue**

Historic downtowns in cities across Ontario are full of underused mixed-use buildings. These multi-storey buildings have commercial space on the bottom and un- or under-used residential space in the upper floors. Inquiring about updating to once again have people living in these buildings can trigger expensive inspection processes on buildings that were built long before building, fire, and accessibility codes. Those that do try to develop these spaces are often met with unrealistic costs to meet heritage preservation and accessibility regulations, leaving empty housing in the heart of our towns and cities.

### **Background**

The ability of the municipality and a property owner to understand the full scope of a renovation or upgrading required of a building early on in the process is imperative.

In the Places to Grow Act, there is great focus on density requirements. For a downtown such as Peterborough, the requirement is 150 residents per hectare. Yet, with older, sometimes heritage-designated, buildings in Ontario downtowns there are unique challenges to realizing redevelopment and infill of these spaces.

The Community Improvement Plans provide an incentive framework to address some of these concerns; however, in many cases these programs tend to be overextended or see limited uptake because costs of renovations can easily outpace the incentive. Many communities have façade improvement programs, brownfields tax assistance programs, energy efficiency programs and, in Peterborough, there is even a Residential Conversion and Intensification Grant Program that provides property owners with a grant of \$10/square foot renovated as part of a Community Improvement Plan.

These programs do not adequately address the challenges most commonly faced by businesses in these core areas with regulatory requirements that are substantially higher than when the buildings were first constructed. Restoring older buildings to current safety standards by meeting Ontario's Building Code, the Fire Code, the Ministry of the Environment, and the Municipal by-laws can be too expensive for many developers to be able to make the renovation profitable. Knowing how expensive upgrades can be, many businesses fear seeking advice.

Creative approaches require architects, engineers, planners, and municipal officials to work with businesses to derive viable solutions for redevelopment. This is not something that should be done on a piecemeal basis, but as an extensive program that involves systematic analysis of the key challenges and a targeted response from each municipality.

The benefits of upgrading or development of these types of units are numerous, in that, they could be used for commercial space, housing diversity, help infill urban areas and become economic catalysts for continued development. Reuse of existing buildings is also an effective way of fighting climate change. The challenge is encouraging development with an economically feasible model that results in buildings that are safe and occupied.

In order to strengthen our built areas, there needs to be a good understanding of the current infrastructure needs and capabilities. Ideally, grants for investments like common fire escapes across the rear of multiple buildings to create an efficient second means of egress would assist developers to make good use of space and finances.

The Government of Ontario has used the Downtown Revitalization Program to strengthen the economic heart of rural communities across the province since 2018. As such, this resolution proposes that the Downtown Revitalization Program be used for a pilot project that allows private building owners and municipal officials to assess, without punitive action, the needs of a building or series of buildings in a downtown core.

Additionally, local policies around heritage preservation and accessibility can create barriers to refurbishing housing units that are both economically and practically unfeasible. We need a provincial policy that creates consistency between municipalities on these issues and provides reasonable and economical solutions that maximize heritage preservation and accessibility while also encouraging the refurbishment of existing housing stock in our communities.

In a time when there is a critical shortage of housing and our downtown cores are struggling, it's a shame we have empty housing units with the potential to revitalize our communities.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Designate the Downtown Revitalization Program be used for a pilot project that allows private building owners and municipal officials to study and assess, using an independent consultant and without punitive action, the needs of a building or series of buildings in a downtown core.
2. Implement a policy for municipalities that will allow for the redevelopment of upper floors of aging mixed-use downtown buildings for use as residences that takes a fiscally responsible approach to heritage preservation and accessibility standards.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## F. Addressing Housing Shortage by Updating the Approvals Process

Submitted by: The Vaughan Chamber of Commerce and Newmarket Chamber of Commerce. Co-sponsored by: Aurora Chamber of Commerce

### Issue

The current approvals process for housing developments is inefficient and directly contributes to the housing shortage in the province.

### Background

Successive governments have underinvested in Ontario's infrastructure, with the expected total investment over the next five years at 2.65% of provincial GDP – less than half the target investment (5.4%) for long-term growth.<sup>92</sup>

The trend of underinvestment in infrastructure has been a consistent trend going back to the 1960s and 1970s, at the same time as Ontario's population had been growing by 1.5 per annum since 1970.<sup>93</sup>

Compounding the current housing issues is the fact that Provincial housing developments have stagnated.<sup>94</sup>

This underinvestment has been exacerbated by a slow approvals system, with over 100,000 proposed housing units across Ontario are waiting for development.

Some of the most prominent reasons for these flawed approvals process are:

- Outdated processes: Including areas such as zoning and building and planning permits.
- Poor communication and transparency, specifically pertaining to the relationship between municipalities and the Provincial government.
- No repercussions for municipalities missing targets for updating out of date zoning, resulting in a lack of accountability and no internal direction to solve the issue.

The government has taken steps to resolve these concerns through Bill 23; *More Homes Built Faster Act, 2022*, which includes provisions to develop more housing and mandates a reduction in decision making time. While these steps may address some of the issues, they do not provide the fundamental alterations required to fix the process.

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<sup>92</sup> <https://rccao.com/research/files/RCCAO-CANCEA-Infra-Bulletin-May-22-2019.pdf>

<sup>93</sup> <https://rccao.com/research/files/Investing-in-Ont-Infra-PAR-Oct-2015.pdf>

<sup>94</sup> <https://rccao.com/research/files/RCCAO-CANCEA-Infra-Bulletin-May-22-2019.pdf>

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work closely with municipalities to streamline housing development approval processes, including by supporting municipalities in implementing changes and accelerating the adoption of digital platforms (e.g., e-permitting).
2. Develop a shared common data platform that will help the province to establish a comprehensive e-permitting system where agencies and municipalities can link together. This can be used to streamline the application and approvals process to ensure there is no miscommunication between the Provincial and Municipal governments, while simultaneously allowing all parties to track applications.
3. Promote greater transparency in the process, possibly by legislative means or by commissioning a body in place of the Ontario Land Tribunal. At minimum, there should be the aforementioned web-based system which gives both developers and buyers sufficient information to understand the process.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## G. Empower the development of housing in Ontario

Submitted by: Greater Niagara Chamber of Commerce. Co-sponsored by: London Chamber of Commerce, Greater Kingston Chamber of Commerce, Guelph Chamber of Commerce, and Lincoln Chamber of Commerce

### Issue

The lack of attainable housing in Ontario has reached crisis levels, and the cost of housing continues to grow far in excess of inflation. The 2022 Ontario Economic Report identified this cost as a major pressure point for the economy and businesses. The *More Homes Built Faster Act (2022)* will assist in speeding up the pace of development and shows the Government of Ontario's willingness to tackle this issue and make tough decisions to solve the housing crisis. However, this issue has been decades in the making, and solving it will be an ongoing and evolving process for many years to come.

### Background

A 2021 Scotiabank report showed that Ontario had the greatest insufficiency of housing stock out of all Canadian provinces and would have to build 650,000 new units in order to meet the Canadian average. That average is itself at the bottom of the G7.<sup>1</sup> There is no permanent solution to Ontario's housing shortage and rising house prices that does not include a massive increase in available housing stock.

The housing shortage has a notable impact on Ontario's economy and its employers. Individuals make their choices on where to live and work based on a trade-off between wages, house prices, and commuting costs.<sup>95</sup> With commuting costs rising with energy, and vehicle prices, transit fares, and house prices and rents increasing, employers must either accept a smaller and shrinking pool of talent (especially with the current low unemployment rate) or be forced to increase their wages and labour costs.

As-of-right building of up to three units as now granted in the Act is an excellent tool to counteract the effect of "NIMBYism" on municipal governments, who may be tempted to give in to alarmist concerns of local residents regarding housing density. However, this should be seen as the start of a process. Building more housing without infringing on agricultural and employment lands necessitates increased density, and the Government of Ontario has an opportunity to lay out a framework for future development by introducing plans and a timeline to further expand the building envelope for denser development.

Removing development charges on attainable developments is a positive policy step towards incentivizing this type of construction. However, there are concerns from municipal governments that this shortfall in revenue will result in an increase in property taxes, sometimes substantially. A third of GTA municipalities recently surveyed by the CBC said they planned to raise property taxes as a direct result of this policy, in one instance by 100%.<sup>96</sup> This will have the effect of transferring development costs onto existing residents and businesses at a time of rising expenses for both.

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<sup>95</sup> Kim So, Peter Orazem, Daniel Otto: *The Effects of Housing Prices, Wages, and Commuting Time on Joint Residential and Job Location Choices*. American Journal of Agricultural Economics 83(4).

<sup>96</sup> "Property tax hikes loom in wake of provincial housing rule changes, GTA municipalities warn." CBC News, January 9, 2023. Retrieved from <https://www.cbc.ca/news/canada/toronto/development-charge-property-tax-survey-1.6706263> on January 11, 2023.

The Association of Municipalities of Ontario (AMO) has raised concerns that these charge waivers may slow the pace of development in the long-term.<sup>97</sup> If development charges cannot be assessed on a cost-recovery basis but must come entirely out of a fixed budget, it is entirely possible that that budget may be exhausted while developers are still attempting to build. This could ultimately reduce the total amount of construction in a given fiscal year.

This problem is particularly acute when governments are seeking to increase the rate of construction, meaning that previous permit issuances may no longer be an accurate forecast of future construction, and municipal governments are at increased risk of mis-estimating future growth. The Government of Ontario has an opportunity to dispel uncertainty in municipal budgeting by clarifying its plans to compensate municipalities so that these costs can be borne from the much wider array of financial tools and revenue sources available to the province.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Introduce plans and a policy framework for the implementation of an increase of the building envelope and a timeline to expand inclusionary zoning, as-of-right building for more units, and greater densification in urban residential areas, while also ensuring investments are made in infrastructure and services that support densification.
2. Clarify their intent in regard to addressing the loss of municipal revenue from development charges and set a fiscal policy to address this impact and ensure the loss of this revenue will not result in any slowdown of construction.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>97</sup> “Unpacking Bill 23 – More Homes Built Faster Act, 2022.” Association of Municipalities of Ontario, November 2, 2022. Retrieved from <https://www.amo.on.ca/advocacy/health-human-services/unpacking-bill-23-more-homes-built-faster-act-2022> on January 11, 2023.

## H. Ontario's Residential Tenancies Act

Submitted by: Tillsonburg District Chamber of Commerce. Co-sponsored by: Chatham-Kent Chamber of Commerce, Port Hope & District Chamber of Commerce, and Quinte West Chamber of Commerce

### Issue

Regulations under Ontario's Residential Tenancies Act (RTA) do not provide sufficient safeguards for landlords in the rental housing system. Other provincial legislation governing residential tenancies is more equitable, thereby making it more attractive for investment in those provinces. At the same time, limited capacity at the Landlord and Tenant Board (LTB) continues to delay access to timely dispute resolutions.

### Background

It is our view that the RTA should be changed to make it more equitable for all parties: tenants, landlords, and property managers. The existing Act could be strengthened to better hold tenants to their rental responsibilities and reduce unnecessary financial burdens and excessive delays on landlords and property managers and at the LTB. Areas for improvement in the RTA and at the LTB include: 1) Reducing Statutory Delays; and 2) Implementing a 15-minute, remote mediation process, which could reduce backlogs and eliminate the need for an in-person hearing in many cases.

We also understand that a major deterrent for real estate investors to create purpose-built affordable rental units is the inequity of the RTA and inefficiencies at the LTB. Making the Act more equitable for landlords, property managers, and tenants, will go a long way in attracting investment in our province in this sector and encourage more investors and homeowners to rent out their properties, which could also lead to the elimination of the need for the Vacant Homes Tax that is creating an extra burden for investors and homeowners.<sup>98</sup>

Landlords and Property Managers are currently taking extra precautions and tightening up their tenant vetting processes, because they are concerned that if a tenant stops paying rent or destroys their property, it could delay the eviction process to a year or more. In the midst of record low rental vacancy rates, this is making it harder for people to find a place to live. A more equitable and efficient system would increase landlord confidence and would create stronger landlord-tenant relationships. For example, if landlords were confident in the system, tenants with poor credit scores could be allowed in more properties. In turn, this would help guard against the increasing homelessness and affordable housing crises.

In Alberta, for example, once a lease has ended the Landlord has the right to non-renewal. A landlord does not have to continue dealing with problematic tenants and ongoing delays.<sup>99</sup>

**Reducing Statutory Delays:** Currently in Ontario if a tenant has not paid their rent, it is the landlord's responsibility to pay a \$170 filing fee and schedule a hearing after waiting 14 days before being able to file with the board. In British Columbia, if the rent is not paid, the onus is on the tenant to pay a \$100 filing fee to dispute an eviction. It is our opinion that British Columbia's Act places the responsibility in the right place: by making the tenant accountable for the expenses incurred to schedule a hearing with it is THEIR rent that has not been paid. Ontario's current process places unnecessary financial burdens on landlords and wastes valuable administrative time and associated costs for example: a tenant often doesn't attend a hearing and when they do attend, they are often only seeking to delay the process and have no actual proof of payment. Reducing statutory delays would reduce administrative burden on landlords, while also speeding up necessary mediation between tenants and landlords, which currently sits at 61 days to evict a tenant. In the best-case scenario, a landlord

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<sup>98</sup> <https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>

<sup>99</sup> "Ending a Tenancy," Government of Alberta, [Ending a tenancy | Alberta.ca](#).

needs to wait 14 days to file with the board, 30 days to get a hearing date, 3 days after the hearing to get the order, 11 days before filing with the sheriff and 3 days before the sheriff evicts the tenant. This amounts to 61 days and the landlord losing 1 to 2 months of rent (assuming the tenant paid a last month's rent deposit).

While the number of LTB adjudicators in Ontario jumped from 43 to 82 in 2020-2021, only two of those were full-time hires. The rest were only part-time, and they often split their caseloads between several different tribunals. Some split their time between as many as 6 different tribunals. Accordingly, despite the recent increase in adjudicator numbers there are still backlogs.<sup>100</sup>

Following a pause on evictions and hearings during the height of the COVID-19 pandemic, the LTB says it aims to give hearings within 25 days. However, in summer 2022, the wait time averaged 8 months.<sup>101</sup>

**Remote Mediation Process:** Recent changes at the LTB to allow applicants to submit relevant forms online as well as the option for an online dispute resolution process are welcome improvements. However, in cases where a hearing is still needed, the process in Ontario could be greatly improved. Instead of requiring an adjudicator to hear each case at the tribunal, many applications could be solved within 15 minutes through a remote process with a mediator (where sufficient broadband infrastructure and connectivity are available). This step would take place before an application is scheduled for a hearing, and in many cases could eliminate the need for a hearing altogether. This type of resolution process would take far less resources from both landlords and tenants, as well as the LTB.

Using teleconferencing or video conferencing for this process not only avoids scheduling a hearing in cases where it is not needed, thus saving valuable court time and tax dollars, it benefits employers because employees don't need to take time away from work for a lengthy court process. Implementing a 15-minute mediation process where relevant would be an effective way to improve the backlog the LTB is currently facing.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Amend the RTA to reduce statutory delays in the following ways:
  - a. To place the focus on ensuring sufficient resources are available to meet the timelines that are in place.
  - b. Allow landlords to file with the sheriff 5 days after an order is issued, instead of the current 11. Amend provincial laws (the Courts of Justice Act and the RTA) to explicitly allow private bailiffs to enforce Landlord Tenant Board orders, and to require orders that have been previously stayed to be placed in priority sequence.
2. Shorten the dispute process by introducing a remote, 15-minute mediation process where possible; this scheduled slot will allow both landlords and tenants to reduce their time away from their workplace commitments. It will also avoid unnecessary court hearings and reduce backlog.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>100</sup> Jon Woodward, 2022, "Most New Landlord and Tenant Board Adjudicators in Ontario are Part-Time," [Ontario's Landlord and Tenant Board delays: Review shows most new adjudicators are part time | CTV News](#).

<sup>101</sup> Stu Mills, 2022, "Ontario's Landlord and Tenant Board has Collapsed, Landlord Says," [Ontario's Landlord and Tenant Board has collapsed, landlord says | CBC News](#).

## **I. Accelerating Student Housing to Support Student Success and Local Economies**

Submitted by: Sault Ste. Marie Chamber of Commerce, Greater Niagara Chamber of Commerce, Windsor Essex Chamber of Commerce, & South Niagara Chamber of Commerce

### **Issue**

Foreign and domestic students don't buy homes, they rent, resulting in a demand impact on the rental part of the housing system. In the affordable rental side, you have low-income renters, all battling each other for a low number of spots on top of student rental demand. In some case landlords are preferring the student renter over the family household. Additional challenges arise from some investors buying large quantities of single-family homes and turning them into student rentals, legally and illegally, making it nearly impossible for first-time home buyers and family household renters to find a place to live.

In order to accommodate the growing demand for post-secondary education in Ontario, continue to meet Ontario's workforce needs and attract highly skilled talent to our province, it is important for the government to collaborate with universities and colleges as they work to provide housing for students, faculty and staff. At the same time leveraging best practices to and working with private sector partners to limit the impact of the rental market.

### **Background**

Ontario is well-positioned today to be the first choice when it comes to post-secondary education, but the demographic of the student is a very specific niche. Students don't only need affordable housing, but accommodations that are intentionally planned, designed, and built for this specific stage of their lives. Purpose-built student housing provides a solution to the issues surrounding affordable housing by fulfilling a specific need for students and by keeping that market pressure out of the mainstream residential market.

In the current market, students end up finding lodging that will suffice. But developers like WerkLiv know that the post-secondary education experience isn't just what happens in the classroom, but what happens outside of it. Purpose-built student accommodation creates an environment that allows students to get the most out of their education and daily life, while still getting the traditional college/university experience of living with their cohorts. Not only does purpose-built student accommodation fill a gap, but they create practical function, design, and value for students, investors, and buyers of their purpose-built assets.

The ability to provide affordable housing options for college and university community members is critical to attracting and cultivating the highly skilled talent Ontario's local employers and economies need to fill critical labour gaps, build a stronger economy and develop its competitive advantage as a global market. Providing adequate housing is essential to ensure that students and post-secondary community members have the resources they need to thrive in their campus communities. This need will only grow in the years to come, with the Ontario population aged 18 to 24 projected to grow over the next five years.

To this end, post-secondary institutions across Ontario are taking steps to expand their supply of student housing, with many universities offering first-year residence guarantees for their students. In fact, a survey of 16 Ontario universities conducted in the summer of 2023 found that as of 2022-23, there were more than 62,000 residence spaces at Ontario universities – more than 6,400 of which were added in the last five years – in addition to 10,000 off-campus spaces. That number will continue to grow with more than 10,800 new spaces projected to be added over the next five to six years<sup>102</sup>.

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<sup>102</sup> Council of Ontario Universities, "Partnering to Increase Access to Student Housing", August 2023,

In addition, Ontario colleges offer approximately 19,000 on-campus residences spaces in nearly 50 residences across Ontario. Previous to learning of the anticipated cuts to international student enrollment, colleges had plans to significantly expand on-campus student housing. The impact of revenue reductions from these plans are not yet fully known.

The construction of post-secondary housing can be costly, as institutions do not receive funding from government for housing development, maintenance or upkeep, and restrictions arising from planning regimes often complicate the construction of new housing projects.

In Ontario, universities and colleges that receive more than \$10M from the Government of Ontario are guided by Ontario's Broader Public Sector Procurement Directive, which mandates lengthy Request for Proposal (RFP) processes for all construction and service contracts. What's more, colleges cannot take on debt as their balance sheets roll up to the province, and universities are unable to assume and afford greater levels of debt.

Most often, a university or college will maintain day-to-day operations once the building is built. To execute these kinds of public-private agreements, universities and colleges must run an RFP process and then engage in contract negotiations; all before they can go through entitlements and build the residence. The RFP and negotiation process alone can take years, delaying the delivery of much-needed student accommodations.

By partnering with the post-secondary sector to remove impediments and support the development of on-campus and off-campus housing, the province can reduce pressure on local housing markets, expand the sector's capacity to support a growing student population, and help attract highly skilled talent to regions across Ontario.

Furthermore, there is a need to expand private purpose-built student accommodation market in Canada which is nascent compared to other markets. The country's ratio of students to beds (also known as the provision rate) is 12 percent—among the lowest in the world. The U.K.'s provision rate of private PBSA beds is 34 percent; America's is 16 percent.

In comparison to on-campus student housing, there is also private purpose-built student accommodation where the developer owns the lands, assumes the finance and construction risk, and engages a third-party property manager, or the college/university, for day-to-day operations once built.

A niche asset class with a proven formula might be the next best way to diversify a commercial real estate portfolio and generate value. It's not for every investor, but this is an up-and-coming niche with room for a few more creative and proactive investors. There will always be the tried-and-true multi-family assets to build incremental value. But right now, this is an opportune time to invest in affordable student housing projects in Ontario and across Canada.

Developers who want to build purpose-built student accommodation still face numerous challenges such as escalating costs, extended approval timelines, sourcing equity capital, and navigating a risk adverse debt environment. As well the uncertainty surrounding interest rates is closely tied to valuation risk and investors must solve the dilemma of introducing new supply to the market while fulfilling their fiduciary responsibilities as investors.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Identify leading/best practices that can be leveraged to enable the timely launch of critical housing projects, in consultation with municipalities, including new on- and off-campus residences and student housing.
2. Work with the federal government to implement programs through the Canada Mortgage and Housing Corporation that promote high-density Purpose-Built Student Accommodation developments.
3. Work with municipalities to develop appropriate zoning plans for transit-oriented development and implement zoning reforms that treat campuses similarly to major transit areas to support increased density on college and university campuses. This includes development process, streamline bureaucratic processes, fast-tracking applications for building permits, and encourage the construction of energy-efficient buildings for Purpose-Built Student Accommodations.
4. Work with the post-secondary sector to review potential amendments to the *Municipal Act, 2001*, to support post-secondary housing development.
5. Provide dedicated capital funding and financing to universities and public colleges for on- and off-campus residence and student housing projects.
6. Work with the Ministry of Economic Development and the Ministry of Colleges and Universities to attract domestic and international investors and incentivize public/private partnerships for projects related to the construction of on- and off-campus residences and student housing, where appropriate.
7. Review the Broder Public Procurement Directive to lessen restrictions and allow universities and colleges to proactively engage with the private sector to explore a variety of structured agreements to build and service housing on and off campus.
8. Work with Ontario's public colleges to amend Section 28 of the Financial Administration Act to create a fast tracking/guaranteed approval timeline for post-secondary housing development which would expedite Section 28 approvals and lift exemption thresholds.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **J. Building Faster Fund and Housing Starts: Strong Mayors don't pour foundations**

Submitted by: Belleville Chamber of Commerce. Co-sponsored by: Brockville & District Chamber of Commerce

### **Issue**

Funding provided through the Building Faster Fund should be based on a municipality's efforts to approve permits (that lead to foundations) rather than the current measure of housing starts (poured foundations). The power of municipalities to control or meet housing targets is limited to the permit approval process while funding is currently based on the number of housing starts (poured foundation) which applies additional pressure on the private sector, currently impacted by multiple barriers within the building industry.

### **Background**

*On August 21, 2023, Ontario announced the new Building Faster Fund, a \$1.2B three-year program that will provide funding to municipalities based on performance towards annual housing targets.*

Municipalities that fail to meet at least 80% of their annual target will receive no funding and those meet 80% to 99% of their target will receive reduced funding.

The Building Faster Fund and the assessment by the provincial government for funding municipalities for supporting housing growth assess this performance on the basis of housing starts. Neither Council or even Strong Mayors pour foundations.

The power of municipalities to achieve housing targets is within the permit approval process and funding should be based on municipal permit approvals rather than the current measure of housing starts. The power of a Strong Mayor is meant to counter NIMBYism and the red tape that play a role in delaying the land development and building process; but once the initial permit is approved, the next step towards a housing start is dependent upon the private sector.

Municipal permit approvals are typically required before construction can commence on a new housing project. Therefore, tracking and using municipal permit approvals as a basis for housing starts is a common and logical approach.

Building Faster Fund is based on CMHC definition of housing start :

*A housing start is defined as the beginning of construction work on the building where the dwelling unit will be located.*

*This can be described in 2 ways:*

- *The stage when the concrete has been poured for the whole of the footing around the structure.*
- *An equivalent stage where a basement will not be part of the structure.*

(<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables>)

Housing starts refer to the number of new residential construction projects that have begun during a specific period and this action is dependent on the capacity of the builder to perform the work. The building sector

may face multiple barriers post-permit approval that will prevent the defined housing start as noted above, not least of which is a skilled labour force.

Municipalities do not build houses, they approve applications. The private sector builds housing. It is important to consider the impact on the relationship between the municipality and the private sector when funding is deemed dependent on a private sector action that is vulnerable to multiple external forces.

It's also important to note that the current economy and rising interest rates greatly affect market demand, and there's been a decline in housing starts across the country. According to recent CMHC data, Canada's 254,966 starts were down 10 per cent in July from June of this year. Additionally, there are labour shortages, increasing material costs, rising municipal fees and charges, and changing legislation that add challenges to getting shovels in the ground.

One Ontario is a non-profit organization bringing together all levels of government, industry, experts, and academic leaders to streamline the development approvals process and make it more transparent and efficient. is moving towards incorporating as a non-profit in order to bring together government, industry and academia to empower municipalities and regulatory agencies. Their vision is to break down silos to improve data exchange, streamline development approvals, and collaboratively address the housing crisis.

It is important to incentivize municipalities, through Council, to manage the permitting process efficiently but when housing starts are the measure, municipal councils with or without Strong Mayor powers are no longer in control of meeting the target that defines their success in approving development and the permits required to begin.

There are multiple layers to the housing crisis and many more phases within the approvals process from foundation to occupancy permit that warrant additional review. This resolution seeks only to adjust funding approval to performance measures in control of the municipality where it relates to the Building Faster Fund. Additional recommendations below are submitted on behalf of council and private sector representatives consulted in the development of this resolution.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Reassess how the performance of municipalities is measured in terms of housing starts to develop the most effective process to get more homes built.
2. Consult with One Ontario to streamline the development approval process to the benefit of all partners in the housing industry.
3. Provide an Ombudsman to the Building Industry to review disputes between municipalities and developers.
4. Improve the dispute resolution process between municipalities and developers.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **K. Enhancing Landlord and Tenant Relationships**

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-sponsored by: Leamington Chamber of Commerce

### **Issue**

Challenges have emerged in the rental market since the COVID-19 Pandemic. Tenants and their advocacy groups have raised concerns around landlords evicting people on fraudulent grounds while landlords are stuck with tenants refusing to pay rent and relying on the backlog at the Landlord Tenant Board to avoid their removal from the residence.

### **Background**

The vast majority of landlords and tenants in Ontario are responsible actors within the real estate market. Tenants are looking for a place to live and landlords are looking for someone to occupy their space and pay rent. However, some bad actors have given both landlords and tenants a bad reputation.

Landlords who have owned and operated for years without complaint are grouped together with landlords who have tried to manipulate the system to defraud or exploit their tenants. This includes landlords who claim family or personal use of the space only to quickly return the unit to market ignoring the one-year occupancy requirement or fail to maintain a property or provide necessary repairs in a timely manner. Further landlords have been known to evict tenants to “renovate” spaces simply to relist the unit and increase the rent more in line with higher market prices (so-called “renovictions”)

On the other side, tenants are occupying spaces while waiting for the eviction process. In Ontario, this can take over a year in some cases<sup>103</sup>, meanwhile landlords must continue to pay the mortgage on the property. Reports have emerged of landlords paying significant sums for the tenant to vacate the property. There are also cases where tenants cause extensive damage greater than the value of their security deposit, leaving the landlord on the hook for potentially thousands of dollars in costs to repair the property.

To respond to these challenges, some cities in Ontario have taken steps to try and prevent bad landlords. The City of Windsor is running a pilot project that requires landlords in certain areas of the city to possess a rental licence.<sup>104</sup> The City of Hamilton has recently passed a bylaw to prevent “renovictions” by requiring landlords to make arrangements with any tenant who wants to return after renovations are complete.<sup>105</sup>

These differing approaches can make it difficult for landlords to operate across municipalities even in the same region. By establishing universal guidelines for what can and how municipalities regulate landlords it will provide a uniform approach and stability for the sector across the province.

By establishing increased awareness, enhanced protections, and universality across the system, the province can foster stronger relationships between landlords and their tenants and potentially avoid increasing the burden on the already overburdened Landlord Tenant Board. Increasing education, enacting provisions for vexacious landlords and tenants, and implementing universal guidelines for municipal regulations permitted under the

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<sup>103</sup> [Landlord and Tenant Board Wait Times Continue to Grow | The Local](#)

<sup>104</sup> [Get a residential rental licence \(citywindsor.ca\)](#)

<sup>105</sup> [Hamilton to become 1st Ontario city with bylaw to stop 'bad faith' renovictions \(msn.com\)](#)

*Municipal Act* for rental units can foster stronger, and more productive relationships among property owners and their lessees.

There are also concerns around the enforcement of the Landlord Tenant Board with many rulings ending up in small claims court in order for landlords or tenants to receive any funds they may have been awarded. The lack of enforcement power means even greater delays for those seeking justice from their landlord or their renter.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create and implement guidelines similar to vexatious litigation standards to apply to landlords and tenants to prevent inordinate delays.
2. Develop and enhance educational materials for landlords and tenants to better understand their roles, responsibilities, and rights within the relationship to help avoid conflict and establish better partnerships between the two parties.
3. Create universal guidelines for municipalities under the *Municipal Act* that regulate how municipalities can regulate landlords and tenants in order to prevent a patchwork approach developing across Ontario municipalities that makes it harder for landlords to operate across municipalities.
4. Give the Landlord and Tenant Board enforcement powers to bypass the need for small claims court.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **L. Growing Airports & Building More Housing**

Submitted by: Mississauga Board of Trade

### **Issue**

The desire to quickly increase the supply of housing must be balanced with the protection of employment lands near Ontario airports. Considerations need to be made regarding the economic benefits of airports, the preservation of employment lands and the safe takeoff and landing of aircraft at airports. In urban areas, more housing will come mainly from high-rises and increased population on major transportation corridors. Those transportation corridors often are near airports. While more housing is constructed on these corridors, airports continue to be economic centres through which many jobs are connected. The goal of this resolution is to continue the growth of airports, and their local economic contribution, in parallel with increasing the supply of housing in a measured, responsible way.

### **Background**

The economic benefits of airports are well-documented. In the Pearson Economic Zone, it is estimated that there are 400,000 jobs in and around Toronto Pearson. It contributes six per cent to Ontario's GDP and has 50,000 workers at the airport.

We support the need for housing in Ontario and want to work collaboratively with the government to ensure there is a balanced approach between housing development, aircraft access to airports, and preserving employment lands near airports.

Currently there are many developments which if they proceed as proposed could have an impact on operations and could affect long haul flights to destinations such as India and China. This also directly impacts the economic contributions airports can make to Ontario. If obstacles are placed in and around airports without proper consideration of surrounding flight paths, this could lead to some runways being shut down and some flights being abandoned.

Employment lands around the airport are critical for job creation and for companies which rely on airports. It is therefore important that employment lands around the airport be preserved.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Consult with airports regarding proposed developments in the vicinity of airports. Considerations need to be made for the economic benefits of airports and the safety issues in relation to the height of buildings.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## WORKFORCE DEVELOPMENT

### A. Principals to Assist the Unskilled Workforce

Submitted by: London Chamber of Commerce

#### Issue

For those who are chronically unemployed or underemployed, some of the current provincial government programs supporting that market can appear too rigid in areas of: reporting metrics, targeted skill sets, and focused on immediate wins. We are suggesting that programs be introduced or adapted in partnership with business, broadly oriented (not tied to narrow industry or role definitions) and have long term incentives for formerly displaced employees to stick with it.

#### Background

The Chamber Network recognizes that the Ontario government has made great strides in the area of skills development and applauds the November 22, 2021 announcement from the Premier in respect of their intention to expand the Second Career Program.

Unfortunately, there are still many left behind. According to the October 2021 Labour Force Study prepared by Statistics Canada, there were at that time over 380,000 jobseekers that were unemployed for a period of 27 weeks or more. Often the unskilled unemployed have limited resources and this acts as a further barrier to accessing government programs that are essentially co-funded (i.e., courses where tuition and living expenses are not fully funded by government support during the term). In these cases, upskilling may need to occur in more gradual stages to be effective.

The OECD in their abstract [Active labour market policies and COVID-19](#):

[\(Re-\)connecting people with jobs](#) noted “When (Active Labour Market Policy) ALMP design is set in several regulations, amending the design to meet the changing need of the labour market can be a cumbersome process.” For this reason, the engagement of employers in the process and the ability to flexibly address the broad needs of employers is key to creating opportunities for job seekers.

#### Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Embed the following three core principles in developing programs geared to transitioning an unskilled workforce to semi-skilled workforce:
  - a. **Employer driven** – The funding should be allocated in partnership with local employers that help to drive and deliver skills training that is directly tied to in-demand jobs in the area with a view to have government facilitating the program and employers driving the curriculum.
  - b. **Broad based** – While extra energy should be provided to support those with explicit barriers to gaining employment, there should be programs that are open to all people that are displaced from a full-time job or working part time and looking to upskill.
  - c. **Long-term results focused incentives** – To incentivize the transition from long-term unemployment to gainfully employed. There should be incentives for employees that maintain long term employment coming out of the program (e.g., a tax credit at the 2 and 5 year mark sufficient to drive an incentive to remain part of the work force after an extended period of

absence and with safeguards to avoid abuse). The incentive should not be tied to a specific employer, but rather a period of continued employment (allowing for reasonable industry driven work patterns).

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **B. Strengthen Connectivity Between Businesses and Post-Secondary Institutions**

Submitted by: Belleville Chamber of Commerce. Co-sponsored by: 1000 Islands Gananoque Chamber of Commerce, and Quinte West Chamber of Commerce

### **Issue**

Skills and workforce development remains a top issue for a thriving business climate. Ontario businesses require access to job ready and experienced graduates with the right credentials who meet their needs in order to scale up and grow. The provincial government can support stronger linkages between post-secondary institutions and businesses to ensure the supply of skilled employers meets the demand of businesses.

### **Background**

Upon hire, small businesses require new graduates to have the right skills and experience in order to hit the ground running and to contribute to the business as quickly as possible. Ensuring students in college and university receive hands-on learning opportunities while still attending school presents a huge advantage to both parties and the economy as a whole.

Many small and medium-sized enterprises (SMEs) perceive barriers to providing these experiential learning opportunities to students, such as, costs of student compensation and training and other administrative and operational requirements.

As a result, these barriers limit the number of opportunities for experiential learning to be gained, thereby limiting the potential for businesses to have access to the experienced talent they otherwise could.

On the one hand, businesses benefit from new post-secondary graduates being adaptable and prepared for the unknown jobs of the future, and armed with a skillset that includes critical thinking, problem solving, communication and teamwork. These skills help workers thrive in changing environments and are seen as critical to success in any business.

A greater number of small businesses, in particular, stand to benefit from new thinking and ideas based on emerging research gained through deeper ties with post-secondary institutions. These initiatives also provide small businesses with access to high quality employees and strengthen their ability to recruit graduates equipped with the skills they are looking for.

On the other hand, a post-secondary education that offers both rigorous academic programs and hands-on experiential learning[1] has been proven to help develop the adaptable skills employers need. Eighty-six per cent of current students and recent graduates in Canada have said experiential learning led to an easier transition from post-secondary to a successful career.[2]

While public and publicly assisted universities and colleges have developed vital services and programs to engage employers and students in experiential learning, providing an adequate supply of these opportunities to meet student demand is a continuing challenge.

That is why early and strong collaboration between public post-secondary institutions and business will help ensure students graduate with the skills necessary for today's employers and the jobs of tomorrow.

Increasing the supply of experiential learning opportunities is also an opportunity for small businesses. Small businesses make up 98 per cent of total businesses and two-thirds of private sector employment in Ontario.[3] Their involvement is particularly critical, as the SME category includes a growing number of start-ups arising from innovation and entrepreneurial activities across the province.

There is an opportunity for government to facilitate more linkages between small businesses and postsecondary institutions to create more hands-on learning opportunities for students.

This can be achieved by building upon existing programs that incentivize small businesses to hire students and recent graduates, as well as exploring new programs that encourage employers to work with universities and colleges to offer additional experiential learning initiatives.

There is also an opportunity for the government to prioritize the marketing of existing programs to employers to help raise awareness of these opportunities.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. In collaboration with small businesses and public post-secondary institutions, explore new programs to incentivize greater employer participation in experiential learning initiatives, including, but not limited to, co-op education, paid work placements, internships, industry-recognized in-class projects, mentorship programs and incubators, accelerators and innovation hubs.
2. Expand the Co-operative Education Tax Credit.
3. Introduce a tax credit available to employers who hire graduates of co-operative education or equivalent programs that allows employers to claim a percentage of wages and salaries for the first year of full-time employment.
4. Direct business-facing Ministries to prioritize communicating new and existing opportunities to support experiential learning opportunities and the associated benefits.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## C. Addressing Ontario's Labour Gaps Through Industry and Post-secondary Partnerships

Submitted by: Newmarket Chamber of Commerce

### Issue

In order to ensure Ontario's ongoing prosperity and a strong economic recovery from COVID-19, Ontario requires access to a highly skilled, adaptable workforce.

### Background:

With the shortage of skilled talent facing the province, a recent [Stokes Economics](#) report found that the demand for occupations requiring university education will continue to increase. Between now and 2030, Ontario will require a total of 928,700 workers to fill new job openings for roles that require a university education, including:

- 233,000 positions for jobs in STEM
- 148,000 positions for jobs in health care
- 128,000 positions for jobs in business, finance, and administration

Over the same period, Ontario will also need more than 950,000 positions in skilled trades and apprenticeships to meet Ontario's growing economy. Given these critical skills shortages, both colleges and universities will be called upon to continue to produce the skilled workforce that Ontario needs to grow and prosper.

University graduates are job ready and resilient. For example, according to the Ministry of Colleges and Universities' Ontario's Universities Graduate Survey of 2017 graduates, university graduates have a 95.6 % employment rate after two years, 89.6 % are employed full-time and have found work that is either closely or somewhat related to the skills they developed at university.

Universities have adapted to meet the growing demand for programs in new and emerging fields including healthcare and STEM (science, technology, engineering, and math) and meet Ontario's workforce needs. For example, Ontario's universities are developing innovative nursing programs to graduate nurses faster to help address the health-care sector's growing patient backlog and staffing concerns resulting from COVID-19.

The need to ensure a stable supply of highly trained, adaptable workers has been raised as an issue by industry to York University in their regular consultations and at their recent employer roundtables to inform their planning of their Markham campus. The concerns shared with York regarding this issue had also been voiced by industry to Ontario universities across the province.

Universities are also actively collaborating with the business community to provide work integrated learning opportunities, including co-op placements, internships and other industry-university student workplace partnerships. These partnerships are critical to ensuring students graduate with job ready skills and employers are able to identify and recruit talent. At this time however, demand for these programs outstrips the sectors ability to provide them.

**High Demand Programs:** The job market in Ontario continues to evolve and respond to changes in the environment requiring skilled trades as well as growing demand for a university educated workforce. In order for Ontario's businesses to succeed in these conditions it is essential employers have access to a stable supply of highly skilled, adaptable workers. Ontario needs to secure a talent "pipeline" that is future-proofed with the foundational skills and innovative learning experiences for the jobs of today and tomorrow.

Raising the enrolment corridor to allow universities and students to better respond to labour market demands will assist industry and the economy in recovering from the pandemic and help build stronger, more resilient communities.

Ontario's universities are continuing to adapt and meet the growing demand for programs in health care and STEM to ensure students have the skills they need to enter high-growth fields:

- As such, universities are prepared to increase capacity in high-demand programs by more than **53,000 funded domestic student spaces** over the next five years, including 17,000 in health professions.

This work, integrated into a multi-year framework with financial flexibility will allow for effective, long-term financial planning and a stable supply of highly skilled, adaptable workers in all sectors of the Ontario economy.

**Work Integrated Learning:** Ontario employers require a stable supply of new, university educated graduates with the right skillset and experience needed to adapt and contribute as quickly as possible. Ensuring university students have access to workplace centered, hands-on learning opportunities while still in school creates a significant opportunity for students and employers alike.

Many small and medium-sized enterprises in particular perceive barriers to providing these experiential learning opportunities to students, such as, costs of student compensation and training and other administrative and operational requirements. Working with government to further streamline access to these opportunities, remove barriers and develop further incentives for employers will benefit students, business and local economies across Ontario.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with Ontario post-secondary institutions to identify high demand programs of study where a current or anticipated labour shortage exists such as engineering, health professions, AI and other STEM programs. Post-secondaries and government should work to expand enrollment in these areas to ensure the necessary workforce needed for regional economic development.
2. Work with post-secondary institutions to ensure that course content is up-to-date and reflects the needs of industry.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **D. International Students**

Submitted by: Brampton Board of Trade

### **Issue**

Ontario, particularly the Greater Toronto Area, has become a destination of choice for international students. While international students are important to our economy and our communities this has put additional pressure on housing markets and on social services.

### **Background**

Over the past decade Ontario has become a destination of choice for international students wishing to obtain an education. According to the Auditor General of Ontario, in 2019 there were approximately 114,000 international students studying in Ontario, with approximately 104,000 studying at Public Colleges and approximately 10,000 studying at Private Career Colleges.<sup>106</sup> Overall public colleges have seen growth of 342% of international students over the last ten years, with a decline of 15% of domestic students. Approximately 62% of the international students are from India.

To obtain a student visa, the student must have a GIC with a Canadian Bank and the student is limited to working 22 hours per week. International students also must have mandatory health insurance as a condition of their visa.

International students overwhelmingly attend public institutions. As a graduate from a public university or college international students automatically qualify for a post graduate work permit when they graduate. This opens a path to obtaining Canadian citizenship. Statistics show international students are important for the growth of the Canadian economy.

Colleges and Universities use immigration consultants and agents to recruit international students to their institutions. Only recently has the Federal Government moved to regulate immigration consultants but there are no such regulations for educational agents operating in other countries.

With the increase in international students in the GTA it has put additional pressure on an already tight housing market. Student housing is very hard to find, and it presents the opportunity for international students to be exploited by unscrupulous landlords. There is also tremendous pressure put on social service agencies serving these communities and they are seeing an increase volume of cases of international students suffering from physical and mental illness while studying.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Take steps to establish minimum quality standards for recruitment agents who represent international students that are applying to study at the province's Colleges and Universities.
2. Work with Municipalities to enact and enforce housing bylaws and give the Landlord Tenant Board the resources necessary to undertake a public education campaign to ensure international students understand their rights as tenants.

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<sup>106</sup> Office of the Auditor General of Ontario 2021 Annual Report, Value for Money Audit entitled "Private Career Colleges Oversight" and Value for Money Audit entitled "Public Colleges Oversight"

Effective Date: April 30, 2022  
Sunset Date: April 30, 2025

## **E. Supporting international student job seekers to connect to local labour markets**

Submitted by: 1000 Islands Gananoque Chamber of Commerce, Belleville Chamber of Commerce, Greater Kingston Chamber of Commerce, Prince Edward County Chamber, Port Hope and District Chamber of Commerce and Toronto Region Board of Trade

### **Issue**

Ontario's labour market shortages are compounded by barriers in communities with international students and recent graduates seeking employment supports and services.

### **Background**

Ontario faces a significant skills shortage in many key sectors. Increased immigration is essential to building a strong workforce. This includes attracting international students who pursue careers in Ontario. "Study, Work and Stay in Canada", this is the brand that makes Canada one of the top destinations of choice for international students and provides an important preview of life in Canada.<sup>107</sup>

There were more than 96,000 international students enrolled at Ontario's colleges last year and many will continue to live and work in this province after they graduate.

International students are essential to employers and are highly valued as prospective immigrants for numerous reasons. International students have Canadian educational qualifications, are proficient in at least one official language, and can help address both current and future labour market needs, particularly for highly skilled work and where there are ongoing shortages such as healthcare.<sup>108</sup> Prior to the pandemic, almost 40 percent of Canadian small and medium-sized businesses were struggling to hire new employees and as our population continues to age and retire in the post-COVID-19 world, the shortage will keep growing.<sup>109</sup>

Ontario's public post-secondary institutions and public-private college partnerships offer more than just an education to international students seeking to study in Canada. These institutions provide wrap-around services that help link international students into the local community and cultural organizations. This includes career planning, assistance with resumes, interview preparations and access to community job boards.

To maximize the positive experience of international students in Ontario and their engagement with local communities, more can be done to help international students at Ontario's public post-secondary institutions find employment. This is a particular challenge as international students are ineligible for many of the services provided through provincial and federal employment programs.

International students are not eligible for the services provided through employment placement agencies – either federal or provincial. Ontario's public post-secondary institutions remain concerned that there are few services or supports for international students to look for work within local communities.

Enabling international students to access services provided by employment agencies would help them to find jobs. With many communities facing skilled and unskilled labour shortage and with international students seeking employment within the allowed threshold, enabling these students and international graduates to access

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<sup>107</sup> Immigration and Refugees Canada. "Stay in Canada after you graduate." <https://www.canada.ca/en/immigration-refugees-citizenship/campaigns/study-work-stay.html>

<sup>108</sup> Global Affairs Canada. "Building on Success: International Education Strategy (2019-2024)." 2019. <https://www.international.gc.ca/education/strategy-2019-2024-strategie.aspx>

<sup>109</sup> Business Development Bank of Canada. "Labour Shortage: Here to Stay." Report by Michael Cocolakis-Wormstall. 2018. [https://www.bdc.ca/en/documents/analysis\\_research/labour-shortage.pdf](https://www.bdc.ca/en/documents/analysis_research/labour-shortage.pdf)

employment services will help local communities retain workers and support international students and recent graduates succeed in Ontario.

To help Ontario prosper, we need to provide opportunities for our international students to succeed by ensuring that Employment Ontario services and programs, such as assistance with job preparation and outreach (assistance with resumes, interviews, using job boards, etc.), as well as access to more targeted supports like on-the-job training opportunities backed by training subsidies for employers, are available to all graduates, including international students.

Specifically, the provincial government needs to create more opportunities for graduates of international programs and the services provided at Employment Ontario offices should be available to all graduates, including graduates of international programs.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create more opportunities for international students and recent graduates of public post-secondary institutions to access employment in local labour markets; including by,
2. Provide Employment Ontario services and programs, such as assistance with job preparation and outreach (assistance with resumes, interviews, using job boards, etc.), as well as access to more targeted supports like on-the-job training opportunities backed by training subsidies for employers, to all graduates, including international students.
3. Remove restrictions to these programs based on age.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **F. Establishment of Small Vessel Marine Trades in Ontario to include Marine Electrician, Service Technician, and the overall expansion for Marine Training Certifications across Ontario**

Submitted by: Prince Edward County Chamber of Commerce. Co-sponsored by: Brockville District Chamber of Commerce, Muskoka Lakes Chamber of Commerce, Sarnia Lambton Chamber of Commerce, Peterborough and the Kawarthas Chamber of Commerce

### **Issue**

Ontario's marine industry lacks vital support and standardized safety regulations compared to land-based vehicles. Although there are specific certifications for electrical, engine, etc. technicians for other industries, skilled trades for recreational boats apprenticeships are limited. Not only would the safety of residents and tourists on Ontario's waterways be improved, but an increase in the current number of technicians and the creation of two voluntary new skilled trade designations would strengthen this industry to build the skilled workforce necessary to meet this sector's growing demands.

### **Background**

Ontario has a thriving marine industry with dealerships and marinas and is home to manufacturers of small vessels for both personal and commercial use. While construction standards exist (see TP1332E, TC), there is no standardization or oversight to ensure the safety of vessels on the water except as applies to their engines (Marine technician is effectively a mechanic trade - Trade Code 435B). As with Recreational Vehicles (RVs) on land, there is more to a boat than its engine, but unlike an RV, if there is a fire, leak, or other issue on a boat, it cannot as easily be moved to the side of the road for repair. Luckily, there are few major safety incidents involving small vessels, but many of the incidents and insurance claims are preventable by improving the general service technician and electrician standards (for construction and maintenance unrelated to engines). Ontario could lead the way for boating safety and supporting the marine industry by expanding marine apprenticeship opportunities.

Transport Canada recognizes training from the "American Boat & Yacht Council (ABYC), a non-profit, member organization that develops voluntary global safety standards for the design, construction, maintenance, and repair of recreational boats."<sup>110</sup> Courses offered by the ABYC are taught in Ontario by certified instructors, but these classes are not required for technicians to work in the recreational boat sector within the province.

Georgian College is the only post-secondary institution in Ontario that offers the Marine Engine Technician apprenticeship program. Boat dealership owners and staff are required to receive/attend mandatory training to sell specific companies' products, for example, "Legend Boats."<sup>111</sup> However, not all boats are purchased new and serviced/repared at dealerships with company-certified technicians, especially in emergency repair situations. With cars, all repair shops must have mandatory certified, licenced repair personnel.

Recreational boating is an important past time and sector for Canada. According to Pat's Boating in Canada, "'The Economic Impact of Recreational Boating in Canada Report' by the National Marine Manufacturers Association Canada (NMMA) tells us that about 12.4 million adult Canadians go boating yearly. Recreational boating adds \$5.6 billion to Canada's GDP, with over \$10 billion in revenues. About 75,000 Canadians are employed by the core of the recreational boating industry while boaters themselves spend \$1.4 billion annually

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<sup>110</sup> [About ABYC - American Boat and Yacht Council \(abycinc.org\)](http://abycinc.org)

<sup>111</sup> [2017 Best in Class: Best Training & Benefits | Boating Industry](#)

in boat trips."<sup>112</sup>According to Rick Layzell, the CEO of Boating Ontario, "47% of all boats sold in Canada are sold in Ontario"<sup>113</sup>

Other mandatory certified skilled trades, such as electricians and millwrights, have specific training levels (year 1, year 2, etc.) and pay scales that reflect this training, ensuring standardization of knowledge and a path to completion. A clear-cut path with earning opportunities is used to attract talent to specific occupations. Work within the recreational boating industry's ability to attract a skilled workforce is limited, with only a few seats available in Midland, Ontario, a location that is inconvenient to attend the required in-class training. According to Boating Ontario, over two-thirds of marine technicians are offered year-round employment, paying up to \$40 an hour. Although the industry works to promote these opportunities, many companies and individuals do not have access to local apprenticeship training. The current model assumes that people are purchasing new boats that can be serviced, winterized, and stored by local dealerships and marines. To attract talent interested in this industry with growing opportunities, Ontario needs to provide better access to apprenticeship training/certifications across the province.

To protect recreational boaters, the Canadian government has established training and guidelines for people to receive licenses. As boat safety for the operators is a priority, it is logical that the Ontario government would extend these standards to establish certifications under Skilled Trades in more than one location for those responsible for repairing recreational boats, ensuring consumer safety.

Supporting organization for this Policy Resolution:

- Swiftsure Vessel Solutions, Ltd., Consecon, Ontario

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Collaborate with the marine industry, associations, and post-secondary institutions to expand marine apprenticeship training programs and research ABYC courses recognized by Transport Canada.
2. Develop voluntary marine certifications for small vessel technicians and marine electricians through the Ontario Ministry of Labour, Training and Skills Development.
3. Improve access to marine apprenticeships across Ontario.
4. Work with industry partners to develop and improve certifications.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>112</sup> [Canadian Boating Statistics | Pat's Boating in Canada \(ncf.ca\)](#)

<sup>113</sup> [Buying a Boat | Pat's Boating in Canada \(ncf.ca\)](#)

## **G. Address Ontario's labour shortage through reforms of the immigration system**

Submitted by: The Vaughan Chamber of Commerce & Newmarket Chamber of Commerce. Co-sponsored by: Aurora Chamber of Commerce

### **Issue**

The industries in Ontario are facing a critical shortage of skilled labour. The shortage is particularly dire in the construction sector. This decade will see the anticipated retirement of more than 86,000 construction workers in Ontario. Considering the projected volume of work, industry will need to hire, train, and retain almost 100,000 additional workers by the end of the decade. The labour supply shortage is one of the single biggest challenges facing the Ontario construction market today and threatens our ability to build the critical core infrastructure and homes Ontarians need.

### **Background**

Historically the construction industry in the province has relied on immigration to fill a significant percentage of its ranks. New immigrants to the province have played a critical role in building this province over the last few decades. However, beginning in the mid-90s, the immigration system changed to value educational attainment and language requirements over specific, practical skill sets.

At the time, our economy was in a much different place than it is today, with much higher unemployment in the construction industry and much less public and private investment in infrastructure and land/commercial development. Times have changed and, economically, we have returned to a place where we are in much greater need of specific skills sets (particularly those that would fall under National Occupational Classification (NOC) level C and D in the immigration system) to fill the demand in our province, especially for infrastructure and residential construction. NOC level C refers to occupations that may require a high school diploma, while NOC level D occupations generally call for on-the-job training.

The issue is that many of the jobs that are in critical demand do not require certification or a particular level of educational attainment. As such, there are serious limits for construction companies to access the immigration system. For example, the in-demand jobs in infrastructure and residential construction are not prioritized in our express entry system; there are serious limits for how our small and medium-sized enterprises can participate in the temporary foreign worker program; the Ontario Immigrant Nominee Program (OINP) is incredibly onerous and expensive for smaller companies to participate in.

### **Recommendations**

The Vaughan and Newmarket Chamber of Commerce urges the Government of Ontario to:

1. At least double the allocations for the National Occupational Classification-Level C (NOC C) Pilot that aims to increase permanent resident pathways for in-demand workers with Ontario job offers. Industry is ready and able to get more people working if the people are allowed to enter.
2. Ensuring that the application process for various OINP streams, particularly the In-Demand Skills stream, is not overly onerous as to disincentivize employers, especially small and-medium sized ones, from participating.
3. Continue working collaboratively with the federal government to ensure that Ontario benefits from any immigration reforms that take place.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## H. Attracting and Retaining Highly Skilled Talent

Submitted by: Greater Kitchener Waterloo Chamber of Commerce. Co-sponsored by: Cambridge Chamber of Commerce

### Issue

Expanding access to highly skilled workers and ensuring regions throughout Ontario can retain this talent is essential to the province's economic recovery. Ontario's post-secondary institutions play a critical role in developing a robust workforce and fostering an innovation ecosystem which attracts investment to urban and rural communities.

### Background

As businesses and industry across Ontario continue to rebuild and recover, they are looking to address local challenges, such as talent retention and adapting to new ways of working. Ensuring these businesses have access to highly skilled talent who can address these challenges and fuel local workforces throughout Ontario's regions is critical to their success.

Ontario's post-secondary institutions have vital roles to play in developing, attracting and retaining the talent needed throughout the province's communities and regions. For example, due to higher human capital development of post-secondary alumni, post-secondary graduates contributed at least \$50.6 billion to the province's GDP in 2018, according to the Conference Board of Canada. The additional income of post-secondary graduates, equivalent to more than six per cent of Ontario's GDP (Conference Board), enables them to make significant economic contributions to regions across Ontario by supporting local jobs and economies.

Ontario post-secondary institutions are actively supporting local businesses by developing and attracting local talent. This is achieved by providing support for international students seeking to learn and work in Ontario, ensuring the talent post-secondary institutions attract have accessible places to live, as well as supplying modern equipment and facilities to accommodate the research that will fuel Ontario's economic future, while bringing in students and researchers from around the world.

The Ontario Chamber of Commerce urges the Government of Ontario to support post-secondary institutions in contributing to a highly skilled and innovative workforce throughout the province to drive growth and prosperity.

**Attracting International Talent to Support Ontario:** International talent will play a key role in Ontario's social and economic recovery as students and workers support their local communities by volunteering, and by boosting regional economies through spending activities and filling in-demand jobs across the province.

More than 38 per cent of all international students in Canada are studying in Ontario, according to Statistics Canada. In addition, more than 101,100 international students enrolled at Ontario post-secondary institutions during the 2021-22 academic year, according to the Ministry of Colleges and Universities.

The Ontario Nominee Program is one initiative that provides a streamlined avenue for those seeking to study and work in Ontario, with additional benefits for institutions, students, local communities, and the province. Nominees provide substantial contributions to local labour markets and the skills they develop in post-secondary institutions help expand Ontario's highly skilled labour force.

However, more can be done to ensure international students, business owners and entrepreneurs can arrive in Ontario and form meaningful connections to the places in which they work, live and learn.

**Providing Housing for Students, Staff and Faculty:** Ensuring access to housing is critical in attracting high-quality talent to regions throughout Ontario. Providing spaces to live in proximity of places of work and study enable a range of economic and social benefits as newcomers visit local businesses and engage with their communities.

Over the past 10 years, enrolment in Ontario’s post-secondary institutions has increased significantly from roughly 456,000 full-time-equivalents in the 2012-13 year to more than 539,000 in 2021-22. In order to support these students, as well as the staff and faculty who facilitate their education, it is critical that adequate housing is provided. While it cannot address these issues alone, post-secondary housing is one tool among many necessary to provide adequate space for students to live.

Building housing comes with several challenges – especially for post-secondary institutions which are not funded as housing providers and operate within limited space. The regulatory mechanisms in place to manage development are often costly, restrictive and impede the ability of institutions to adequately provide necessary housing arrangements. This results in increased pressure on local housing supplies as student housing demand grows into the wider market.

The government of Ontario has an opportunity to assist by working with post-secondary institutions to reduce regulatory barriers associated with the development of housing on and near post-secondary campuses, with benefits for students, institutions and local communities.

**Ensuring Access to Modern Infrastructure for Ontario’s Talent:** Access to high-quality learning environments and modern facilities for individuals to learn and work is critical in attracting talent and fostering Ontario’s position as a thriving, attractive market for investment.

These assets also provide direct benefits to local economies, as many small businesses and community members can access innovative facilities where they can test ideas and scale operations, providing communities and local industry with necessary resources to grow.

Ensuring post-secondary institutions have the tools to build, maintain, retrofit and modernize their infrastructure will help surrounding communities and regions attract talent, while creating jobs in construction, maintenance and more, fueling local workforce and associated supply chains.

Avenues to secure funding for post-secondary infrastructure, such as through the Facilities Renewal Program and the Ontario Research Fund help ensure talent can learn in modern classrooms that will prepare them for in-demand jobs, while working in facilities where they can make discoveries that push the boundaries of knowledge and ultimately improve quality of life.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Double student nomination allocations to expand opportunities for international students and help address local labour needs.
2. Work with post-secondary institutions to reduce regulatory barriers hindering the construction of new post-secondary housing, on and off campus.
3. Match federal investments in post-secondary infrastructure projects, particularly research infrastructure through the Ontario Research Fund – Research Infrastructure stream, to facilitate research that drives innovation in the Ontario economy.
4. Increase funding allocations to post-secondary institutions for Facilities Renewal Program-eligible projects to maintain and modernize post-secondary infrastructure projects, including retrofits for existing buildings and addressing the backlog of deferred maintenance.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **I. Improving Skilled Trades in the Secondary Schools**

Submitted by: Mississauga Board of Trade

### **Issue**

Many businesses cite lack of workers in the skilled trades to fill positions within their companies today and into the future. There is a general concern that young people are not getting encouragement and opportunity to participate and learn about skilled trades at an early age so they can give serious consideration to a career in the skilled trades while in high school.

### **Background**

The Mississauga Board of Trade (MBOT) authored a report entitled “Review of Skilled Trades in the Secondary School System” which looked at the current state of skilled trades training and curriculum in high schools and made recommendations that can improve and support this going forward.

MBOT met with representatives of all four local school boards and teachers in the Regional Skilled Trades program and found great support and interest in supporting and expanding skilled trades courses in the secondary schools.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Allow for the engagement of outside skilled trade expertise to support the teaching of curriculum segments of classes where this involvement is either warranted or required. The School Boards should be able to compensate these instructors working along with the designated Teacher for the class.
2. Ensure that School Boards have the budget and resources to obtain the proper, up-to-date equipment to teach skilled trades. The Ministry should encourage companies to donate equipment to the schools and be eligible for a tax receipt for the donation.
3. Continually assess co-op placement programs to ensure the rapid pace of technological change and industry requirements is met.

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Sunset Date: April 29, 2026

## **J. Industry, educational institutions, and government working collaboratively in developing and advancing Ontario’s skilled labour workforce with the skills required to meet industry needs.**

Submitted by: Oakville Chamber of Commerce

### **Issue**

Attracting and retaining a skilled workforce is a challenge for employers. The aging demographic, retiring workforce will add continued pressure on the business community. Government needs to work collaboratively with post-secondary institutions and industry to ensure that graduates are equipped with the skills and talent that meets future workforce demands.

### **Background**

One of the biggest hurdles for many Oakville businesses is renewing their workforce. According to the Canadian Chamber of Commerce Canadian Survey on Business Conditions Report, Q3 2022, 39% of respondents identified recruiting skilled employees as an obstacle to business over the next three months, 37% listed a shortage of labour force, and 31% identified retaining skilled employees.

Uncertainty persists around the labour market, and it is putting pressure on organizations and their employees. As such, organizations are increasingly pursuing qualified professionals to fill all types of roles. These organizations look for talent that can deliver immediate and long-lasting contributions. So, they are likely to pursue candidates with extensive industry skills and experience.

For job seekers, now may be an ideal time to enroll in courses and training programs in their respective industries. By earning certifications and building their skill sets, these job seekers are well-equipped to stand out to potential employers. Plus, these job seekers can boost the likelihood of landing the best jobs and maximizing their earnings.<sup>114</sup>

The business community will benefit from a plan to create an environment that is conducive to new investment, talent attraction and opportunity creation. This includes adapting and evolving to a changed business landscape. Consequently, all levels of governments need to work collaboratively with the business community and support the work of economic development to attract the next generation of talent to Oakville.

Attracting and retaining new talent to Ontario is of critical importance. By prioritizing the attraction of new talent to Oakville, we can minimize the potential challenges associated with a skills gap as a large portion of our labour force and knowledge base retires.

The Oakville Chamber and the business community understand the need for collaboration to address job vacancies. Policymakers need to take action to address skills mismatches and future workforce needs. This should include working with employers and post-secondary institutions to narrow the digital skills gap, advance skilled trades and tap into youth and immigrant talent pipelines.

Furthermore, over the next few decades, the Greater Golden Horseshoe is expected to experience incredible growth. Ontario has been, and continues to be, one of the fastest growing jurisdictions in North America. By 2041, the population is projected to grow by 50 percent, to 13.5 million, in the GGH alone. Similarly, the number of jobs in the region is expected to grow from 4.5 million to 6.3 million.<sup>115</sup>

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<sup>114</sup> [Employment Professionals Canada](#)

<sup>115</sup> Brad Graham and Tom McCormack, “Improving the Growth Plan: A commentary,” September 2015 [http://ohba.ca/system/documents/documents/340/original/improving\\_the\\_Growth\\_Plan\\_PDF.pdf?1441817423](http://ohba.ca/system/documents/documents/340/original/improving_the_Growth_Plan_PDF.pdf?1441817423)

Locally, the Region’s population is forecast to grow from nearly 600,000 today to 1,000,000 by 2041. Similarly, Halton’s strong economic growth—particularly in trade-oriented and high skilled service industries—is anticipated to continue: the Region is forecast to grow from about 264,000 jobs today to 470,000 jobs by 2041.<sup>116</sup>

Therefore, the business community, industry, education and government need to work collaboratively to be responsive to employers’ input in developing and advancing Ontario’s labour workforce.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Develop a workforce strategy that is responsive to industry needs in advancing Ontario’s labour workforce.
2. Increase capital and operational funding and expand eligibility to colleges for skills training programs and infrastructure like the Skills Development Fund.
3. Continue advocating for greater control over immigrant nominations in the province and strengthening Ontario’s nominee program.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>116</sup> [Integrated Growth Strategy](#)

## K. Investing in Ontario's International Undergraduate Student Entrepreneurs

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-sponsored by: Chatham-Kent Chamber of Commerce, Hamilton Chamber of Commerce, Leamington Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Thunder Bay Chamber of Commerce

### Issue

Ontario attracts an increasing number of international students each year. The Ministry of Advanced Education has estimated international students will account for 20 per cent of all Ontario post-secondary enrolments by 2022.<sup>117</sup> These students have an incredible impact on the local economy.

With an increasing talent shortage across the province coupled with a significant business succession issue, it is vital that international students are encouraged to remain in Ontario to continue their positive effect on the economy.

The Ontario Government can support international undergraduate student entrepreneurs by creating a nominee program to provide a more expedient pathway to permanent residency. Both Nova Scotia<sup>118</sup> and Saskatchewan<sup>119</sup> have implemented such pathways in recent years.

### Background

International student enrollment in Canada is on the rise. Since 2014 there has been a 73 per cent increase in enrolments bringing the 2018 total to 572,000.<sup>120</sup> The total number of post-secondary international students in Canada as of December 31, 2018 was 435,415, a 17 per cent jump over 2017 (370,975).<sup>121</sup> In 2017, Ontario hosted 48 per cent of the nation's international students.<sup>122</sup>

The positive impact of international students to the economy is remarkable. Approximately 170,000 jobs were created nationally as a result of international student spending in 2017.<sup>123</sup> International students contributed \$21.6 billion to the Canadian economy in 2018 with international student tuition surpassing government grants as a revenue source for many colleges and universities across the province.<sup>124,125</sup>

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<sup>117</sup> [Proportion of UWindsor international students more than doubled since 2006](#) (CBC News · Posted: Jun 17, 2019)

<sup>118</sup> [International Graduate Entrepreneur, Nova Scotia Immigration](#)

<sup>119</sup> [Sask. Government aims to make immigration easier for entrepreneurial international students](#) (Global News – Posted December 3, 2019)

<sup>120</sup> [International education in Canada is booming – but the system is flawed. Here's how to fix it \(The Star – September 28, 2019\)](#)

<sup>121</sup> [Another record year from Canadian international education – Canadian Bureau for International Education](#)

<sup>122</sup> [International Students in Canada](#) (Canadian Bureau for International Education, August 2018)

<sup>123</sup> Semotiuk, A. J. (2018, NOV 16). *International Students Pour into Canada While the U.S. and Others Lag Behind*. (Forbes – November 13, 2019)

<sup>124</sup> [Ibid, International education in Canada is booming.](#)

<sup>125</sup> [The University of Toronto noted that international student fees accounted for 30 percent of revenue, more than provincial grants \(25 percent\). \(University Affairs – May 6, 2019\).](#) At St. Clair College in Windsor-Chatham, the 2019-20 budget shows for the first time that international student tuition is the largest source of revenue, with a projected \$71.8 million. By comparison, operating grants are \$41.3 million, and tuition for its budgeted 7,600 domestic students is about \$24.3 million. This fall, the college, which has seen its population of international students grow from 500 in 2014 to 4,200 in 2018, increased tuition for new international students by 15 per cent.

Some of these students come from entrepreneurial families who wish to expand their family business into Canada. Others may have the desire to purchase established businesses which would address the nation's growing business succession issue.<sup>126</sup>

Currently, international students must find an eligible work position before applying for permanent residence status.<sup>127</sup> This puts their entrepreneurial ambitions on hold. If they could commence their business plans after graduation, they would become not an employee, but an employer, boosting the local economy even further.

The Nova Scotia International Graduate Entrepreneur program is a model program that can be adopted and implemented by the Ontario government to encourage settlement, investment, and entrepreneurship for International Students. The immigration stream requires an applicant to own at least one-third of a business with active ownership and management for a period of one year prior to application. The applicant must also have completed a degree or diploma from a Nova Scotia post-secondary institution and have a post-graduation work permit.<sup>128</sup> This program can facilitate the transition of international students into active workforce participants with a vested interest in their local economy.

Needing to find employment often means these students move to larger city centers. When eligible, the majority will choose to start their new business in the city of their employment – not the city where they completed their studies leading to a huge economic loss for the smaller cities of Ontario.

Ontario does not currently have an Ontario Immigrant Nominee Program (OINP) in place, but most international students will not meet the requirements of this program.<sup>129</sup>

## Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Emulate Nova Scotia's International Graduate Entrepreneur program that allows international students who start or operate their own company in Ontario and meet the eligibility requirements to apply for Permanent Residency

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<sup>126</sup> 2006 data shows that 60 per cent of the Canadian population works for a small business, with approximately 45 per cent of Canada's economy coming from small-medium size businesses (Bruce, D., & Picard, D., 2006. Making succession a success: Perspectives from Canadian small and medium-sized enterprises. *Journal of Small Business Management*, 44(2), 306-309.). Only 20 per cent of these businesses have a succession plan in place (Motwani, J., Levenburg, N. M., Schwarz, T. V., & Blankson, C. (2006). Succession Planning in SMEs. *International Small Business Journal: Researching Entrepreneurship*, 24(5), 471–495.). Matching eligible international student entrepreneurs with successful businesses seeking a successor could help address this growing issue.

<sup>127</sup> [OINP Employer Job Offer: International Student Stream.](#) and [Ontario Immigration Nominee Program: Masters Stream.](#) The OINP program allows for nominations for Masters level graduates who meet certain conditions. There is no such program for undergraduate international students. Undergraduate students must obtain viable employment and have sufficient work experience to meet residency requirements before applying for permanent residence.

<sup>128</sup> [– International Graduate Entrepreneur \(novascotiainmigration.com\)](#)

<sup>129</sup> [Ontario Immigrant Nominee Program \(OINP\).](#)

## **L. More systems needed in place to encourage women to pursue a career in skilled trades**

Submitted by: Cambridge Chamber of Commerce. Co-sponsored by: Guelph Chamber of Commerce & Greater Kitchener Waterloo Chamber of Commerce

### **Issue**

A severe and chronic shortage of skilled trade workers continues to dog the Ontario landscape, despite more than 30 years of ongoing discussion among business, education, and government leaders on how to solve the problem.

While a strong focus remains on streamlining immigration policies to introduce some of the world's mostly highly skilled individuals into our labour force more seamlessly, the fact that an existing pool of potential talent already exists among Canada's female population remains virtually untapped unless the necessary encouragement and programming are provided.

### **Background**

Ontario, and Canada in general, are dealing with a severe shortage of skilled trade workers. In fact, a report released in January of 2022 by Employment and Social Development Canada projects that 700,000 skilled trades workers are expected to retire by 2028<sup>130</sup>.

Left hidden among these staggering number is the fact only 5% of all tradespeople in Canada are women, according to Statistics Canada, noting this includes 84% of workers in hairstyling and aesthetics are women<sup>131</sup>.

As outlined in a CBC report in June 2019, Statistics Canada Labour Force Survey indicated as of 2018 approximately 34,800 women were working in industrial, electrical and construction trades nationwide. This represents an increase of 200 women, just under 3.9%, compared to a decade earlier. However, during this same 10-year span there were 38,600 fewer people of the overall 934,000 that were working in trades in 2008<sup>132</sup>.

Furthermore, it's been noted in the first quarter of 2019 that there were 60,170 job vacancies in Red Seal trades, an increase of 14 % from a year earlier, according to Statistics Canada's job vacancy and wage survey<sup>133</sup>.

As for those currently rising through the training ranks, according to the Canada Labour Force Survey, only 1 in 10 apprentices in Canada are women and that most populate female-dominated programs including early childhood education (which isn't considered a skilled trade in all provinces)<sup>134</sup>.

A 2019 report from the Organization for Economic Co-operation and Development (OECD) praised Canada's economic immigration system and recommended streamlining and standardizing the ranking system for skilled workers entering this country and abolishing the Federal Skilled Trades Program. However, it has been noted that while immigration accounted for 80% of our population growth, there are projections indicating there are now only two workers ready to replace every skilled trade retiree in Canada by 2035 compared to seven that

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<sup>130</sup> Canadian skilled trades shortage has a simple solution - women? – Oct. 25, 2022, (The Hamilton Spectator)<https://bit.ly/3icbQcr>

<sup>131</sup> Women are the Solution to Canada's Skilled Trades Shortage? – (Niagara & Halton Skilled Trades Academy)<https://bit.ly/3GBMUEF>

<sup>132</sup> Here's where Canadians are finding well-paying jobs in the trades' – July 12, 2019 (CBC) <https://bit.ly/2YRXjUB>

<sup>133</sup> 'Canada must adapt quickly to attract skilled workers, immigration minister says' – Aug. 13/2019 (CBC) <https://bit.ly/2MeJs8b>

<sup>134</sup> Here's where Canadians are finding well-paying jobs in the trades' – July 12, 2019 (CBC). <https://bit.ly/2YRXjUB>

were available in 1971<sup>135</sup>. This is another indication that filling the skilled trades gap must be accomplished using as many avenues as possible – noting the benefits of enhanced productivity and increased creativity a diversified workforce brings – so creating more awareness to encourage more young women about the benefits of pursuing a career in these fields is important.

In 2019, the annual BDO Canada Affordability Index, which measures how affordable life is in Canada, indicated that nearly 60% of women are living paycheck to paycheck. #6 More recently, BDO's 2022 index found more 78% of Canadians said their personal finances have worsened due to inflation, while just over half (54%) indicated they're living paycheck to paycheck – an increase of three percentage points over 2021<sup>136</sup>.

Education is key to raising awareness. In effort to promote skilled trades to all secondary school students, in 2019 the Ontario government has announced it was investing approximately \$75 million in three programs: \$12.7 million for the Ontario Youth Apprenticeship Program; \$20.8 million in a pre-apprenticeship program; and \$52 million for the Specialist High Skills major program that has the potential to reach 54,000 students in 700 Ontario high schools through more than 2,100 programs<sup>137</sup> <sup>138</sup>.

As well, in March of 2022, the Ontario government announced a \$28 million investment to expand its pre-apprenticeship training to provide young people with the training they need for careers in skilled trades<sup>139</sup>.

Also, continued co-op programs in many secondary schools and having students from grades 7 to 12 participate in province-wide skills competitions organized by Skills Ontario and Skills Canada provide opportunities for them to experience the world of skilled trades over a period of a few days. As well, additional supports are provided by more localized initiatives such as Your Pathways, Your Choice, operated by the Career Education Council, which interactively assist Grade 8 students in Guelph by showcasing potential career paths, and the BEP (Business and Education Partnership) Waterloo Region, which introduces secondary students to various careers through an assortment of programs.

In terms of ongoing education for younger students, in our area, the Waterloo Region District School Board does provide tech rooms in some of its grades 7 and 8 schools centred on woodworking, while its counterpart, the Waterloo Catholic District School Board, provides STEM (science, technology, engineering and mathematics) kits to assist students who show an interest in those areas. Additional skilled trades learning opportunities are provided by neighbouring boards, including the Upper Grand District School Board and Wellington Catholic District School Board.

In hopes of attracting more female students, one-day initiatives such as the annual Build a Dream at Bingemans in Kitchener, helps promote skilled trades to grades 7 to 12 girls and attracts at least 1,200 students. Also, Conestoga College's 'Jill of All Trades' event is held annually and gives approximately 200 grades 9 to 12 students from eight school boards the chance to get 'hands-on' experience under the guidance of female mentors in one day. Conestoga College, which has consolidated its various trade schools after transforming the former 250,000-square-foot Erwin Hymer plant in Cambridge into its Skilled Trades Campus, also provides

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<sup>135</sup> 'Majority of women in Canada are living paycheck to paycheck' – Sept. 30/2019 LowestRates.ca. <https://bit.ly/2RYhrEa>

<sup>136</sup> 'BDO Affordability Index 2022' – Sept. 29, 2022 (BDO). <https://bit.ly/3CpyZ1X>

<sup>137</sup> 'Ontario increasing investments in skilled trades' – Nov. 8/2019 – (Ontario Newsroom) <https://bit.ly/3GhuNT7>

<sup>138</sup> 'Ontario helping more young people start careers in the skilled trades' – March 16/2022 (Ontario Newsroom). <https://bit.ly/3IGnO9l>

<sup>139</sup> 'Ontario helping more young people start careers in the skilled trades' – March 16/2022 (Ontario Newsroom). <https://bit.ly/3IGnO9l>

'Explore Your Future' days to give Grade 8 students the chance to tour and participate in hands-on activities in specific trades.

## **Recommendations**

The Ontario Chamber of Commerce urges the Ontario Government to:

1. Continue to market a career in skilled trades as a viable employment option, and ensure intentional outreach is extended to girls and women.
2. Allow students graduating from high school with an interest in any skilled trade to apply to the college of their choice, regardless if they have found employment in the industry.
3. Consider working with industry and post-secondary institutions to offer more opportunities at colleges with skilled trades programs to host similar events modelled after Conestoga College's 'Jill of All Trades', in hopes of ensuring more high school students have the opportunity to experience skilled trades training.

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Sunset Date: April 29, 2026

## M. The Workforce Ontario Needs

Submitted by: Greater Kingston Chamber of Commerce. Co-sponsored by: The Greater Peterborough Chamber of Commerce, Kawarthas Chamber of Commerce, Quinte West Chamber of Commerce & Belleville Chamber of Commerce

### Issue

Our work and its environment have changed rapidly. From technological innovations, demographic shifts and working from home, we adapted. The skills development environment remains under pressure. We must continue to help people facing labour market disruptions and cycles of unemployment or underemployment, and to help businesses and organizations access talent with the skills needed to succeed.

### Background

The previous 36 months sent shocks through labour market. What this did was amplify existing trends and transformations affecting the future of work in Ontario. Job polarization is one of several trends — including automation, offshoring and the growing importance of the gig-economy — that were already of general interest prior to March 2020. As Chamber leaders, we must consider how to assist in continuing to build back the economy.

On the positive front, we Ontarians are facing new opportunities and challenges that require new skills. Many sectors are already facing talent gaps, with 64% of Canadian entrepreneurs reporting that labour shortages are limiting their growth.<sup>140</sup> Yet, workers in other sectors are facing high levels of unemployment and many individuals are keen to transition to new roles, with 43% of working Canadians reporting that they will likely look for a new job in the coming year.<sup>141</sup>

It's clear that employers are struggling to find the right talent at the same time that people are struggling to find the right opportunities. These conflicting trends are indicative of a broader skills mismatch in Ontario.<sup>142</sup> The size of this mismatch can have an enormous economic impact – the Conference Board of Canada estimates that the unrealized value of skills vacancies in the Canadian economy hit \$25 billion in 2020.<sup>143</sup>

Ontario needs a robust and responsive skills development ecosystem that helps people enter meaningful jobs, advance in their chosen careers, and transition to new occupations when needed.

As it stands, Ontario's skills development ecosystem is not ready. In general, Canada is a leader in providing high-quality K-12 and post-secondary education but has been a laggard in workplace training and lifelong learning.<sup>144</sup>

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<sup>140</sup> Business Development Bank of Canada, 2021, "Labour Shortage is limiting the growth of most Canadian businesses: BDC study," <https://www.bdc.ca/en/about/mediaroom/news-releases/labour-shortage-study>.

<sup>141</sup> Newswire, 2021, "Study reveals that Almost Half of Canadian Employees are Considering Switching Jobs in 2022," <https://www.newswire.ca/news-releases/study-reveals-that-almost-half-of-canadian-employees-are-considering-switching-jobs-in-2022-849994150.html>.

<sup>142</sup> Sullivan, K., 2017, "Talent in Transition: Addressing the Skills Mismatch in Ontario," <https://occ.ca/wp-content/uploads/Talent-in-Transition.pdf>.

<sup>143</sup> Gabler, N., Gormley, B., 2022, "Lost Opportunities: Measuring the Unrealized Value of Skill Vacancies in Canada," <https://www.conferenceboard.ca/product/lost-opportunities-measuring-the-unrealized-value-of-skill-vacancies-in-canada/>.

<sup>144</sup> Munro, D., 2019, "Skills, Training and Lifelong Learning," <https://ppforum.ca/wp-content/uploads/2019/03/SkillsTrainingAndLifelongLearning-PPF-MARCH2019-EN.pdf>.

New challenges require a system that is much better able to support Ontarians by providing ongoing, flexible education and training that helps them navigate the changing labour market.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Expand employment opportunities for international students through the OINP by broadening the scope of study permits and introducing fast-tracked visa streams for specialized academic programs targeting fields facing labour shortages.
2. Work with post-secondary institutions to provide technology skills training to adapt an aging workforce to the changing labour market and encourage life-long learning.
3. Enable the seamless transfer of foreign professional credentials held by immigrants to enable their participation in the Canadian labour force.
4. Provide post-secondary institutions with incentive to enhance recruitment towards the skilled trades and high demand programs that are currently experiencing labour shortages.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **N. Improve Early Childhood Educational Outcomes Through Expanded Education Opportunities, Targeted Programming, and Innovation in the Classroom**

Submitted by: Sault Ste. Marie Chamber of Commerce

### **Issue**

Ontario's long-term economic success relies on the quality of its workforce.

There is a strong connection between early childhood development, educational outcomes and future success. Ontario's unreasonably high child developmental vulnerability rate will have a negative impact on our future labour supply, including skilled workforce shortages and ultimately a loss of economic potential. This is especially true for areas of Ontario that are faced with low growth rates, low immigration rates, and an aging workforce. It is imperative for the future of our province that every child is given the best opportunity to succeed.

### **Background**

Education is a pathway to a successful and sustainable labour market career. Over the next few years 70% of new and replacement jobs will demand post-secondary credentials, compared to 6% that will be available to individuals with less than high school education<sup>145</sup>.

Research shows that children's development at age 5 is a strong predictor of adult health, education and social outcomes. Many later problems like school failure, anti-social behaviour, obesity, high blood pressure, depression, type-2 diabetes, can be traced back to early childhood<sup>146</sup>.

The Early Development Instrument (EDI) is a tool that gathers information about children's development in their early years (birth to age 5). The most recent provincial EDI collection (2017/18) shows that the developmental vulnerability rate amongst young children in Ontario is near 30 percent, as measured by one or more of the five developmental scales. This does not include children who have an identified special need. Research states that such levels of vulnerability at school entry are at least five times higher than the rates of biological vulnerability that are detectable in the postnatal period<sup>147</sup>. Especially concerning is the fact that the Ontario vulnerability rate is worsening rather than improving, having risen 2 percentage-points in the past ten years.

Drivers of vulnerability include socioeconomic adversity, physical issues like low birthweight, the lack of knowledge of an official language, increases in screen time and sedentary behaviour, limited opportunities to take on developmentally appropriate responsibility or self-care, inadequate sleep, inadequate nutrition, etc<sup>148</sup>.

Children who are deemed vulnerable or at risk of being vulnerable on the EDI are less likely to achieve the provincial standards in the Grade 3 EQAO reading, writing and mathematics assessment than those with 118

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<sup>145</sup> Lightman, E., Herd, D., Um, S. G., & Mitchell, A. (2009). Post-secondary education and social assistance in Ontario. *Canadian Social Work Review/Revue canadienne de service social*, 97-113.

<sup>146</sup> Offord Centre for Child Studies. (2019). Retrieved from: <https://edi.offordcentre.com/about/what-is-the-edi/>.

<sup>147</sup> Kendall P.R.W. (2003) A Review of Infant Mortality in British Columbia: Opportunities for Prevention. Victoria, BC: Government of British Columbia, Office of the Provincial Health Officer in Kershaw, P., Warburton, B., Anderson, L., Hertzman, C., Irwin, L., & Forer, B. (2010). The Economic Costs of Early Vulnerability in Canada. *Canadian Journal of Public Health*. 2010;101(Suppl. 3): S8-S12.

<sup>148</sup> Buote, D. (2015). Increasing Vulnerability in the Early Years: A Closer Look at Five North Shore Neighbourhoods. Retrieved from: <http://nscr.bc.ca/pdf/Increasing%20Early%20Years%20Vulnerability.pdf>.

higher EDI scores<sup>149</sup>. Their education trajectories are likely to be lower and these children will face more challenges as they grow. Many will remain behind their peers throughout life, be disruptive in school, fail to graduate and unable to fully contribute and participate in society<sup>150</sup> and may rely on the social system (such as Ontario Works) for financial support.

Overall, grade 3 EQAO data shows a decline in writing skills over the previous three years (from 73% in 2015/16 to 69% in 2018/19). Assessments in math were similar to writing. In grade 3, 58% met the provincial math standard, a four percentage-point decrease from the average of the previous three years. If these trends continue unchecked, we should expect the number of students not meeting provincial standards in grade 6 to rise. We should also expect the number of children who are unprepared for high-school or post-secondary to rise over time.

There is a significant economic cost to vulnerability. A high vulnerability rate will dramatically deplete our future stock of human capital and will have a negative influence on the quality of our future labour market<sup>151</sup>. Canadian economic analyses reveal that this depletion will cause Canada to forgo 20% in GDP growth over the next 60 years. The economic value of this loss is equivalent to investing \$2.2 trillion to \$3.4 trillion today at a rate of 3.5% interest, even after paying for the social investment required to reduce vulnerability<sup>152</sup>.

Although governments face fiscal constraints, policymakers should prioritize initiatives with high economic and social returns, such as early childhood education<sup>153</sup>. There is a 7:1 return on investment for early childhood programming compared to a 1:1 payback for adult education<sup>154</sup>.

There is evidence that the duration of early childhood education is an important factor in boosting math scores, which in turn leads to higher future wages<sup>155</sup>. With this in mind, the province should focus on expanding licensed early childhood education services in an affordable way which helps everyone equally regardless of their socio-economic situation.

For vulnerable children already in the school system, more targeted programming and an increase in teacher/student interaction time can help close the gap between them and their peers. Research shows that appropriate supports and interventions during the primary school years will allow many children who were not on track in kindergarten to address early challenges and proceed on a positive academic trajectory<sup>156</sup>. For children who are significantly behind their peers, a combination of grade retention and targeted programming

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<sup>149</sup> Calman, R. C., & Crawford, P.J. (2013). Starting Early: Teaching, Learning and Assessment (pp. 1–37). Education Quality and Accountability Office.

<sup>150</sup> Calman, R. C., & Crawford, P.J. (2013). Starting Early: Teaching, Learning and Assessment (pp. 1–37). Education Quality and Accountability Office.

<sup>151</sup> Kendall P.R.W. (2003) A Review of Infant Mortality in British Columbia: Opportunities for Prevention. Victoria, BC: Government of British Columbia, Office of the Provincial Health Officer in Kershaw, P., Warburton, B., Anderson, L., Hertzman, C., Irwin, L., & Forer, B. (2010). The Economic Costs of Early Vulnerability in Canada. Canadian Journal of Public Health. 2010;101(Suppl. 3): S8-S12.

<sup>152</sup> Kendall P.R.W. (2003) A Review of Infant Mortality in British Columbia: Opportunities for Prevention. Victoria, BC: Government of British Columbia, Office of the Provincial Health Officer in Kershaw, P., Warburton, B., Anderson, L., Hertzman, C., Irwin, L., & Forer, B. (2010). The Economic Costs of Early Vulnerability in Canada. Canadian Journal of Public Health. 2010;101(Suppl. 3): S8-S12.

<sup>153</sup> Alexander, C., Beckman, K., Macdonald, A., Renner, C., & Stewart, M. Ready for Life: A Socio-Economic Analysis of Early Childhood Education and Care. Ottawa: The Conference Board of Canada, 2017.

<sup>154</sup> Pascal C.E. (2009). With Our Best Future in Mind: Implementing Early Learning in Ontario. Toronto, ON: Queen's Printer for Ontario.

<sup>155</sup> Alexander, C., Beckman, K., Macdonald, A., Renner, C., & Stewart, M. Ready for Life: A Socio-Economic Analysis of Early Childhood Education and Care. Ottawa: The Conference Board of Canada, 2017.

<sup>156</sup> Calman, R. C., & Crawford, P.J. (2013). Starting Early: Teaching, Learning and Assessment (pp. 1–37). Education Quality and Accountability Office.

should be investigated as an option. Researchers/data analysts at the Ministry of Education should conduct a review of the educational outcomes of Ontario children who were retained to determine if grade retention has a positive long-lasting effect on struggling students.

Furthermore, many teachers indicate that only 49% of their time is spent in direct interaction with students, with “time” being the most important barrier to providing personalized learning<sup>157</sup>. An innovative approach is to use automation technology to reduce time spent on preparation, administration, evaluation, and feedback, saving approximately 13 hours per week<sup>158</sup>. Teachers could redirect that time toward activities that lead to higher student outcomes such as instruction, engagement, and coaching. Further investments in permanent teaching assistants may also help decrease the burden of preparation and administration work that teachers commonly face.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Expand affordable early childhood education (i.e., licensed childcare) to include 3-year-olds identified as developmentally vulnerable to reduce the number of these children in Ontario.
2. Place a focus on catching up vulnerable (and at-risk of being vulnerable) children to their peers through targeted programming and early interventions.
3. Identify communities/regions that have consistently higher child vulnerability rates than the Ontario average and increase their funding for targeted programming.
4. Investigate the effectiveness of grade retention combined with targeted programming for children significantly behind their peers.
5. Utilize automation technology in the classroom to reduce teacher preparation and administration time so they can spend more time directly interacting with students.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>157</sup> Bryant, J., Heitz, C., Sanghvi, S. & Wagle, D. (2020). How artificial intelligence will impact K-12 teachers. New York: McKinsey & Company. Retrieved from: <https://www.mckinsey.com/industries/social-sector/our-insights/how-artificial-intelligence-will-impact-k-12-teachers>.

<sup>158</sup> Bryant, J., Heitz, C., Sanghvi, S. & Wagle, D. (2020). How artificial intelligence will impact K-12 teachers. New York: McKinsey & Company. Retrieved from: <https://www.mckinsey.com/industries/social-sector/our-insights/how-artificial-intelligence-will-impact-k-12-teachers>.

## **O. Invest in Workforce Planning Boards**

Submitted by: Peterborough and the Kawartha Chamber of Commerce. Co-sponsored by: Brockville and District Chamber of Commerce, Port Hope and District Chamber of Commerce, Belleville Chamber of Commerce

### **Issue**

Workforce challenges are one of the biggest barriers to economic growth in Ontario. It is essential that businesses, non-profits and charities have access to as many workforce resources and tools as possible. After years of funding cuts and precarious one-year funding agreements, now is the time to re-invest in all 26 Workforce Planning Boards across the Province of Ontario with increased funding and three-year contracts.

### **Background**

Rebuilding our local economy will take years and a series of calculated investments from the private sector. The single biggest hurdle for many is rebuilding their workforce, especially in the skilled trades, health care and service sectors like tourism, retail, food service, and hospitality.

According to the Canadian Chamber of Commerce Canadian Survey on Business Conditions Report, Q3 2022, 39% of respondents identified Recruiting skilled employees as an obstacle to business over the next three months, 37% listed a shortage of labour force, and 31% identified retaining skilled employees.

Access to thorough, accurate and no-cost labour information and expertise will play a critical role in how the business community adapts, plans for the future of work, and influences our economic growth.

Our local Workforce Planning Boards are an indispensable and vital partner in rebuilding our workforce. They bring decades of direct experience in identifying and addressing labour market and workforce development trends, opportunities and priorities within their catchment areas. Local businesses regularly use Workforce Planning Board resources and data tools like the free local online job boards, Census tools and Labour Market Information Help Desks. The annual Local Labour Market Planning Report provides crucial summaries of key data and qualitative feedback gathered through local consultation and collaboration with industry, businesses, training and employment service providers.

In order to provide local labour market information, service coordination and public education, Workforce Planning Boards need more sustainable funding. Operating on one-year contracts on budgets that have decreased over the years has made it difficult to recruit and retain talent to provide these services.

We are aware that part of the request is to receive an increase in operational funding in order for Workforce Planning Board's to continue to recruit and retain talent to provide these services and a shift from one-year agreements to three-year agreements to ensure that activities and local initiatives are adequately resourced and stable. The current labour market and economy requires certainty and a steadfastness and strength of leadership. Operationalizing plans for the future of work is very difficult to achieve within a one-year time frame. Three-year contracts will enable the Chamber of Commerce to work effectively with our local Workforce Planning Board's to complete a number of activities identified in their Local Labour Market Planning Report that includes an Action Plan with a three-year outlook.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Increase the funding for each Workforce Planning Board to cover the cost of LMI Help Desk Services, the Local Jobs Hub, and website maintenance and updates.
2. Increase the length of funding agreements with Workforce Planning Boards to three years.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **P. Opening the Job Market for Employers and Employees**

Submitted by: Cambridge Chamber of Commerce. Co-sponsored by: Greater Kitchener Waterloo Chamber of Commerce

### **Issue**

Finding a solution to Ontario's job shortages will require a multi-pronged approach consisting of unique ideas that take into consideration the diversity of labour needs among various sectors.

While a strong focus on streamlining immigration policies continues to build Canada's labour force, effort must also be made to reduce barriers for newcomers to find work, especially when it comes to accessing language training. As well, a potential workforce may already exist among many of those currently accessing the Ontario Disability Support Program (ODSP) providing they continue to have the support they require to successfully function full-time in the workplace. Also, consideration is needed to provide more cost recovery opportunities to employers regarding provincially regulated training, such as employee time spent completing WHMIS training.

### **Background**

Terms like 'The Great Resignation', 'quiet quitting', 'ghosting' and 'grey wave', have become commonplace to describe trends creating upheaval for employers in their quest to attract and retain workers.

While the pandemic is often identified as the catalyst behind Canada's continued labour shortage, many experts believe our labour force growth rate has been trending downward since 2000 and has been exacerbated by the arrival of COVID-19. In fact, according to Statistics Canada, in 2021 one in five Canadian workers were between the age of 55 to 64 – representing an all-time high of baby boomers (those born between 1946 and 1964). This translates into 1.4 million Canadians between 2016 to 2021 who are 55 or older and looking towards retirement.<sup>159</sup>

Adding to this dilemma of a shrinking workforce, according to StatsCan, recruiting skilled workers was expected to be an obstacle for the first quarter of 2022 for 39.9% (approximately two-fifths) of all businesses.<sup>160</sup>

The effects may be reflected in the results of an annual labour survey conducted in 2022 by the Canadian Manufacturers and Exporters' (CME) of 563 manufacturers in 17 industries nationwide which outlined the impact labour shortages were having by indicating a nearly \$13 billion loss in Canada's economy over the course of a year.<sup>161</sup>

While a job surge at the end of 2022 which saw the unemployment rate drop to 5% in December compared to 5.1% the prior month was welcomed news, StatsCan says a hike in illness-rated absences resulted in limited worker output.<sup>162</sup> As well, while StatsCan says Canada's employment rate increased to 61.8% in December, compared to 61.5% the month before, the projected trend shows a drop to 60.9% in 2024 – with the potential to rebound and hit 62.2% in 2025.<sup>163</sup>

The effect these fluctuations will have as employers continue to seek employees to fill the nearly one million job vacancies in Canada has yet to be determined, considering the results of a recent poll conducted by the

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<sup>159</sup> <https://bit.ly/3kru36A>-Canada's aging workforce root of national labour shortage - CTV

<sup>160</sup> <https://bit.ly/3wmUhKf>-Labour shortage trends - Statistics Canada

<sup>161</sup> <https://bit.ly/3XxT0vY>-Canada's economy lost nearly \$13B due to labour shortage: report – Global News

<sup>162</sup> <https://bit.ly/3wsN0bU>-Strong December job growth muted by more sick workers – Global News

<sup>163</sup> <https://bit.ly/3HsQnWq>-Trading Economics website

recruitment firm Robert Half indicating half of Canadian workers are planning to seek new jobs in 2023 – nearly double the amount from a year ago. That poll, conducted this past fall from among 1,100 workers from multiple sectors, showed that 50% of respondents would be seeking new employment in the next six months (up from 31% six months ago). The top reasons for this shift not only include higher salaries, better benefits, and perks, but greater flexibility to decide when and where they work.<sup>164</sup>

As current and potential employees weigh their options and re-evaluate their priorities and goals when it pertains to employment, Canada continues its concentrated effort to reach its immigration target of 1.4 million in three years – 465,000 newcomers in 2023, 485,000 in 2024 and 500,000 in 2025 – to fill these widening labour gaps.

In an effort to achieve these goals, the federal government announced new ‘selection tools’ this past fall aimed at ensuring skilled immigrants find work in their areas of expertise, noting via an Angus Reid Institute poll that at least one third of 500 newcomers surveyed downgraded their jobs to achieve an easier entry to Canada.<sup>165</sup> Canada’s immigration efforts have already seen a record-number 406,000 newcomers welcomed as permanent residents in 2021, with more than 191,000 work and study permit holders transitioned from temporary to permanent resident status.<sup>166</sup>

While an influx of immigrants is welcomed news in hopes of easing labour shortages, the need to ensure resources are available to serve this growing population is imperative. Besides an adequate supply of housing, language training is just as important to provide them with a basic tool they need to enter the workforce even faster.

Currently, the federally-funded LINC (Language Instruction for Newcomers) program is available through many post-secondary institutions, but all avenues at the provincial level - such as Ontario’s Adult Non-Credit Language Training Program, which received a \$60 million boost from the province in 2020 – must also be explored to ensure there are enough spaces available for these potential learners at the community level, such as with organizations like the Waterloo Region Immigration Partnership.<sup>167</sup>

In addition, while immigration is key when it comes to the rejuvenation of our labour force, an effort also needs to be made to explore other avenues when it comes to cultivating a potential workforce that may already exist, namely among some of the thousands who currently access the Ontario Disability Support Program (ODSP).

The province announced it was increasing the monthly earnings exemption this past fall for those on ODSP from \$200 to \$1,000 per month, allowing individuals on the program to keep 25 cents on the dollar, in hopes of allowing the 25,000 people currently in the workforce to keep more of their earnings and potentially encouraging an additional 25,000 more to enter the labour market.<sup>168</sup> Recent StatsCan figures indicate there were 372,000 job vacancies in Ontario during the third quarter of 2022 and that 60% of these required a high school education only, providing much opportunity for employment, but on average paid less than \$20 an hour.<sup>169</sup>

While these job vacancies could be a positive step in assisting those ODSP recipients who have the capability to work, the province needs to provide assistance towards covering the costs of their needed supports (i.e. prescribed medications) especially if their employers do not, which could allow more to enter the labour market

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<sup>164</sup> <https://bit.ly/3HtCGGT>- Half of Canadian workers will job hunt in 2023: poll - CBC

<sup>165</sup> <https://bit.ly/3R692KZ>-Canada to admit 1.4 million immigrants in three years to address labour shortages – Financial Post

<sup>166</sup> <https://bit.ly/403eHWr>-2022 Annual Report to Parliament on Immigration

<sup>167</sup> <https://bit.ly/3HA0GIz>-Ontario spends \$60M on free language training for all immigrants – Immigration.ca

<sup>168</sup> <https://bit.ly/3WAatm8>-Ontario boosts income cap for ODSP recipients but no new changes for those who can’t work – CTV News

<sup>169</sup> <https://bit.ly/3kVEkbD>-Noticing a labour shortage? Here’s what’s really going on in Ontario’s job market - CBC

and in turn disengage from the program as they begin to contribute income tax, knowing they would not lose this ‘safety net’. With the appropriate support, it could be a major step in boosting the labour pool and reduce the number of people accessing ODSP.

According to the Province, there were more than 595,000 (families and single adults) in Ontario’s social assistance programs during 2020-21. Among these, 64% (approximately 378,145) were ODSP recipients, while as of November of 2022, there were just under 369,000 ODSP caseloads.<sup>170</sup>

Also, many employers continue to face a ‘revolving door’ of new hires, each of whom requires provincially mandated WHMIS training. Providing this training to secondary school students could be a benefit to employers, considering many go directly into the workforce. The 2021 census results indicate at least 40% of workers aged of 25 to 64 are not post-secondary graduates.<sup>171</sup> However, until any such change as this could occur employers have been left covering the costs of this training, which can take several hours to complete via a process that must be repeated with each new hire, taking them away from their work duties.

To assist employers cost recovery opportunities surrounding provincially regulated training programs, like WHMIS, should be considered to ease some of this burden.

## **Recommendations**

The Ontario Chamber of Commerce urges the Ontario Government to:

1. Develop all potential partnerships within local municipalities and community organizations to ensure that language training is made available for new immigrants.
2. Allow those on ODSP (Ontario Disability Support Program) who can work full time to do so without risking loss of their provincially funded benefits (i.e., prescribed medications) if their employer does not provide those services.
3. Investigate a form of remuneration (i.e., tax credit) for employers when it comes to providing provincially regulated training, such as WHMIS, and their associated costs.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>170</sup> <https://bit.ly/3kKElyZ>-Province of Ontario website

<sup>171</sup> <https://tgam.ca/3Rn1qnn>-Census shows high rate of undergraduate and college education among Canadians, but complex trends lie behind it – Globe & Mail

## **Q. Strengthening Long Term Economic Prosperity Through Post Secondary Education & International Study Permits and Work Permits After Graduation**

Submitted by: Sault Ste. Marie Chamber of Commerce

### **Issue**

For the better part of four decades, Ontario has been a kind of post-secondary-education superpower. Our universities and colleges are among the best in the world, and the world has taken notice. Growth in foreign students have not only been the key to financial stability of the education sector they have diversified our communities, local economies, created entrepreneurial ecosystems, contributed to GDP and tax revenue at every level of government while bring a vibrancy to Canada's reputation as one of the most diversified and welcoming country's in the world. Limiting access of foreign students to post-secondary education and after graduation work permits, temporary or long term, will have significant impact on the viability of trusted post-secondary institutions, local economies, tax revenue and (Ontario's) Canada's brand as a destination for education.

### **Background**

Canada is often stereotyped as a land of hockey lovers and Tim Hortons coffee swirlers. And while those statements may be true, as a country, we're so much more than that.

What do an online marketplace that directly connects small business to B2B and B2C both domestically and globally, what is everyone's favourite go-to lunch spot at the mall food court, and who is the Dragon turned activist combating racism in business, all have in common?

Tobias Lütke, CEO, Shopify

Wes Hall, founder Kingsdale Advisors and the BlackNorth Initiative

Karim Hakimi, Founder, Hakim Optical

V. Prem Watsa Chairman and CEO, Fairfax Financial Holdings

Shahrazad Rafati CEO, BroadbandTV (BBTV)

Dimitrios "Jimmy" Antonopoulos Owner, Jimmy the Greek

Robert Herjavec, CEO, Herjavec Group (Dragon)

Maninder Dhaliwal, CEO, Lions Gate International

They are enterprises and initiatives of former international students and immigrants who have in some way, shape or form relied on post-secondary educators for their own personal growth, access to markets, labour and inspiration.

International students are extremely important to Canada's economy. The 640,000-strong international student community in Canada also creates a diverse environment on campuses across the country. They contribute a whopping \$22 billion to the Canadian economy every year; greater than exports of auto parts, lumber or aircraft, and they support 2,000,000 jobs.

International students have created jobs, built billion-dollar companies, and invented processes that have changed the way we live. Key Insights at a glance:

- Over 25% of the 583 US companies valued at a billion dollars or more in 2022 were founded by international students.

- International students will contribute £3.2 billion to the UK economy over 10 years through income tax and National Insurance payments alone.
- Immigrants are 40% more likely than Canadian-born individuals to own businesses in knowledge- or technology-based industries.
- In 2020, International students represented 24% of students in Canada’s post-secondary education system, up from 12% in 2016.
- Canadian businesses led by immigrants are much more likely to export and derive a greater share of revenue from exporting. They rely less on the US as a market and export to more diverse markets, resulting in the growth and diversification of Canadian exports.<sup>5</sup>
- This growth is powered by the number of immigrant-led businesses that export at twice the rate of that of their Canadian-led competitors.<sup>172</sup>

The federal government has set the tone since 2015 and two factors that came into play in the post-2015 period may have influenced the international student trajectory in terms of numbers and characteristics.

First, international student program regulatory changes took effect on June 1, 2014, and, as described in the associated Regulations Amending the Immigration and Refugee Protection Regulations, the aim of these changes was “to strengthen the integrity of Canada’s immigration program by explicitly requiring study permit holders to actively pursue their studies, reducing the number of non-genuine and poor quality educational institutions hosting study permit holders, and facilitating the entry into Canada of those foreign nationals that sincerely wish to obtain a Canadian education” (Government of Canada 2014). One major change that occurred under the amended regulations is that study permits are issued only to successful applicants who are pursuing studies at an educational institution that has been designated by the province or territory to receive international students. Prior to these changes, applicants could apply for a study permit to pursue studies at any educational institution in Canada. Another major change occurred with respect to opportunities for international students to work in Canada during their studies. Under the amended regulations, all international students with a Canadian study permit are automatically authorized to work off-campus for up to 20 hours per week without being required to apply for a separate work permit, which were suspended during the pandemic.

Second, in 2014, the Government of Canada launched the International Education Strategy (2014-2019) with the goal of doubling the number of international students in Canada by 2022 (Government of Canada 2014). The strategy argued that “a robust and forward-looking strategy to attract a significant proportion of these students to Canada will create new jobs and sources of prosperity, address key labour-force challenges and create new opportunities for Canadians in every region of the country” (Government of Canada 2014). The strategy further suggested that international students are an important future source of skilled labour, as they may be eligible for permanent residency through immigration programs after graduation (Government of Canada 2014). Viewed in this way, the choices made (such as those related to sex, age, source country, and level and field of study) by educational institutions when it comes to attracting and accepting international students have a downstream impact on the sociodemographic characteristics and spectrum of human capital associated with the pool of potential candidates for permanent residency and for the Canadian labour market.

The subsequent International Education Strategy (2019-2024) cited a need for diversification in the flow of international students to Canada. This more recent strategy highlighted the need to “diversify the countries from which international students come to Canada, as well as their fields, levels of study, and location of study within Canada” (Government of Canada 2019). The document argued that attracting students from a wider

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<sup>172</sup> The Impact of International Students on Destination Economies in 2023, Apply Board, March 9, 2023 <https://www.applyboard.com/applyinsights-article/the-impact-of-international-students-on-destination-economies-in-2023>

diversity of countries, as well as to a greater variety of regions and programs, would foster sustainable growth in Canada’s international education sector and distribute the benefits more equitably across the country.<sup>173</sup>

Looking forward, trends in the sociodemographic characteristics of international students have the potential to influence the sustainable growth of Canada’s international education. This strategy, however, is about more than Ontario’s economic competitiveness. It’s about connection, and the ties we form as people.

When more students are able to learn in diverse parts of the world, they create bonds with different cultures, communities and ways of thought. The same could be said for international students who study in Ontario. These bonds do more than enhance one’s learning, they lay the groundwork for a better way to work and live — one that is more empathetic, diverse and connected.

Colleges and their private partners, alongside all levels of government, must share in the responsibility for international students’ experiences and well-being. A strategic approach can support institutions as they build safe, welcoming communities and can help protect Ontario’s reputation as a destination for high-quality education and enterprise.<sup>174</sup>

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with the federal government to ensure rural and northern Ontario communities and the post-secondary institutions in those communities, as well as those ion communities delivering the Rural Northern Immigration Pilot, are allocated the current level of permits with no reduction in their allocations.
2. Work with the federal government to review demand for Attestation Letters and cash requirements doubling.
3. Work with the federal government as well as post-secondary institutions to protect and elevate Canada’s brand as an international destination for foreign student education.
4. Support building more capability, capacity, and human resources for the Ontario College Quality Assurance Service (CQAAP) and Ontario Universities Council on Quality Assurance to ensure enforcement and compliance of post-secondary educators in meeting Quality Assurance Audits.
5. Adopt the following recommendations by The Higher Education Quality Council of Ontario:
  - a. Examine recruitment practices and incentive structures used to attract international students. Accurate information and ethical practice can help ensure student success.
  - b. Revisit MCU’s “Public College-Private Partnerships: Minister’s Binding Policy Directive” (2019) to clarify college accountabilities related to enrolment management, program quality, advertising and student support requirements; monitor and enforce these directives.
  - c. Develop a provincial strategy to guide colleges’ internationalization activities. Ensure alignment between labour market gaps and high intake programs and emphasize the variety of credentials needed to meet labour market priorities.
  - d. Work with the Federal Government to review the goals and outcomes of the current program to ensure it is meeting federally identified priority programs, provide a PSE pathway for immigrants

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<sup>173</sup> International Students As A Source Of Labour Supply: The Growing Number Of International Students and Their Changing Sociodemographic Characteristics, by Eden Crossman, Youjin Choi and Feng Hou, Release date: July 28, 2021

<sup>174</sup> Ontario’s International Postsecondary Education Strategy 2018 Educating Global Citizens Mitzie Hunter Minister, Ministry of Advanced Education and Skills Development

- to become highly skilled workers, and is taken up across the full range of credential and programs offered by PSE institutions.
- e. Work with the Federal Government to examine international student work permits (and the 20-hour pilot project in place) to evaluate student experiences, outcomes, completion rates and time-to completion.
  - f. Work with the Federal Government to evaluate the permits required for co-op opportunities to reduce barriers to access.
  - g. Work with Ontario Colleges to review the academic requirements for international students' admission — including language exam scores and assessment of prior learnings — and consider language programs for accepted students who lack adequate skills. Adhering to admission standards can help reduce pressure on students and staff.
  - h. Work with Ontario Colleges to collect and publish international student satisfaction data related to available supports and resources to understand where there are persistent gaps and challenges; coordinate approaches with other colleges for comparability.
  - i. Work with Ontario Colleges to leverage local community contexts for individual campuses (location, programming and populations); work closely with municipal governments to address some of the challenges facing students and institutions, including housing, health and wellbeing, inclusion an local employment.<sup>175</sup>

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>175</sup> The Higher Education Quality Council of Ontario, How Colleges and Government Can Enhance International Student Experiences in Ontario. Colyar, J., Pichette, J., & Deakin, J. (2023). Matching Rapid Growth with Adequate Supports: Toronto: Higher Education Quality Council of Ontario

## **R. Strengthening Ontario’s Workforce and Innovation Ecosystem by Supporting a Financially Sustainable Post-Secondary Sector**

Submitted by: Greater Niagara Chamber of Commerce, South Niagara Chamber of Commerce, & Windsor Essex Chamber of Commerce

### **Issue**

Ontario’s post-secondary institutions are critical partners, as the province works to build a strong economic future by filling labour market demands in key sectors, building the capacity of local industries and developing its innovation ecosystem to hone its competitive advantage in emerging markets. As such, a financially sustainable post-secondary education sector is vital to achieving these goals and creating a better future for Ontario.

### **Background**

Ontario has made strides in recent years to build its competitive advantage as a strong player in the global marketplace. Our ability to capitalize on recent successes and improve the province’s economic outlook in the years to come will depend on the actions taken today to cultivate the highly skilled workforce and innovation ecosystem that will propel Ontario forward. As key drivers of growth, performance, prosperity, and competitiveness, Ontario’s colleges and universities will play a vital role in fortifying our province.

However, growing financial pressures on the post-secondary sector, including rising costs to support students, the cut and freeze to tuition, declining real per student operating grants and the impact of the repeal of Bill 124, are jeopardizing Ontario’s competitive advantage and are impacting the student experience, research output, and economic development. In fact, as of 2023-24, at least 10 of Ontario’s universities are projecting operating budget deficits with a cumulative total of more than \$175 million, increasing to \$274 million in 2024-25.<sup>176</sup>

In the college sector, average domestic tuition is just \$2,700 annually – higher only than Newfoundland and Labrador in tuition-fee charging provinces.

In 2021-2022, Ontario’s funding per college student was \$6,891, 44% of the figure for the rest of Canada (\$15,615), and universities received \$11,471 per student, which represented 57% of the figure for the rest of Canada (\$20,772), according to the government’s [Blue-Ribbon Panel on postsecondary education](#). When combined, average tuition and per-student funding levels place Ontario as the only province in the country that requires its public college system to operate with less than \$10,000 per student.

The Ontario government had the foresight to commission the work of the Blue-Ribbon Panel, which lays out an action plan for the financial health of the sector – a plan that will benefit both Ontario’s students and local economies.

The recommendations put forward by this Panel respond directly to key factors in the ongoing financial pressure experienced by the post-secondary sector. For example, implementing the Panel’s recommendations in their entirety would inject a much-needed \$1.9 billion into the university sector, alone, over the next three years.

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<sup>176</sup> Council of Ontario Universities, “The Council of Ontario Universities’ Opening Remarks to the Standing Committee on Finance and Economic Affairs”, January 2024. <https://ontariosuniversities.ca/wp-content/uploads/2024/01/SCFEA-Remarks-Final.pdf>

Taking immediate action on the recommendations of the Panel to provide stability to the sector will produce tangible economic benefits that will be enjoyed across sectors and in regions throughout the province, resulting in better student experiences and outcomes, and allowing post-secondary institutions to continue to deliver their highest potential for the good of Ontario.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Invest in the postsecondary system by increasing multi-year base operating grants, immediately boosting operating grants by 10% and indexing them over time; and
2. Lift the tuition freeze for general programs at post-secondary institutions, beginning in Fall 2024.
3. Implement common sense changes to create the opportunity for students to study high-demand programs or to enrol part time.
4. Implement the Blue-Ribbon Panel recommendations on tuition, while protecting low-income students.
5. Engage with the federal government and postsecondary institutions to establish clear and reasonable guidelines and timelines for the implementation of the federal cap on international study permits and determine how the cap aligns with previous commitments to develop a Recognized Institutions Framework.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **S. Workforce Transitioning to Electric Vehicles**

Submitted by: Windsor-Essex Chamber of Commerce. Co-sponsored by: Leamington Chamber of Commerce

### **Issue**

As electric vehicles become an increasingly large share of the automotive market, certifications for mechanics need to have the relevant training to make sure they can service electric vehicles. Especially as the Canadian Government pushes for 100% electric vehicle sales by 2035, plans need to be put in place to transition the workforce for upcoming needs.

### **Background**

Electric vehicles require entirely different knowledge sets than traditional internal combustion engine vehicles. For example, electric vehicles do not possess transmissions, one of the most key components for internal combustion engine vehicles. 310-S and 310-T certifications are required to work on vehicles but don't have any required training for electric vehicles.

Thus, the education required to work on this component is irrelevant for mechanics that are working solely on electric vehicles and their drivetrains. As an increasing share of the automotive market transitions towards electric vehicles, those who are only trained and knowledgeable on internal combustion engines will have decreasing number of vehicles to work on, especially as the federal government requires all vehicles sold in Canada to be electric by 2035.

Not only do we need more technicians certified to work on electric vehicles but also need to transition the existing technician labour force away from internal combustion engines. Currently there is almost 50,000 Ontarians employed as automotive technicians working on both passenger vehicles as well as transport trucks.<sup>177</sup> They will need retraining in how to manage electric vehicle components such as battery fuel cells and charging ports. The risk for many auto shops is that they do not have the skilled workforce necessary to service electric vehicles and are excluded from working on these new vehicles until they can hire or have their personnel trained to work on electric vehicles. Retraining their existing technicians to work on electric vehicles could be a costly and prohibitive challenge facing the sector.

Beyond the questions of personnel concerns are the concerns that shops will have to upgrade their equipment to deal with electric vehicles and their unique needs. This will be a costly transition that will be hard to justify until the demand is present from their customer base. However there needs to be a proactive approach to help those businesses adjust to changing market conditions imposed by government initiatives.

Unless these challenges are addressed the mechanic shops of today could struggle to operate in the world of tomorrow.

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<sup>177</sup> [Automotive Service Technician in Ontario | Job prospects - Job Bank](#)

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Provide financial assistance through loans and grants to help those already trained and 310-S, 310-T, and 421-A heavy duty equipment technician certified to get training to work on electric vehicles and equipment.
2. Provide financial assistance through loans and grants to help small auto mechanic shops adapt to electric vehicles and their unique needs including any specialized equipment purchases necessary.
3. Work with post-secondary institutions to develop and enhance certification programs for 310-S, 310-T, and 421-A heavy duty equipment technician to be inclusive of electric vehicles and equipment.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## T. Addressing Northern and Rural Labour Market Needs through the Ontario Immigrant Nominee Program

Submitted by: Thunder Bay Chamber of Commerce. Co-sponsored by: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Orillia District Chamber of Commerce, Peterborough & Kawarthas Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Tillsonburg District Chamber of Commerce, & Timmins Chamber of Commerce

### Issue

Employers across Ontario, but particularly in Northern and Rural areas, are experiencing a shortage of qualified employees and a shrinking labour market. The Ontario Immigrant Nominee Program can help to address these challenges by allocating nominee spots to Northern and Rural communities.

### Background

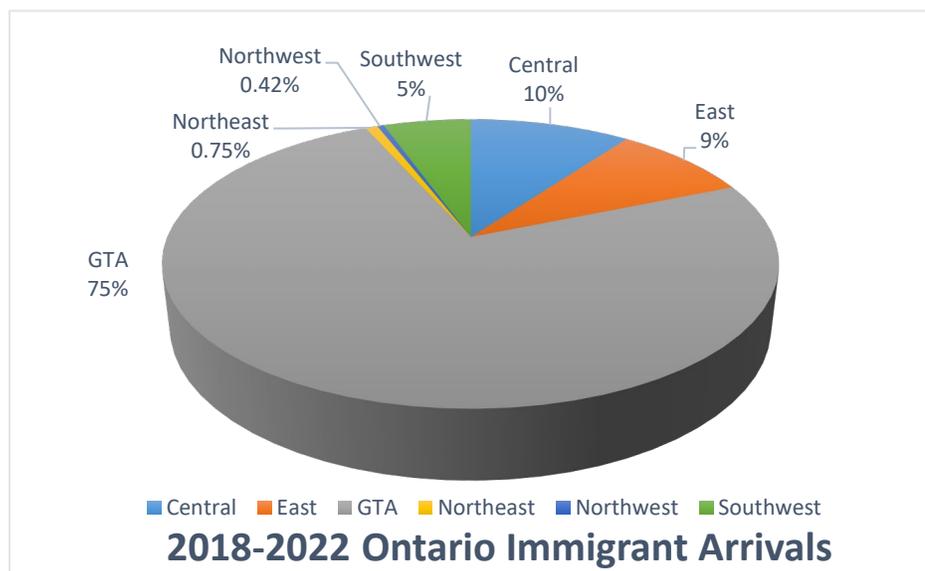
Labour shortages are being felt across the province, but particularly in Northern and Rural areas where population growth is limited. Northern Ontario specifically is experiencing a demographic shift and a population decline that is fueled by natural aging, low fertility rates, a rising life expectancy and an increase of out-migration. Population and migration trends to 2016, suggest that Northern Ontario needs 50,000 newcomers by 2041 in order to sustain current population levels. Furthermore, Statistics Canada's 2021 Census shows that 4 of the top 5 municipalities in Ontario with the highest rate of population decline are in Northern Ontario<sup>178</sup>.

Newcomers represent potential growth and innovation for Northern and Rural communities, however, the vast majority of newcomers to Ontario settle in the Greater Toronto Area.

The federal Rural and Northern Immigration Pilot Program (RNIP) has proven highly successful in attracting new people to Northern Ontario specifically, and to rural

and northern Canada generally. RNIP has proven to be such a success that the federal government is moving to make it a permanent program and an integral part of Canada's overall immigration strategy. Ontario should learn from and mirror this success through the allocation of Ontario Immigrant Nominee Program (OINP) spots for Northern and Rural Ontario communities.

Both Northern Policy Institute<sup>179</sup> and the Conference Board of Canada<sup>180</sup> have long observed that a portion of the OINP could easily be used to support a provincial rural and northern initiative. That point is even more



<sup>178</sup> <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021001/98-200-x2021001-eng.cfm>

<sup>179</sup> <https://www.northernpolicy.ca/northerndevelopment>

<sup>180</sup> <https://canapprove.com/canada-PNP-news/regional-immigration-to-Ontario/>

valid today since the OINP has recently seen a massive expansion. From 9,750 nominees in 2022 to 16,500 in 2023 with the goal of growing that number to 18,000 in 2024.

Northern and Rural communities provide the food, forests and minerals that are essential to our daily lives. Providing an allocation of OINP spots will help to address the labour needs of Northern and Rural areas so that we can contribute to a vibrant economy for all Ontarians.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Ensure that the Ontario Immigrant Nominee Program addresses labour market challenges by allocating 3,000 nominee spots to Northern Ontario and 6,000 nominee spots to Rural communities in Southern Ontario; and
2. Provide sufficient Newcomer Settlement & Language Training and Language Interpreter Services to address the growth of OINP nominees in Northern Ontario and Rural communities.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## U. Expanding Access to Employment Ontario

Submitted by: The London Chamber of Commerce. Co-sponsored by: Sault Ste. Marie Chamber of Commerce

### Issue

Recent changes in federal law have made more international students, international graduates and individuals on temporary visas (e.g. spousal visas) eligible to work in Ontario, however many of these same individuals are not eligible for most provincial services. In 2022, the province opened up international student eligibility for the first time ever under the Skills Development Fund.<sup>181</sup> This however is limited in scope and does not include access to assisted services to these individuals such as employment counselling, job development, marketing to employers for employment opportunities, resume support etc.

### Background

Businesses are predicted to face several challenges in 2024. Cash flow constraints, heightened competition, and increased labor costs driven by a competitive talent market will be prominent issues.

One crucial component of addressing the competition for talent is for employers to utilize the skills of international students, international graduates and those in the province on temporary visas with authorization to work.

While the 2022 memorandum from the Ontario Ministry of Labour, Training, and Skills Development confirms that international students and graduates have access to self-directed services, it is important to note that what this means for most employment organizations is simply allowing these individuals to use their computer labs to access job boards. While some organizations will offer more personalized assistance when they can, international students and graduates are systemically restricted from almost all provincial employment services and all federal settlement services.

Through access to assisted services such as employment counselling, resume support, etc. many international students and graduates would be able to find employment more quickly which should be considered a win for employers and local economies.

Expanding eligibility to the full suite of programming under Employment Ontario for international students and graduates would enable rising numbers of persons in Ontario the ability to access programming that they need while also enabling employers to access talent from all streams.

### Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Expand eligibility to the full suite of programming under Employment Ontario to international students, international student graduates, and persons on temporary visas (such as spousal visas with authorization to work).

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>181</sup> <https://www.tcu.gov.on.ca/eng/eopg/publications/eo-memo-900-sin-policy-2022-en.pdf>

## V. Making Ontario more Competitive for Permanent Residency

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Barrie Chamber of Commerce, Brockville and District Chamber of Commerce, Belleville Chamber of Commerce, Greater Oshawa Chamber of Commerce, & Guelph Chamber of Commerce

### Issue

Ontario is less competitive than other provinces when it comes to approving permanent residency for new Canadians. This impacts our ability to attract talent at a time when we desperately need to increase our workforce.

### Background

Ontario offers a lot for prospective new Canadians in terms of job opportunities and multicultural communities, but it has become less competitive when it comes to getting permanent residency.

For many people here on student and work visas, securing permanent residency is a major source of anxiety. Fear of not being accepted before their visas expire is driving people to other provinces that increase their chances of success.

Labour markets are softening, but access to labour remains one of the biggest barriers to business. The Ontario Chamber of Commerce 2023 Ontario Economic Report<sup>182</sup> found businesses reported investing in workforce development to be their second highest policy priority.

The slowing economy is likely to ease labour pressure, but the slew of impending retirements will further increase demand.

While unemployment increased in the second half of 2023, BDC reports<sup>183</sup> that it's because the active working population grew with about 430,000 jobs being created between January and November of 2023.

As much as Ontario has to offer newcomers, lack of access to housing and the rising cost of living are increasingly becoming barriers. Add this to the fact that other provinces make it easier to gain permanent residency while offering lower living costs and Ontario is increasingly becoming less attractive.

Currently, the Ontario Immigration Nominee Program (OINP) points system offers similar criteria to the Federal Express Entry program, which does not set the Province apart nor is it helpful for the candidates who fall outside the scope of the federal program. Our province should be targeting those who fall outside the federal criteria, especially if they are currently working or have a job offer in Ontario.

There is a lack of clarity on what National Occupation Codes will be invited in the future, pushing people from certain professions to other provinces that are more likely to sponsor them. Additionally, provinces like Alberta have had success by removing the requirement to select a specific job or occupation from a list, opening up more opportunities for new Canadians to work in any job or business sector.

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<sup>182</sup> OCC 2023 Ontario Economic Report <https://infogram.com/oer-2023-report-1hxj48pd90gx52v?live>

<sup>183</sup> BDC Monthly Economic Letter <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/publications/monthly-economic-letter/2312>

We have small and microbusinesses in Ontario that have a desire to sponsor new residents but their business does not meet financial requirements. In the Greater Toronto Area, sponsoring businesses must have five employees and \$1 million in revenue. Outside the GTA that drops to three employees and \$500,000 in revenue. This financial threshold especially impacts small family businesses from immigrant communities.

Some candidates for residency have been working in Ontario for years with programs like the Labour Market Impact Assessment, but still do not qualify for residency here. Others are here studying for in-demand vocations like personal support workers, but don't qualify for the Student Job Offer stream because their program is less than two years.

It has been pointed out by a number of industry professionals that the online application system is not as user-friendly as it could be, especially when those trying to apply may have language barriers, technology barriers, and slow internet connections.

Ontario needs to make some strategic changes to its approach to immigration and sponsoring candidates for permanent residency.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Make Ontario more competitive for securing permanent residency by:
  - a. Tailoring the Ontario Immigration Nominee Program to target candidates who fall outside the federal criteria with an emphasis on those already working in Ontario, including establishing a program for those with long-term work experience in Ontario as a pathway to residency.
2. Reducing employment criteria barriers, including:
  - a. Providing clarity on what NOC codes will be invited in the future or eliminating the requirement to select a specific job or occupation from a list altogether.
  - b. Lowering the revenue requirement and requirements for a specific number of employees for businesses to allow for smaller businesses to sponsor permanent residents.
3. Opening up the Student Job Offer Stream program to students in one-year programs.
4. Improving the functionality of the OINP website, providing a more up-to-date and user-friendly experience.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## SPECIAL ISSUES

### A. The Capacity to Operate

Submitted by: The 1000 Islands Gananoque Chamber of Commerce

#### Issue

The tourism economy has been heavily hit by the coronavirus (COVID-19) pandemic, and measures introduced to contain its spread. Depending on the duration of the crisis, revised scenarios indicate that the potential shock could range between a 60-80% decline in the international tourism economy. Beyond immediate measures to support the tourism sector, countries are also shifting to develop recovery measures. These include considerations on lifting travel restrictions, restoring traveler confidence and rethinking the tourism sector for the future.

#### Background

Domestic tourism, which accounts for around 75% of the tourism economy in OECD countries, is expected to recover more quickly. It offers the main chance for driving recovery, particularly in countries, regions and cities where the sector supports many jobs and businesses.

Looking ahead, the measures put in place today will shape tourism of tomorrow. Governments need to already consider the longer term implications of the crisis, while staying ahead of the digital curve and promoting the structural transformation needed to build a stronger, more sustainable and resilient tourism economy. The crisis is an opportunity to rethink tourism for the future.

Tourism is a significant part of many national economies, and the immediate and immense shock to the tourism sector resulting from the coronavirus pandemic is affecting the wider economy. As governments around the world have introduced unprecedented measures to contain the virus, restrictions on travel, business operations and people-to-people interactions have brought the tourism economy to a standstill. Many countries are **now entering a new phase in fighting the virus while at the same time managing the re-opening of the tourism economy**. This is a complex and challenging task, and quantifying the impact on the tourism economy is difficult.

In the near term, the expectation is that **domestic tourism offers the main chance for driving recovery and supporting the tourism sector**. The domestic tourism economy is significant and accounts for around 75% of the total tourism economy in OECD countries. Domestic tourism flows have also been heavily affected by restrictions on the movement of people but are expected to recover more quickly once containment measures are lifted. Nonetheless, it is unlikely that domestic tourism could compensate for the decline of international tourism flows, particularly in destinations heavily dependent on international markets. This will translate into significant macro-economic effects in countries, regions and cities where the sector supports many jobs and businesses.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with the federal government to remove barriers to travel, such as testing requirements.
2. Change the narrative around travel to show Ontario is open for tourism.
3. Extend relief programs critical to the tourism sector, such as the Ontario Business Rebate and the Ontario Tourism Recovery Program, to support cash flow as businesses reopen.
4. Develop a province-wide workforce strategy to address labour shortages in the sector.
5. Ensure vaccine passport requirements are consistent with the latest public health recommendations and neighbouring jurisdictions.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **B. Support for the Trucking Industry**

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-sponsored by: Leamington Chamber of Commerce

### **Issue**

The challenges of the Covid-19 pandemic have brought to light the operational difficulties in the trucking industry throughout Canada. The trucking industry is facing two major challenges:

- **Driver shortage:** Throughout Canada trucking companies are struggling to find drivers. This is more pronounced for smaller fleet companies.
- **High cost for training and insurance:** Current licensing rules mean that truck drivers who have international driving experience must completely re-train when they arrive in Canada. The additional costs for training drivers hurt smaller business more than the larger fleets. Insurance premiums for smaller trucking companies are significantly higher than the larger fleets. The issues related to retaining truck drivers, the rising costs of insurance premiums, and equipment shortage for smaller owner-operator businesses make it important to review and amend regulations and develop a strategy to implement support, both federally and provincially.

### **Background**

More than 55,000 truck drivers' jobs will need to be filled in Canada by March of 2023 according to the latest report and statistics gathered by Trucking HR Canada. Ontario was the first province to introduce mandatory entry-level training programs, which requires 103.5 hours of core training, and another 8.5 hours of training for an air brake endorsement, before testing for a Class A/Z license.

The turnover rates are lower for larger fleets while the smaller fleets struggle to retain drivers. The challenges of increased insurance costs, shortage of equipment and rising price in makes it challenging for smaller trucking companies to remain competitive.

When international drivers arrive in Canada, their driving experience is not considered, and they must retrain which can cost between \$7,000 and \$12,000 dollars. Smaller businesses are paying over \$15,000 a year in insurance costs and are unable to secure new drivers because of insurance policies that favour the larger trucking companies. Smaller fleets are disadvantaged because they do not have resources and cannot offer wages at par with larger fleets, thereby leading to driver retention challenges.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement and adjust licensing requirements for internationally trained truck drivers so that specific training and safety tests allow new truck drivers to fast-track their careers and consider their previous experience, thereby reducing the time and cost to obtain a license.
2. Increase immigration and bring internationally trained truck drivers that would amplify the pool of workers available.
3. Implement financial support to smaller fleet companies (owner-operator) so that they can offset high insurance cost, offer competitive wages, cover training, and hire more workers.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

### **C. Increase business R&D with competitive applied research funding**

Submitted by: Greater Niagara Chamber of Commerce. Co-sponsored by: Belleville Chamber of Commerce, Port Hope & District Chamber of Commerce, and Peterborough and the Kawarthas Chamber of Commerce

#### **Issue**

Ontario's access to federal applied research funding lags behind other jurisdictions and, as a result, small-medium enterprises (SMEs) lack Ontario-based access to research and development hubs that can promote economic growth through local innovation.

#### **Background**

Ontario's public post-secondary institutions routinely partner with industry to support research and development programs. Colleges are able to boost economic growth by strengthening innovation, especially by SMEs, in areas such as digital innovation, advanced manufacturing, agri-food and resources, health care technology, and green infrastructure.

Ontario's 24 public colleges are required through legislation to respond to local workforce needs and tend to work closely with local employers, including Ontario's 300,000 SMEs, to support innovation. As most smaller businesses in Canada lack the resources to do this kind of research on their own, a growing number have therefore entered into research partnerships with colleges.

The main barriers to innovation through R&D that Ontario's SMEs tend to cite include lack of in-house expertise, lack of capacity, lack of technology and equipment, and lack of R&D funding/capital. SMEs across Ontario would often prefer to engage with researchers local to their community.

Ontario's colleges have and continue to offer a solution to these SMEs by providing local expertise that is typically community and industry relevant and accessible. Colleges bring with them strong academic and industry connections, as well as the facilities, equipment and administrative expertise that's needed to help a SME solve their problem through innovation and applied research.

Research projects lead to innovations that generate economic growth in the businesses' communities and deliver excellent returns on government investments. Fueling local, community level and college-industry partnered applied research in Ontario is central to the province's economic recovery.

College applied research return on investment (ROI) is very high, predictable, and quickly achieved for Ontario businesses, employees, and communities around the province, as well as Ontario taxpayers, principally because:

- Employers co-invest only in innovative ideas that have an excellent chance of a high ROI; i.e., they are expected to quickly contribute to the bottom line – through higher sales or reduced costs.
- Colleges raise Ontario's ROI further by providing specialized training and credentials to anchor the resulting jobs in Ontario.

Yet, Ontario's applied R&D capabilities fall behind other jurisdictions. The province of Quebec provides \$20 million in base funding annually to ensure that its Collège d'enseignement 152general et professionnel (CEGEPs) have the capacity through 59 industry and technology specific applied research centres to support innovation and expansion by existing small businesses in their local communities across Quebec.

Through this program, CEGEPs are recognized for helping Quebec businesses compete better and create jobs in industries as diverse as metallurgy and mineral processing, artificial intelligence, robotics and machine vision,

aerospace and innovative vehicles, bioproducts and biotechnologies, geosynthetics and polymers, electrochemistry, pharmaceuticals, geomatics and digital imaging and interactive media.

In addition to its direct impact on local business expansion, Quebec's base annual funding enabled CEGEPs to win \$33 million through 500 federal research awards in 2018-19. In comparison, Ontario colleges won 190 awards, totaling less than \$19 million.

Without the ability to compete on a national state and without funding that is aligned with other jurisdictions, Ontario's innovation agenda and SMEs will fall behind those emerging in provinces like Quebec. In order to maximize Ontario's local economic development through partnerships focused on innovating for industry, Ontario needs to increase funding for applied research so that colleges and the industries they support can complete on a level playing field.

### **Recommendation**

The Ontario Chamber of Commerce urges the Ontario Government to:

1. Increase base funding for applied research to match or exceed annual investment in Québec.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **D. Biomass Generation Key to Economic, Environmental and Social Benefits**

Submitted by: Thunder Bay Chamber of Commerce. Co-sponsored by: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste Marie Chamber of Commerce, and Timmins Chamber of Commerce

### **Issue**

Biomass heat and power generation is a key element in the economy of Ontario, diverting waste fibre from unacceptable and detrimental usage such as landfilling. Biomass heat and power generation contributes to the reduction of greenhouse gases, creating investment & employment in communities and First Nations, and assisting in the sustainability of the forest industry in the province. To grow these economic, environmental and social benefits, the Government of Ontario must take action to implement policies and programs that support biomass generation.

### **Background**

The Ontario Forestry Industry is a significant element of the economy of the province. There are 47,800 Ontarians directly employed in forestry, and over \$242.6 million in timber charges were paid to provincial coffers by Ontario's forestry companies in 2020. In 2019, forest manufacturing revenues were over \$17.6 billion. The industry has the potential to grow as currently only 46% of the total allowable cut is being harvested, totalling 130,837 hectares.

One key growth scenario is the utilization of waste fibre in the generation of electricity to support the Ontario electrical grid as well as the distribution of the industrial steam by-product as a means of reducing greenhouse gases produced by heating residential, industrial, and institutional buildings.

According to Ontario's Minister of Energy, the Hon. Todd Smith, in a letter to the IESO dated November 10, 2021:

“The Independent Electricity System Operator (IESO) has forecasted an emerging capacity need following the closure of the Pickering Nuclear Generating Station that grows through the latter part of the decade. Fulfilling this forecasted capacity need will require IESO to procure both existing and new resources. As demand continues to grow in response to electrification, ensuring we have a framework in place to secure capacity is critical.”

The IESO has also identified the need and opportunity for distributed generation facilities to meet the overall needs of the region and the province.

Ontario already supports a number of biomass electricity generating facilities through power purchase agreements (PPA) which are shortly due to expire in the next 2 to 3 years. These facilities will be eligible to participate in negotiations with the IESO to renew their respective PPAs including:

- Atikokan Generating Station (OPG)
- Calstock (Atlantic Power)
- GreenFirst (formerly Tembec) sawmill in Chapleau
- Hornpayne Power Inc.
- Resolute Forest Products Thunder Bay

The integrated aspect of biomass generators ensures the sustainability of their operation, and in many cases, the operation of sawmills and harvest operations associated with them across a geographic area hundreds of kilometers wide.

For example, Thunder Bay's Resolute Forest Product's biomass facilities draw on fibre from sawmills and lumber producers in Ignace, Atikokan, Thunder Bay, Fort Frances and Barwick in addition to the many bush contractors, who rely on grinding or chipping waste material in order to access timber stands that otherwise would be un-harvestable without a market for lower grade fibre. Similar relationships exist for the other biomass generators noted previously.

Ontario's Fall Economic Update indicated the commitment of the government to fund the above-market cost of renewing existing biomass energy generator's Power Purchase Agreements. However, the Minister of Energy letter of November 10, 2021 to the IESO clarified that new contracts would be for terms up to five years only, and that the agreement for the first generator would be set at a significantly reduced capacity.

While all of the generators supply electricity to the Ontario electrical grid, a few also provide electricity for their own operations which improves their viability. However, the generation of electricity is not the only benefit created by their operations. Biomass generators are a part of an integrated energy and environmental system. The primary source of the fibre is waste wood from forestry operations. Historically this waste wood was either incinerated or deposited in a variety of landfill sites which contributed to the release of carbon dioxide into the atmosphere with no value to society. Without existing facilities, Ontario could be landfilling over 1.3 million metric tonnes (equivalent to over 40,000 truckloads of waste annually). Using this biomass to generate renewable electricity and heat diverts significant waste from landfills and will also assist in moving natural gas consumers over to a district heating supply utilizing waste steam from the generator.

The existing and future biomass generators have a broad economic footprint in their area. Employment is enhanced in harvesting, transportation, and generator operations. This is extremely important to First Nation communities as well as the host community of the generator. They also support the operations of the municipalities where they are located.

There is also a growing interest in Ontario's sustainably managed forests as an invaluable source of feedstock to support the emerging low carbon bio-economy (fuels, plastics, chemicals). These new technologies require a robust and integrated primary forest products sector to be successful and this includes a stable and reliable source of heat and power. There is tremendous opportunity to attract significant investment into Ontario over the next couple of years and the presence of biomass cogeneration facilities will play a critical role in attracting this investment as they are a source of heat, power and necessary industrial infrastructure.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Renewing the existing Biomass Power Purchase Agreements for a minimum of 10 years to enhance business certainty.
2. Ensuring that the extended PPAs sustain the same volume of fibre as the current contracts to protect the jobs and the economy of neighbouring facilities and communities as well as the diversion of waste fibre from landfill facilities.
3. Expanding the output of existing biomass generators to meet the electrical demands of the regions where they are located.
4. Creating enabling policy to support the development of cogeneration and district energy systems, including a framework for heat contracts, prioritizing government energy procurement and investment

incentives for municipalities, generation facilities and building owner, creating conditions for new investment, job creation and revenue streams supporting provincial low carbon objectives.

5. Developing a policy which encourages the development of additional biomass generation facilities as an option to the lengthy process for the creation of additional transmission and distribution facilities into communities currently served by radial lines. This would meet the concept of distributed generation as identified by the Independent Electrical System Operator (IESO).

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **E. Supporting the Further Professionalization of Ontario Child Care and Early Childhood Education** **Submitted by: Hamilton Chamber of Commerce & Guelph Chamber of Commerce**

### **Issue**

Throughout 2021 the federal government made significant strides towards the pursuit of universally accessible and affordable childcare for all Canadians through the establishment of the Canada-wide Early Learning and Child Care Plan. At the time of writing, Ontario remains the only province yet to sign on to the national strategy, and as such, Ontarians continue to pay among the highest childcare and early learning costs in the country. Meanwhile, effective January 1, 2022, families in other provinces are already reaping the benefits of the nationally supported Early Learning and Child Care Plan.

The experiences of the pandemic have laid bare the importance of accessible and affordable childcare options for Canadian families, and moreover, highlighted how these services contribute positively to economic opportunity and workforce participation. Ontario ought to act now and sign onto the federal strategy to ensure equality of access to affordable and accessible childcare, and moreover, study how Canada's largest province can maximize potential benefits of the Canada-wide Early Learning and Child Care Plan for Ontarian families.

### **Background**

The onset of the COVID-19 Pandemic was particularly punctuated with a renewed public perception and appreciation for services often taken for granted, including childcare and early learning. When the majority of childcare and early learning centres were closed or limited in terms of service capabilities to focus on supporting our province's essential workers, many families were thrust not only into working remotely in many instances, but also taking on the role of full-time care provider and educator for their children. The result was a near universal acknowledgement and reflection that our community's childcare and early learning educators serve crucial roles not only to the development of children, but also serve a broader facilitative role in terms of maximizing workforce participation and economic opportunity for many.

However, despite the acknowledgement of its facilitative benefits to the broader economy and opportunity for Ontarian families, child care and early learning remains a significant financial burden for many just trying to make ends meet. The federal government has further acknowledged these community-wide benefits derived from high participation rates in child care and early learning settings by establishing the Canada-wide Early Learning and Child Care Plan. The government's goal is ensure that all families have access to high-quality, affordable, and flexible early learning and child care no matter where they live. Specifically, the federal government has established a goal of bringing fees for regulated child care down to \$10 per day on average within the next five years and to pursue a 50 per cent reduction in average fees for regulated early learning and childcare.<sup>184</sup>

Throughout 2021, the federal government successfully struck deals with provinces and territories to join the Canada-wide Early Learning and Child Care Plan and as of January 1, 2022, families across Canada are already reaping the financial and social benefits of the new subsidized program. In Ontario, however, Canada's most populous province, the provincial government has yet to sign on to this program leaving thousands of Ontarian families on the hook for early learning and child care costs that Canadians in other provinces are no longer paying out of pocket for.

While the long-term benefits of this program are yet to be borne out, it is not difficult to project that these significant investments in our children's development will result in more engaged, compassionate, and

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<sup>184</sup> Budget 2021: A Canada-wide Early Learning and Child Care Plan <https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-a-canada-wide-early-learning-and-child-care-plan.html>

responsive youth equipped with the essential skills to succeed through the rest of their educational journeys. Moreover, the long-term financial benefits for families and the economic opportunities unlocked by ensuring affordable and accessible child care will be transformative in terms of maximizing workforce participation and overall provincial economic output.

While the Ontario provincial government ought to sign on to the federal strategy immediately, this will only be the beginning of a larger conversation about early learning and child care priorities for the province. As the Ontario government continues to claim the \$10.2 billion annual federal funding remittance proposal is not enough for support our provinces existing early learning and child care services,<sup>185</sup> this claim remains disputed, and inaction only continues to further set back Ontario families dealing with ever-increasing early learning and child care costs. Ontario needs to sign on to the federal program in order to bring relief to families immediately and to springboard a provincial conversation about where our priorities are and how we can achieve them in concert with the federal strategy.

Where the Ontario government has identified concerns about the program, it ought to engage in robust sector consultation to explore creative solutions to ensuring greater province-wide access to affordable and high-quality early learning and child care services. Our local service providers and agencies have a wealth of front line experience that should be tapped into as the province explores what the future of early learning and child care looks like. There exists a litany of considerations to improve the sector and further support its professionalization that ought to be explored and potentially ushered in alongside the federal plan. These considerations include matters pertaining to career pathways, attracting and retaining staff, wage scaling and compensation, and to supporting equity, diversity and inclusion within the sector.<sup>186</sup> In concert with early learning and child care service providers, the province of Ontario has the opportunity to consult and collaborate with the sector to understand challenges and opportunities to ensure the long-term prosperity and accessibility of Ontario's early learning and child care sector.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Establish an Ontario Childcare and Early Learning Task Force to explore various aspects of further professionalization of the sector and to study the long-term requirements of supporting affordable and universally accessible childcare services.

Items to be studied include, but are not limited to:

- Employee Attraction and Retention;
- Compensation;
- Career Pathways and Additional Credentialling;
- Recognizing International Accreditations;
- Funding Formulas and Operational Structure;
- Assessing Impacts on Regulated vs. Non-Regulated Child care;
- Assessing Impacts on Not-for-Profit and For-Profit Child care.
- Exploring licensed home child care as a flexible and viable model and opportunity for scalability.

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<sup>185</sup> Ontario's \$10/Day Daycare Delay Based on Wrong Numbers; Ottawa. <https://ipolitics.ca/2021/11/10/ontarios-10-day-daycare-delay-based-on-wrong-numbers-ottawa/>.

<sup>186</sup> The \$30B Child Care Challenge: Building a New Program from the Ground Up. <https://www.cbc.ca/news/politics/child-care-into-2022-challenges-obstacles-1.6287720>.

- Reviewing existing research on the lifelong impact of early learning and childcare on children's ages 0-3.8.
2. Following adoption of the Canada-wide Early Learning and Child Care Plan, conduct community consultation with regional childcare and early learning service providers to understand evolving needs as the anticipated increasing demand for childcare outpaces provincial supply.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **F. Supporting Ontario's achievement of 2030 emissions reduction target, and setting us on a path to net-zero in 2050**

Submitted by: London Chamber of Commerce

### **Issue**

Ontario requires a diversified and integrated energy solution to decarbonize the energy sector to meet net zero targets in a cost-effective manner for businesses. Focusing on electrification as the singular approach to decarbonizing Ontario's economy limits flexibility and choice in how we may achieve net zero goals and will leave Ontarians vulnerable to escalating energy costs.

### **Background**

To characterize the decarbonization challenge that lies ahead, we need to examine where our existing energy demands reside to understand how these needs may transition in the future. In 2020, Ontario consumed 2881 PJ of energy,<sup>187</sup> the majority of which (44%) was delivered as refined petroleum products to the transportation sector which can be easily stored and transported over the road through a series of vehicles and containers. The natural gas system represents the next largest source of energy delivered to the province (31%) where the demand for this energy is created from heating buildings and industrial activity. The natural gas system in Ontario includes 281 BCF<sup>188</sup> of energy storage (about 30% of annual natural gas demand) which allows it to reliably meet Ontario's daily and seasonally fluctuating energy needs.

In contrast, electricity provided only 16% of Ontario's energy demands in 2020 and is equipped with less than 1% of electricity storage capacity. Ontario's electrical grid is also facing an aging fleet of nuclear reactors, whose eminent refurbishments are already presenting a challenge on how the province plans to meet the current levels of electrical demand, let alone any future demand that might be realized from the decarbonization of Ontario's transportation, buildings and industrial sectors. Ontario needs a coordinated and integrated approach to decarbonize our energy systems; one that leverages its existing energy infrastructure to achieve our 2050 net-zero goals while keeping energy reliability and affordability a priority for all generations. To entirely rely on Ontario's electrical grid to decarbonize our energy and economy is impractical, unnecessary and is likely to prevent the most cost-optimal solutions from being deployed. The Independent Electricity System Operator (IESO) has indicated that the elimination of gas fired electrical generating capacity by 2030 would result in system instability and be cost prohibitive. A more practical solution to decarbonizing the remaining emissions in Ontario's electrical grid may be to deploy carbon capture facilities at existing gas-fired power plants to continue to provide this essential peaking service.

A suite of technology and fuel agnostic options should be pursued to cost effectively manage the decarbonization of heating buildings in Ontario. Geothermal and district heating and cooling systems are highly efficient, but in most circumstances cannot be affordably or practically retrofit into existing buildings for which they were not originally designed, and typically have higher capital equipment costs than conventional systems. Most Ontarians (84%)<sup>189</sup> have chosen to heat their buildings with natural gas.

Policies that mandate a switch from gas heating to electricity would require not only considerable capital investment by building owners, but would demand sizable investments for more electricity supply, transmission, and distribution, capacity that would undoubtedly lead to higher electricity prices for rate payers. Alternatively, programs that encourage customers to install a hybrid heating solution would be

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<sup>187</sup> Canada's Energy Future 2020, End-Use Demand, Reference Case, Ontario

<sup>188</sup> [Natural Gas Storage - Enbridge Inc](#)

<sup>189</sup> Net Zero 2050. Ontario Energy Association. June 2021.

beneficial. A hybrid heating solution replaces a conventional air-conditioner with a higher efficiency air source heat pump, and pairs it with a gas furnace and smart controls. This solution allows customers to fuel switch between natural gas and electric heating, reducing emissions while also providing affordable heat during the coldest weather as well as limiting the need to provide new electrical generating capacity to service peak heating needs

Historically, gas networks delivered gas produced from coal, which was a mixture of methane, hydrogen, carbon monoxide and other gases. Between the 1960's and 1970's, gas networks began converting their systems and their customer's equipment to accept cleaner burning natural gas. Blending hydrogen into existing natural gas distribution networks, as well as future conversion of the gas distribution system to deliver 100% hydrogen is being considered in many jurisdictions as an economical means of reaching their decarbonization goals.<sup>190</sup> Since hydrogen can be produced from natural gas or electricity, it offers several unique solutions to decarbonizing Ontario's economy. While carbon dioxide is produced when hydrogen is produced from natural gas, it is a high purity source of carbon dioxide that can be easily captured and either utilized or permanently sequestered in geological formations. This is a practical way to begin building a cost effective and low-carbon supply of hydrogen in Ontario. This hydrogen supply is now available to support hydrogen demand for end-uses such as heating or other industrial purposes. The introduction of hydrogen electrolyzers at various points on the electrical grid and at electricity generating facilities is also an opportunity to better manage excess electricity and generate low-carbon supplies of hydrogen that could displace natural gas.

The electrification of light-duty vehicles is an efficient and economical means of decarbonizing this segment of the transportation sector, with a growing number of vehicle options and charging locations introduced to Ontario. Currently, the heavy-duty transportation segment has fewer market ready solutions; however, the delivery of renewable natural gas (RNG) to compressed natural gas (CNG) stations, and vehicles are an immediate pathway to fully decarbonize the heavy-duty transportation sector. CNG vehicles can be fueled 100% with RNG with zero performance concerns. RNG also has a cost advantage over diesel fuel. As of Oct 1, 2021, RNG was being offered to Fortis natural gas customers in British Columbia at a price of \$11.83 per GJ.<sup>191</sup> Compare that to current cost of diesel in Ontario of \$1.43 per liter of diesel<sup>192</sup> (\$39.6 per GJ)<sup>193</sup> - a distinct economic and environmental advantage can be seen. In the longer term, hydrogen fuel cell electric vehicles are another option for zero-emission vehicles.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Keep energy affordable for Ontarians by:
  - a. Ensuring the pace of energy transition is balanced to recognize the capacity of Ontario and businesses to pay for the increased costs of decarbonization, particularly coming out of the COVID-19 pandemic.
  - b. Recognizing that decarbonizing the gas system is an affordable, market-ready option that does not require families and businesses to replace their heating systems and avoids the need to build new electricity generation infrastructure to serve the increased load.

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<sup>190</sup> [European Hydrogen Backbone - Gas for Climate 2050](#)

<sup>191</sup> [How much does Renewable Natural Gas cost \(fortisbc.com\)](#)

<sup>192</sup> [Motor fuel prices | Ontario.ca](#)

<sup>193</sup> 1 GJ of natural gas is the equivalent of 27.7 liters of diesel.

2. Help Ontarians conserve energy by leveraging and building on the success of current energy conservation programs to help businesses and residents reduce their energy demands.
3. Adopt an integrated, diversified pathway to decarbonize our energy systems that includes;
  - a. Formalizing inclusion of the gas system perspective in future energy system and distribution system planning, as this ensures the existing infrastructure is leveraged and helps to enable the reliable delivery of least cost low carbon energy solutions to rate payers.
  - b. Policies that enable the blending of RNG and hydrogen into the existing natural gas system.
  - c. Programs that encourage the adoption of natural gas and electrical hybrid heating and cooling systems at the time of equipment replacement, as this provides consumers the opportunity to take immediate action to decrease their GHG footprint, and the ability to fuel switch according to their economic means.

A focus on Carbon Capture, including:

- Revising the Oil, Gas, and Salt Resources act so as not to prohibit the exploration and development of carbon dioxide storage in underground geological formations. For some industrial facilities, electrification of processes may not be practical and retrofitting equipment to capture CO<sub>2</sub> may be the lowest cost means of decarbonizations.
- Policies that support the deployment of carbon capture equipment at existing hydrogen production facilities in Ontario, as this represents an economic means of building a low-carbon supply of hydrogen in Ontario. A study should be undertaken to understand the operational and economic impacts that may arise from deploying carbon capture systems at gas-fired power plants in Ontario.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## G. Improving Support for Employers

Submitted by: Ajax Pickering Board of Trade

### Issue

Currently, the Office of the Employer Advisor (the “OEA”) provides complimentary expert guidance to employers in regard to the Workplace Safety and Insurance Act and reprisal issues in regard to the Occupational Health and Safety Act. However, in guiding employers as to their obligations, the OEA does not address the employer’s obligations under the Ontario Human Rights Code. As a result, the advice given by the OEA may unintentionally cause the employer to violate the Human Rights Code.

### Background

The OEA provides “Ontario employers with expert, free and confidential advice, representation, and education on all workers’ compensation issues under the Workplace Safety and Insurance Act, and on unjust reprisal issues under the Occupational Health and Safety Act”.<sup>194</sup> On average, in a given fiscal year, the OEA has roughly 3,000 instances of providing advice.<sup>195</sup> The advice may be provided over a few minutes or several hours. Of the cases handled, 51% were in regard to entitlement issues (e.g. whether there is a leave entitlement) and 15% were in regard to return to work issues (e.g. what obligations are there for when an employee returns from a leave).

In providing this advice, the OEA does not address the employer’s obligations under the Ontario Human Rights Code. For example, if an employer had a worker who was returning after a leave of absence, the OEA would address the requirements under the Workplace Safety and Insurance Act. However, the OEA would not advise that the employer also has an ongoing obligation under the Human Rights Code to provide needed accommodation, up to the point of undue hardship. As a result, the employer may unintentionally violate the employee’s rights under the Human Rights Code when handling her return to work.

The absence of advice regarding human rights obligations is particularly alarming when you consider the fact that 70% of applications before the Ontario Human Rights Tribunal are in regard to alleged employment related discrimination.<sup>196</sup> Further, the lack of assistance on human rights obligations is compounded by the fact that the Human Rights Legal Support Centre (which is funded by the Government of Ontario) only provides assistance to individual applicants, not employer respondents.<sup>197</sup> Employers should be confident in knowing that the advice the OEA provides is consistent and complete in review of all legal obligations.

### Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Expand the mandate of the Office of the Employer Advisor to include providing expert, free and confidential advice on worker disability and leave related issues under the Ontario Human Rights Code.

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<sup>194</sup> Ontario Office of the Employer Advisor, <http://www.employeradviser.ca/en/>

<sup>195</sup> Ontario Office of the Employer Advisor, Annual Report 2017 – 2018, <https://www.employeradviser.ca/wp-content/uploads/2019/05/OEA-Annual-Report-2017-18-final-English-1.pdf>, at pg. 7.

<sup>196</sup> Social Justice Tribunals Ontario, 2017 – 2018 Annual Report <https://www.tribunalsontario.ca/documents/sjto/2017-18%20Annual%20Report.html>

<sup>197</sup> Human Rights Legal Support Centre, <http://www.hrlsc.on.ca/en/about-us>

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **H. Establishing an Ontario Marine Strategy to Support Maritime Economies**

Submitted by: Hamilton Chamber of Commerce

### **Issue**

Ontario is home to some of the most significant waterways critical to the sustenance of the Canadian economy, thanks particularly our immediate access to the Great Lakes and the St. Lawrence Seaway. Canadians and Ontarians alike depend upon the efficient flow of goods and services through our provincial waterways, and it is essential that the provincial government establish a Marine Economy Strategy that will level the playing field for Ontario with other jurisdictions with similar strategies in place. With such a strategy in place, Ontario can effectively unlock further opportunities to bolster our provincial and national supply chain resiliency, while simultaneously expanding our competitive infrastructure

### **Background**

Whereas legislative matters pertaining to waterways often fall under federal jurisdiction, there exist opportunities for provincial, regional and territorial governments to establish economic and environmental strategies over the utilization and protection of natural assets. This includes the potential to establish a strategy or framework that focuses on maximizing the productive utilization of a given natural asset while coordinating a long-term plan for its preservation and sustenance. Given Ontario's extensive access to critical waterways essential to the functioning of our national economy, it is recommended that the province of Ontario, in conjunction with relevant federal departments work to establish an Ontario Marine Economy Strategy that seeks to coordinate long-term economic prosperity as well as the preservation of our natural assets.

Whereas provincial governments in Quebec, British Columbia and the Atlantic provinces have achieved significant success in promoting and facilitating their marine sector economies, Ontario has the opportunity to review its current utilization of our waterways to increase our competitiveness and coordinate a long-term marine sector strategy. The marine sector is vital to Ontario's economy, and we ought to pursue further job creation, increased supply chain efficiency and resilience, and the ability to further reduce greenhouse gas emissions and road congestion. While the province has been focused on highways, rail and air, there are opportunities for all levels of government to enhance the opportunity for marine transportation as well.

The Great Lakes regional economy alone was estimated to be worth US\$5.8 trillion in 2015,<sup>198</sup> however, not enough is being done in Ontario to expand our marine sector capacity. Beginning the process towards the establishment of a new Ontario Marine Economy Strategy will allow the province to convene relevant stakeholders to assess challenges and opportunities. Moreover, through the formal establishment of a provincial strategy, Ontario can then leverage this asset to press the federal government on additional improvements to be identified during the consultation process.

Similar to neighbouring Great Lakes jurisdictions, Ontario needs to prepare for improvements to our existing marine sector to help prevent critical economic back ups and supply shortages, and moreover unlock the economic potential and job creation opportunities associated with a dedicated strategy towards our provincial marine economy.

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<sup>198</sup> <https://www.tvo.org/article/the-great-lakes-need-a-new-maritime-strategy-and-fast>

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Establish a Marine Economy Task Force to convene relevant stakeholders towards the design of a comprehensive Ontario Marine Economy Strategy.
2. Create a comprehensive Ontario Marine Economy Strategy that will:
  - a. Provide the Great Lakes with modern and competitive infrastructure;
  - b. Ensure efficient and ecosystem-friendly navigation of the Great Lakes;
  - c. Deliver sustainable development opportunities for maritime communities; and
  - d. Prioritize the inclusion of marine transportation investments as critical infrastructure to supporting Ontario's economy.
  - e. Grow Ontario's domestic shipbuilding industry.
  - f. Enhance and grow Ontario's key port industrial zones and multimodal hubs.
  - g. Support Great Lakes short sea shipping initiatives.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **I. Auto Insurance Reform: Making Premiums Affordable**

Submitted by: Brampton Board of Trade

### **Issue**

Auto insurance premiums rise as accidents decline.

### **Background**

Auto insurance rates continue to climb while the rate of auto accidents continues to fall. In Ontario, auto insurance is mandatory and is provided by the private sector. The overall goal of insurance companies is to provide a good auto insurance product to the customer – at a competitive price – that allows for adequate indemnification in the event of an accident. Yet the insurance companies need to be profitable.

The cost of claims continues to be the driving factor for increasing rates. The technology now used in most newer vehicles has proven costly to replace and repair. At the same time, the cost of auto insurance fraud in Ontario was estimated to be up to \$1.6 billion annually in 2012, placing great burden on insurers and policy holders.<sup>199</sup> Furthermore, according to a review conducted by David Marshall for the Government of Ontario, a third of insurance premium benefits do not even go to the customers as indemnification or for treatment.<sup>200</sup>

A crisis has developed and the need to make a change is urgent. Customers can't afford the higher premiums, while insurance companies can't afford the higher pay outs. It's a vicious cycle and reform is desperately needed.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Simplify the accident benefit and tort systems to ensure that these systems are accessible without legal representation except in the most complicated cases. Claimants should receive the maximum amount of benefits while reducing the cost of administrative fees.
2. Conduct a review of the present auto insurance product and rating criteria and make meaningful changes that will fairly indemnify individuals for their loss and keep the product affordable.
3. Continue initiatives that assist the insurance industry in fighting fraud.
4. Increase the support and funding provided to the tort systems in order to ensure matters are dealt with on an expeditious basis.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

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<sup>199</sup> <http://www.ibr.ca/pe/resources/media-centre/media-releases/they-cheat-you-pay-how-to-report-auto-insurance-fraud>

<sup>200</sup> <https://www.fin.gov.on.ca/en/autoinsurance/fair-benefits.html>

## J. Addressing Employment Standards Act

Submitted by: Ajax Pickering Board of Trade

### Issue

Currently, when a claim is filed with the Ministry of Labour, the employer does not receive it. Instead, the employer only receives a letter identifying by bullet points the category of each issue (e.g., “wages”, “vacation pay”, etc.). The current policy of the Ministry of Labour to refuse to disclose the claim runs contrary to the efforts for an early settlement and the fundamental rights enriched by our justice system.

### Background

The Ontario Ministry of Labour receives on average approximately 15,000 claims per fiscal year.<sup>201</sup> However, in some years, the number of claims has exceeded 23,000. Of the complaints that are filed, roughly 90% are filed by employees who are no longer employed by the employer in issue.<sup>202</sup>

When the Ministry of Labour receives a claim, it then sends out a letter to the employer notifying them of the claim. The letter solely details the nature of the claim by providing the category of each issue (e.g., “wages” or “vacation pay” or “termination pay”). The actual amounts claimed under each category are not normally provided. Enclosed with the letter is a package recommending settlement discussions and a template form to confirm any settlement reached.

At the same time that the letter is sent out, the claim is then placed in queue to be assigned to an Employment Standards Officer, which can often take several months to occur. The claim will be either assigned to an Employment Standards Officer 1 (who can only mediate a settlement) or will be immediately escalated to an Employment Standards Officer 2 (who can mediate a settlement and can issue orders). During the waiting period, the employer can reach out to the employee (if their current contact information is known), but the employee is not obligated to discuss the matter or to provide the claim. Once the Employment Standards Officer is assigned, if a resolution cannot be reached, then the matter will eventually be investigated and an order or a refusal to issue an order issued.

At no point during this entire process is the employer allowed to be provided with the claim from the Ministry of Labour due to its policy. In fact, the employer can only obtain a copy of the claim from the Ministry of Labour if, after an order is rendered, the employer appeals the decision to the Ontario Labour Relations Board and moves for an order for its production.<sup>203</sup> As a result of the refusal to produce the claim, the employer is often unable to address the issues prior to the Employment Standards Officer being assigned. Further, once the Employment Standards Officer is assigned, the employer may not fully appreciate the issues or the source of any misunderstanding.

While essentially all other claim processes in Ontario (including applications before the Human Rights Tribunal) require the claim to be provided to the respondent, the Ministry of Labour has declined to accept this fundamental principle of justice. As a result of this failure to disclose, settlement discussions are hindered and

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<sup>201</sup> Ontario Ministry of Labour <[https://www.ontario.ca/page/published-plans-and-annual-reports-2017-2018-ministrylabour?\\_ga=2.89487003.1632369137.1547212240-492227812.1491401077](https://www.ontario.ca/page/published-plans-and-annual-reports-2017-2018-ministrylabour?_ga=2.89487003.1632369137.1547212240-492227812.1491401077)>, Published: August 16, 2017

<sup>202</sup> Toronto Star <<https://www.thestar.com/news/queenspark/2018/10/25/ministry-of-labour-puts-hold-on-proactive-workplace-inspections-internal-memo-says.html>>, Published: October 25, 2018

<sup>203</sup> Friedrich Schiller Schule Inc. (Friedrich Schiller Schule) v. Adam, 2013 CanLII 2654 (ON LRB)

employers are at a disadvantage in responding to claims. The claims process should be improved by requiring that, upon being filed with the Ministry of Labour, a copy of the claim is to be provided to the employer.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Revise the policy of the Ministry of Labour to require that a copy of any claim filed under the Employment Standards Act be provided forthwith to the responding employer.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **K. Province of Ontario Oversize/Overweight Permits**

Submitted by: Tillsonburg District Chamber of Commerce. Co-sponsored by: Leamington District Chamber of Commerce

### **Issue**

The Ontario Provincial Oversize/Overweight Permit System is very complex making it difficult for companies to comply when their vehicles travel throughout Ontario's county roads that are not designated as King's highways.

### **Background**

Most companies do not understand the requirements of the permit system. A provincial oversize/overweight permit costs a business \$448.75 annually and is valid ONLY for King's highways. This cost is considered very reasonable.

Alternatively, a business can also purchase a single "trip" permit valid for a limited timeframe with costs varying between \$66.25 to \$714 depending on distance travelled and weight of the load carried.

Since the provincial permit is valid for King's Highways only, in some cases businesses must also purchase county oversize/overweight permits as well as permits from the "lower tier" municipalities in that county.

This current system forces a business to contact each county and municipality that maintains the roads their vehicles will be travelling on to determine the trip permit process and requirements. This is a very inefficient, time-consuming and complex process.

It is a burden to small and medium sized companies (SMEs) that require oversize/overweight permits to fulfill their obligations to their clients. Ontario companies affected are: excavating companies, construction companies, farm machinery dealerships, agricultural suppliers, for example.

### **Complexity Highlights**

The regions of the Province of Ontario contain 23 Counties with 241 "lower tier" municipalities embedded within the 23 Counties. And there are 11 single tier municipalities (i.e. Brantford-Brant, Toronto, Ottawa, Chatham-Kent, Haldimand, etc.); which leaves a total of 252 potential contacts for permits.

Considering these statistics, business owners must know what municipality maintains the particular road their vehicles will be travelling on to legally transport equipment. To determine this, a business would need access to an entire database of Ontario roads and who maintains/owns them.

In our research, most businesses did not know their compliance requirements; and only one knew that County permits were required but did not know about the lower tier municipal permits.

In speaking with local businesses who were stopped and charged multiple times in the past 15 years, the fines were at least \$500.00. It is their feeling that it is cheaper to pay the fine than to spend the time to acquire the necessary permits.

In summary, the current oversize/overweight permit system is a barrier and a financial burden for companies in Ontario to do business.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Investigate the opportunities available to create a one-permit system for wide, high, and heavy loads to navigate throughout Ontario's roads regardless of the regions, counties or municipalities vehicles must travel through.
2. Develop a database with a real-time, interactive map with each municipality's rules, restrictions, and information to provide businesses with a centralized hub for all permit information.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## L. Rebalancing Democracy in Ontario's Workplaces

Submitted by: Greater Sudbury Chamber of Commerce

### Issue

The *Labour Relations Act, 1995* creates a legal regime which unduly favours union certification, instead of neutrally regulating the process. In 2005 there was an amendment to the Act which reinstated card-based certification to the construction industry only. (Bill 144, Section 128.1) The card-based certification process is undemocratic and should be repealed, as it deprives workers affected of the ability to vote for or against union certification.

### Background

It is time for the *Labour Relations Act* to be overhauled, with the aim of balancing the rights of employers and employees. The current regime unduly favours union certification and allows for creative and selective union organization tactics, with limited opportunities for the will of employers and individual employees to be heard in the process.

#### Card-Based Certification:

Under Ontario's current labour legislation, a card-based system means that the Ontario Labour Relations Board can order a vote on union certification in construction-industry workplaces if more than 40 percent of employees have signed membership cards to join the union, and furthermore, if more than 55 percent of employees in the proposed bargaining unit (on the day of the application) have signed cards, the Board can order certification of a union without a vote at all.

Card-based certification makes employers particularly vulnerable as certification is based on those working on the date of application. This means that certification without a vote can apply even where 55 percent of the employees at work on the date of application constitute a minority percentage of the employer's total workforce. Under the card-based system, if the union can demonstrate that more than 55% of the affected employees who were at work on the application filing date were doing bargaining unit work, and have signed a card with the trade union, then the Board **may** certify the workplace **without** holding a vote. The Board can also direct a vote (as described below); however, in our experience the Board usually does not do this.

**Remember**, it is **only** the employees who were at work on the application filing date who are counted. It might be that you have 500 employees, but if only 4 of them were working on the application filing date (for example, on Christmas Eve) and 3 of them signed union membership cards, then the Board can certify the union based on the support of only those 3 employees. Under the current rules, the employer and the remaining 496 employees of that company find themselves unionized on Monday morning with no say, and no chance for a vote to have their say. This also creates unfavourable circumstances for workers whereby the Union organizers may not have spoken with or provided any information about their organizing campaign to these other employees and may never have spoken to them at all.

It is also important to note that while section 77 of the Act clarifies that nothing within the Act "authorizes any person to attempt at the place at which an employee works to persuade the employee during the employee's working hours to become or refrain from becoming or continuing to be a member of a trade union", this does

not in fact prevent Union organizers external to the company's workforce from attending (often safety-sensitive) jobsites to attempt to do just that.

Union strategies can also include the use of "salts" (individuals sent by the union to seek employment for the sole purpose of bringing a union to the workplace) to certify companies against the will of regular, longer-term employees by bringing forward applications on a day where it is known that only a few employees are working. Once again, the effect of the card-based system permits organizers to bypass larger groups of workers in the course of organizing a workforce in favour of opportunities to bring an application supported by a select group of employees only.

Secret ballot voting safeguards employees from intimidation or pressure from union organizers or employers and helps ensure their true opinion is represented – this logic is accepted in election voting around the world in democratic countries. While a secret ballot vote is conducted in a neutral environment by the Labour Relations Board, the collection of signatures on union membership cards is controlled entirely by union leadership. Union organizers can pressure employees to sign union cards without communicating the full effect of those signatures and can submit applications with cards that may not reflect the final true wishes of some signees. The current process provides little means and opportunities for workers who signed cards to review their options or, where desired, change their minds.

Card-based certification is undemocratic, threatens economic prosperity and significantly shifts the balance in certification votes in favour of organized labour and against both employers and the workers themselves. Since there is no evidence to suggest that secret ballot voting does not allow employees to express their wishes, and significant risk that card-based certification does just that, the provincial government should eliminate card-based certification and repeal Section 11(2)(c) of the Act, which permits the Ontario Labour Relations Board to automatically certify a trade union without a secret-ballot vote taking place, under certain circumstances.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Eliminate the card-based certification system for union certification;
  - a. notwithstanding recommendation 1, the threshold for automatic certification should be raised from 55 percent of the workforce on the day of application to at least 66 percent of the employer's entire workforce;
  - b. notwithstanding recommendation 1, allow employees a "cooling off" period of at least three business days to dispute the voluntariness of the signature on their union card or their continued interest in membership notwithstanding its use in any application;
  - c. notwithstanding recommendation 1, repeal Section 11(2)(c) of the Labour Relations Act;
2. Amend the wording in Section 77 to read that "*no third-party person or organization shall attempt at the place at which an employee works to persuade the employee during the employee's working hours to become or refrain from becoming or continuing to be a member of a trade union*"; and introduce a remedy that where a membership card is signed in violation of this section it cannot be relied upon in a certification application;
3. Mandate that union organizers be required to communicate clearly to employees the purpose and impact of their card signature during their organization campaigns, including union dues, restrictions on working for non-unionized employers, and their use in a certification application in the employee's current workplace; the certification cards should include an acknowledgement via a signature that this information has been communicated to the employee; and

4. Introduce a mechanism that allows for legal costs recuperation in failed certification cases
  - a. introduce a filing fee for certification applications and unfair labour practice applications.
  - b. where the union has made numerous attempts to certify a workplace, the Board may find that union to be a vexatious litigant and dismiss the proceeding as an abuse of process for that reason. It may also require a union found to be a vexatious litigant to obtain permission from the Board to commence further proceedings or take further steps in an application or proceeding.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## **M. Accounting for economic outcomes in regional collaboration projects**

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Richmond Hill Board of Trade

### **Issue**

Jobs created during collaborative regional economic development projects are only attributed to the municipality in which they are geographically located.

### **Background**

“Ontario’s economy is undergoing a period of rapid change. Twenty-first century globalization, urbanization, and technological transformation are challenging the status quo and redefining what it means to be competitive. Given these and other pressures, Ontario’s overall prosperity will increasingly depend on the strength of its regions.” - This is how the 2019 report from the Ontario Chamber of Commerce titled “The Great Mosaic – Reviving Ontario’s Regional Economies” starts.

It’s fitting to start a discussion around how to then calculate economic impacts. Municipalities impacted by “A Place to Grow: Growth Plan for the Greater Golden Horseshoe” are bound by provincial legislation to have official plans, land needs assessments, and zoning by-laws in place that detail how each municipality is going to achieve the pre-determined milestones of jobs and residents per hectare. Those results are then reported to the province.

While these plans and processes are necessary, they don’t account for the fact that more and more economic development is collaborative, crossing geographic lines. One example can be found in the City of Peterborough. The city has contributed significant dollars to infrastructure at the regional airport that lies just outside its geographical boundary. The combined investment by the city, county and local township has resulted in the number of jobs increasing from 50 to over 300 over the past decade. The question becomes how is the outcome of those investments (jobs, new economic opportunities, etc..) accounted for in growth targets? Right now, the outcome falls to the municipality in which the tangible asset exists – therefore, we are back to geographical boundaries regardless it being a regional collaboration.

This disconnect between investment and reporting rules is a barrier to regional economic development because the value of the investment is diminished when the result is not recognized. To resolve this issue and encourage more regional collaboration that will benefit all of Ontario, we ask that government amend the reporting rules and allow all municipalities to account for the jobs they have helped create through regional projects.

The Growth Plan document identifies a need for complete communities with the following paragraph in section 2.1;

“To support the achievement of complete communities, this plan establishes minimum intensification and density targets that recognize the diversity of communities across the Greater Golden Horseshoe (GGH). Some larger urban centres, such as Toronto, have already met some of the minimum targets established in this plan, while other communities are growing and intensifying at a different pace that reflects their local context.”

This allowance will encourage more collaboration across geographical lines by municipalities and help regions invest in projects that will benefit their area and the province as a whole. It will also more accurately reflect the local context of the urban rural mix in the outer ring municipalities. These outer ring municipalities also address issues such as transit and conservation issues across geographical lines, yet recognition of the impact of regional economic development on multiple municipalities does not happen.

Continuing in 2.1 is the following;

“...consider opportunities to better co-ordinate our collective efforts across municipalities to support their contribution to economic growth and improve access to transit.” If this call is to be realized to its maximum potential then there has to be allowance to recognize the impact of jobs created and economic impact when municipalities work together.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Develop a mechanism that allows for multiple municipalities who have invested in a regionally significant project to account for jobs created proportional to financial contribution when reporting to government.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **N. WSIB Policy and Procedural Changes to Employer Counts and Costs**

Submitted by: Tillsonburg District Chamber of Commerce. Co-sponsored by: Leamington District Chamber of Commerce, London Chamber of Commerce, Woodstock District Chamber of Commerce

### **Issue**

The WSIB recently posted information on their website announcing that effective July 1, 2022, all costs and counts associated with COVID-19-related claims will now be applied in calculating premium rates to individual Schedule 1 employers.

### **Background**

COVID-19 claims with disease dates before June 30, 2022, are allocated on a Schedule wide basis and do not affect the calculation of each individual employer's premium rate. The experience rating change was made from collective or group employer liability to individual employer liability for COVID-19 claims, and this change was made without consultation with employer organizations. The current arbitrary and mandatory change made by the Ontario government and WSIB, effective July 1, 2022, may have significant cost impacts on Ontario Employers with allowed covid claims.

The new WSIB Rate Framework system implemented in January 2020 has significantly changed the duration of the claim cost life cycle for employers. A newly allowed claim now directly affects employers for six years of active claim costs and potentially up to another five or more years until the employer account has reduced all risk bands to the pre-injury levels. An incorrectly or hastily adjudicated decision could now affect an employer for 11+ years. Claim decisions are typically made within one week. Employers who are required by law to fund this system should be able to rely upon adjudication that is not hasty but based upon fair and objective comprehensive evidence. The adjudication of COVID-19 claims on the cost statements of individual employers raises concerns for adjudication and proof of accident.

Other occupational diseases are not experienced-rated on individual employer accounts. It is questionable, and even doubtful, that COVID-19 should be correctly classified as an occupational disease. It is a highly contagious pandemic virus, spread widely in the community without any public health precautions.

COVID-19-related claims should either be deemed a continued collective employer liability or be removed entirely as a compensable condition. The WSIB Claims Appeals and Tribunal process is complicated, costly, time-consuming, and somewhat biased against the employer (especially at the WSIAT).

This recent WSIB policy change now has the potential for a major impact on Schedule 1 employers relating to:

- Lost time claims (especially for long-term COVID-19 cases), NEL permanent disability assessments, and fatality claims have the potential for significant cost impact.
- Annual employer premium rates on individual employer liability vs collective liability, including prolonged claim, costs up to 11+ years due to the WSIB prospective system banding and scaling methodologies.
- A much higher cost burden will be placed on all employers for COVID-19 claims, including many industrial classes outside the high COVID-19 sectors (e.g. healthcare, residential care).
- Because this change can potentially increase costs, Employers might be incentivized to take more steps to mitigate claims. Community transmission is unquestionably dominant. Hazard controls used to minimize claims (continued mandatory masking and mandated vaccines) may negatively affect the hiring and labour market competitiveness.

- The COVID-19 Questionnaire administered by the WSIB to determine causation is inadequate because it depends on the subject beliefs of the person claiming that COVID-19 was acquired at work. No proof is required by PCR tests, which will verify the variant of COVID-19 received. If two people in the same workplace have two different variants of COVID-19, they are unrelated.
- The 2022 number of COVID-19 claims is higher than the previous three years.
- The percentage of Lost Time Claims has increased significantly in Ontario, from 32% to 46% in 2022.
- The adjudication of COVID-19 claims does not specify how or what data will be used by claims managers to determine if the person's employment created a greater risk of contracting COVID-19 to which the public at large is not exposed.
- The adjudication criteria for COVID-19 claims do not ask: do you have children in school? Do you have a spouse who works in a high-risk setting? Are you masking while in public? Has anyone you know been diagnosed with COVID-19 in the past two weeks? Have you been out for any public activity in the past two weeks (dinner, theatre, sporting event, grocery shopping)? How often and when do you test yourself for COVID-19 at home (people who are actively trying to avoid acquiring the COVID-19 virus can quickly identify their most high-risk encounters).

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Amend the WSIB Policy Manual to provide a clear test for when COVID-19 claims will be allowed to ensure a fair adjudicative process.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **O. Align the Province of Ontario’s Framework on Carbon Capture and Sequestration with Global Jurisdictions**

Submitted by: Sarnia-Lambton Chamber of Commerce. Co-sponsored by: Guelph Chamber of Commerce

### **Issue**

Industries striving to meet net-zero targets in Ontario are faced with more hurdles than their counterparts in different jurisdictions due to the Government of Ontario’s approach to carbon capture and sequestration (CCS), which lacks a clear and efficient regulatory framework. The federal government provides funding that Ontario-based facilities cannot access due to the province’s continued delays.

### **Background**

From an investment attraction standpoint, with provincial, national, and international competition for investment dollars and associated projects, the province must be responsive to the needs of industry to develop timely CCS projects in Ontario. Prospective investors linked to the low-carbon economy have indicated to the Sarnia-Lambton Economic Partnership (SLEP) that they are interested in pursuing large-scale capital investment projects in Ontario similar to what have been announced in Alberta and competing jurisdictions in the United States. However, they have noted that until there is a clear regulatory framework with defined timelines and policies, these investments are not being explored as “top-of-desk” amongst the companies’ other projects in their investment portfolio. This would change with timely modifications to the existing Oil, Gas and Salt Resources Act (OGSRA), the Mining Act (e.g., to enable sequestration on crown land), and the permissibility to move forward with projects.

Ontario is losing out on potential investment capital that may not be around in two years to other provinces and territories as well as American states and other global geographies.

Any delay in the removal of barriers and the establishment of a new, supportive, and enabling regulatory framework for CCS has significant negative impacts on economic development linked to the low-carbon and net-zero economies.

From an investment retention and expansion standpoint, the implementation of these recommendations would have a tremendous impact on the short-term and long-term economic competitiveness of large emitters in the province, especially those in Sarnia-Lambton that could capitalize on investments linked to the low-carbon hydrogen industry. Additionally, the ability to utilize CCS technologies to capture carbon dioxide emissions would have a tremendous financial benefit to those businesses currently exposed to the escalating carbon tax, while also assisting the province and Canada in their drive to net-zero.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. State definitive timelines for development of a comprehensive legislative and regulatory framework for Ontario CCS projects, targeting completion by the end of 2023, by leveraging industry partners versed on this topic.
2. Work with key industry partners to ensure that Ontario’s approach to pore space allocation is strategic and maximizes the most efficient usage of the finite geological storage space available in the region, so that more communities and industry can benefit, and Ontario’s climate targets are most efficiently addressed.

3. Develop a comprehensive regulatory framework for full lifecycle CCS project approval, from demonstration/pilot to commercial-scale development.
4. Ensure appropriate flexibility in the regulations for various types of storage applications, an expedited and timely approval process, rigorous pre-screening process for eligible project proponents and an appropriate transfer of long-term responsibilities for stored CO<sub>2</sub> following for example the Alberta model.<sup>204</sup>
5. Explore further opportunities to maximize CO<sub>2</sub> capture.
6. Expedite the approval process to ensure the competitiveness of economic development in Ontario, with a goal of all regulations being fully and completely defined prior to the end of 2023.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>204</sup> <https://www.alberta.ca/carbon-capture-utilization-and-storage-overview.aspx#:~:text=Captured%20CO2%20is%20injected%20into,capture%2C%20utilization%20and%20storage%20projects>.

## **P. Establish a Business Energy Audit Program**

Submitted by: Mississauga Board of Trade

### **Issue**

When the Ontario Government ended the Cap & Trade system, it cancelled several energy conservation programs that were funded through this tax. The business Energy Audit program was one of those casualties. However, the program was very successful and encouraged businesses to perform an energy audit and use the findings to implement energy conservation programs.

### **Background**

The Ontario Government has stated that it intends to help Canada meet the Paris 2030 Greenhouse Gas emission (GHG) reduction targets through programs that will help residents and businesses reduce their GHG emissions.

In order to develop a successful plan for GHG emission reduction, a business needs an energy audit performed by a qualified contractor in order to use the findings to implement an energy conservation plan.

In the past, the Government has funded up to 50% of the cost of an energy audit as an incentive to get businesses to retain a consultant and complete the audit.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Establish an Energy Audit program for businesses and fund up to 50% of the cost of the audit to a business through a grant.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **Q. Making the Ontario Energy Board hearing process more accessible**

Submitted by: Thunder Bay Chamber of Commerce. Co-sponsored by: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste Marie Chamber of Commerce, Timmins Chamber of Commerce

### **Issue**

The current Ontario Energy Board (OEB) framework relating to cost eligibility and cost awards (the framework) makes stakeholder participation prohibitively expensive. As an example, the OEB does not:

- advise parties who are eligible to receive cost awards at the outset of hearings (e.g. proceedings or consultations/policy initiatives)
- guarantee costs associated with participation will be reimbursed; and
- advise parties of the percentage of costs that will be reimbursed.

These costs and the framework are significant barriers to full participation by stakeholders with limited resources. In addition, the Board has pre-determined that certain groups are not eligible for any costs even if they are accepted as an intervenor (i.e., organizations representing municipalities or groups of municipalities).

### **Background**

The Ontario Energy Board regulates electricity and natural gas in Ontario, in part by decisions made during hearings on a variety of energy issues including pricing of energy, regulation of generation and distribution of electricity, and for various energy projects that affect the interests of the business community across the province.

In response to requests from the Ontario Minister of Energy to review intervenor processes and identify opportunities to improve their efficiency and effectiveness, the OEB has undertaken consultations and developed an Action Plan with a timeline for completion by March 31, 2024. Currently implemented, the framework relating to cost eligibility and cost awards is prohibitively complex which results in uncertainty and increased expense for stakeholders with limited resources. The OEB has set up processes and guidelines which parties, in hearings before the Board (i.e., participants that want to actively contribute to the decision-making process), must prove that they should be granted Intervenor Status (deemed eligible to receive cost awards; and awarded an amount of costs). Although the OEB sets the guidelines as noted above, such guidelines are further scrutinized by the OEB and are reviewed using a significant amount of discretion.

The OEB prescribes an avenue for reimbursing some of the costs to participants through separate application processes that are also subject to almost full discretion of the OEB. Organizations or individual participants with limited resources are *advised* to hire legal professionals such as lawyers, paralegals or analysts at their own expense and then apply for reimbursement of the costs that would be calculated according to the OEB's own guidelines. There is no guarantee of what would be accepted as an eligible cost and at what percentage such expense will be reimbursed (if at all). This process is a significant barrier to full participation, especially by groups in small and rural areas with limited cash resources.

Many of the applications to the OEB are extremely technical in nature. As such, organizations that are not in the 'business' of intervening require external expertise to assist them in preparing the material for submitting to the OEB and in examining the materials submitted by the applicant and other intervenors. The more complex the application, the higher the costs will be assumed. When funding is restricted or approved at a late stage, the participation will be less diligent in order to reduce costs.

An example that illustrates the high cost of participation is the recent OEB hearing about alternative mechanisms for natural gas expansion. A group of stakeholders from Northwestern Ontario registered as intervenors and spent more than \$70,000 to actively participate in the hearing by submitting evidence, arguments and interrogatories (written questions) and by cross-examining witnesses. The decision by the OEB on the issue most was to uphold the status quo. The application for the reimbursement of costs associated with the hearing took nearly a year to receive a decision to reimburse 98% of the costs and for those costs to be paid out. There was no advance notice whether all the costs incurred by the group would be reimbursed by OEB's cost award decision. Some of the solutions to mitigate the barriers to participation in the OEB hearings can be found in the National Energy Board (NEB) intervenor process. The intervenors in the NEB process are advised up front of the costs that will be eligible and how much of the cost will be recovered, based on the funds available for that particular issue. The participants can then decide if they will proceed with the application to be a participant in the hearings, and if so, the depth of their participation. The NEB also provides upfront funding to assist with the costs of the participants whereas the OEB process requires that the participants pay for all costs and then apply for partial reimbursement.

The other issue is the outright prohibition of any funding for municipalities or groups of municipalities. As very few municipalities now own their own electrical utility, there is no longer any conflict of interest with a municipality opposing a rate increase initiated by their own Local Distribution Companies (LDC). They should not be forced to fund their own intervention into an Ontario Power Generation (OPG) or Hydro One rate increase. In addition, when it comes to broad policy issues as opposed to rate proposals, groups of municipalities can and do represent their region before the OEB. Those policy decisions tend to relate to issues outside of the municipal boundaries. It should not be the responsibility of the property taxpayer to fund the community's response to existing or proposed policy or rule changes under consideration by the OEB.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario (via the Ontario Energy Board) to:

1. Create a more transparent and predictable process for cost eligibility and cost awards for participation in OEB hearings.
2. Provide sufficient additional funding for participants, ensuring full participation for cost eligible participants in OEB hearings by:
  - a. Providing for an OEB process that takes into consideration the eligible participant's actual capacity to pay for full participation in the OEB hearings and upholds the principle of fairness for all stakeholders; and,
  - b. Providing for OEB to release advanced funding for costs so all eligible participants can benefit from an up-front amount that covers the costs of initializing and participating in the OEB hearings and for experts (if required). A hold-back can be put in place subject to final submission of expenses etc.
3. Amend the cost eligibility and cost awards processes by:
  - a. Advising parties whether they are eligible to receive cost awards at the outset of the hearings and what specific costs they are eligible for;
  - b. Guaranteeing costs associated with participation will be reimbursed;
  - c. Allowing organizations that represent municipalities and groups of municipalities to be eligible for cost awards; and,
  - d. Advising parties in advance of the percentage of costs that will be reimbursed.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **R. Regional Approach to Provincial Procurement Reform**

Submitted by: Thunder Bay Chamber of Commerce. Co-sponsored by: Belleville Chamber of Commerce, Greater Sudbury Chamber of Commerce, Guelph Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste Marie Chamber of Commerce, Timmins Chamber of Commerce

### **Issue**

The Government of Ontario is in the process of setting up Supply Ontario, a centralized procurement model across the Ontario Public Service, and the broader public sector which may adversely impact small and medium-sized businesses and regional economic development across the province.

### **Background**

Supply Ontario was established in November 2020 to address challenges in Ontario's supply chain system, including;

- barriers for small businesses to innovate and gain access to public sector procurements;
- a limited focus on the lowest price rather than on overall value, quality and impact; inconsistent customer service experiences, and;
- inefficiencies and duplication.

The government's goal of creating efficiencies through centralized procurement is well-intentioned. However, if not designed effectively, it risks leaving small and medium-sized businesses in small communities across the province unable to successfully bid on provincial contracts. Large province-wide contracts cannot effectively be fulfilled by regional suppliers, which could result in large contract awards being made only to national or multinational distributors, thereby damaging regional suppliers & economic development.

Rather than focusing on centralization at Queen's Park, regional hubs offer an alternate approach that concentrates on deriving the greatest total value and achieving savings objectives while also supporting regional economic development. Provincial initiatives to centralize procurement would be administered by regional hubs and through regionally awarded contracts with support by provincial/national agreements for commodities which are not tied to a regional supplier base. The procurement hubs would be established and administered within the regions they represent, enabling effective supplier/buyer relationship development to occur.

The government would mandate public buyers to use a blended portfolio of national, provincial, and regional suppliers to select a contract which derives the greatest "total value" for that agency where total value is defined as the balanced consideration of price, regional economic impact, and other important factors including but not limited to sustainability and cultural inclusion.

Positive models of this approach are demonstrated by the Lakehead Purchasing Consortium and other successful regional broader public service cooperatives, and provide proof that regional contract awards are as, or in some cases more effective than, singular large provincial agreements. As an example of the strength of regionalized procurement, the City of Thunder Bay recently closed a procurement for confidential waste paper shredding services where a local company provided a price lower than a provincial agreement. Bigger is not always better.

Investing in regional procurement hubs can also support investments in Indigenous businesses, which have long been neglected in Canada’s economy. The Ontario Chamber of Commerce’s report on regional economic development, *The Great Mosaic*, recommends that the provincial government prioritize economic reconciliation with Indigenous communities. Part of the solution is to encourage more Indigenous involvement in provincial supply chains, either by incentivizing those with government contracts to include more Indigenous suppliers in their own supply chains, or by including Indigenous suppliers in those contracts directly.<sup>205</sup>

Implementing a regional approach to procurement centralization with a focus on achieving the greatest total value provides opportunities for small and medium-sized businesses, Indigenous suppliers, and regional economic development.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement regional procurement hubs that mandate public buyers to use a blended portfolio of national, provincial, and regional suppliers to derive the greatest total value for purchases.
2. Define total value as the balanced consideration of price, regional economic impact, and other important factors including but not limited to sustainability and cultural inclusion.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

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<sup>205</sup> “The Great Mosaic,” Ontario Chamber of Commerce, 2019, pg. 21.

## **S. Zoning preservation of Crucial Employment (Manufacturing, Retail and Warehousing) Lands**

Submitted by: Niagara Falls Chamber of Commerce. Co-sponsored by: Fort Erie Chamber of Commerce, Port Colborne-Wainfleet Chamber of Commerce, Welland/Pelham Chamber of Commerce, Grimsby Chamber of Commerce, Niagara Board of Trade and Commerce, and Lincoln Chamber of Commerce

### **Issue**

Preservation of Employment Lands.

### **Background**

Maintaining Employment Lands that allow for the sustainable expansion of the jobs-producing, broader industrial sector, is essential in preserving Ontario's economy and job growth.

The Niagara Falls Chamber of Commerce recognizes and supports current provincial priorities to provide more residential areas for the province's rapidly growing population. We, and our partners in this resolution, also insist that lands zoned for residential, and Employment Lands must co-exist.

Commercial and industrial lands, dedicated by municipal zoning, allow for Ontario's residents to access the stable jobs they need, to thrive and prosper where they live.

We recognize the pressure to alternatively develop (these usually-serviced lands) for residential purposes, noting the pre-existing services are also intended for new Employment Lands development.

However, as legislation and pressures mount to reduce residential development charges, industrial lands provide a reliable source for ongoing development charges, jobs and tax revenue for the municipal tax base.

Tax revenue and charges from already-serviced Employment Lands help mitigate increasing budget-pressures that are steadily pushing up property taxes and affecting associated rent increases. Future Employment Lands-generated wealth will allow local governments to maintain the services and essential infrastructure needed for hundreds of thousands of new residents.

In recent decades, there has been wide agreement among Niagara's municipal government and stakeholders like the Niagara Industrial Association about the urgency in securing Employment Lands.

Indeed Niagara Region, and lower-tier municipalities that include Niagara Falls, are aware of the essential nature of Employment Lands and Areas in assuring prosperity for all residents.

The region has a thriving industrial/commercial sector in Niagara Falls and across the Peninsula, which is reflected in its Niagara Gateway Economic Zone and Centre Community Improvement Plan (Gateway CIP). It notes that in 2022, the Niagara had \$534 million in non-residential building construction.

Niagara Region's new Official Plan also identifies and protects the Employment Areas for a range of employment uses, including heavy industrial, light industrial, and knowledge and innovation industries. This Employment Lands future security is essential as developable lands become increasingly scarce in this area, and other parts of Ontario, restricted in development by the Greenbelt and other measures.

The November 2022 notice of approval of the Niagara Region Official Plan also references helping the Region prepare for an anticipated population of 694,000 people and 272,000 jobs, by 2051. "Clearly defining and mapping Niagara's employment areas will help direct investment to those areas, attracting and retaining jobs, and growing Niagara's economy," says a summary.

The Niagara Industrial Association has also steadfastly advocated for the preservation of Employment Lands: Its members alone, provide more than 6,000 typically well-paying and stable jobs, producing a total manufacturing revenue of \$1.3 billion in its most recent calculation.

The stakeholder voices from Niagara and elsewhere in Ontario are clear. We must have protected Employment Lands zoning that exist cooperatively alongside rapid residential development. Employment Lands have to be properly preserved for future investment and growth, with zone changes correspondingly restricted by the Province of Ontario.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Define the need for critical employment lands in official plans while maintaining and protecting the existing volume of employment lands in the pursuit of residential zoning.
2. Ensure the Ontario Land Tribunal protects employment lands through its appeals process.
3. Recognize these lands must sustainably co-exist alongside other community zoning purposes. Employment Lands serve as a future jobs-creating and municipal-revenue complement to new residential developments coming onstream soon — given explicit government priorities to build needed new homes, and residences.

## **References**

Job-Producing Lands Release, Niagara Industrial Association, <https://niagaraindustry.com/niagaras-job-producing-lands-must-coexist-with-new-housing-nia-official-press-release/>

Niagara Employment Area Strategy, [Report - Niagara Region's Employment Area Strategy: Background Report and Recommendations](#)

Niagara Industrial Association, <https://niagaraindustry.com/>

Niagara Region Gateway CIP, <https://niagaracanada.com/incentives-and-programs/gateway-cip/>

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## T. A Circular Approach to Electric Vehicles

Submitted by: Windsor-Essex Chamber of Commerce. Co-sponsored by: Leamington Chamber of Commerce

### Issue

Ontario is increasingly moving towards the goal of a circular economy. More and more the focus is being put towards reducing waste and producers shoulder increasing responsibility for their products at the end of their lifespan, Ontario needs a plan to manage the end-of-life for electric vehicles (EVs).

### Background

In 2023, the Government of Ontario started moving the cost of recycling over to companies that produce the waste. This policy pushes the cost of recycling onto producers with the aim of reducing the amount of recyclable goods ending up in landfills. The idea behind this approach, the circular economy, can easily be applied to electric vehicles and their components. While these present unique challenges as compared to traditional internal combustion engine vehicles, a circular economy approach to electric vehicles and their components presents great opportunities to make the new technology even more environmentally sustainable.

The batteries that power EVs present unique challenges for recycling. Extracting reusable material that can be salvaged for future use and developing future uses are essential in responsibly dealing with the end-of-life waste created by EVs. There needs to be a holistic approach that encourages not only recycling but also reuse of the salvageable parts of EVs. Promoting one approach can lead to neglect of the other<sup>206</sup> so any circular approach to dealing with EVs needs to contain both elements.

Manufacturers should first look at reuse as their primary means of dealing with these batteries. If a new EV gets in an accident, unless it is damaged, that battery should not be written off. Recirculating that battery allows it to still be productive. For example, Nissan reuses old batteries from its Nissan Leaf models to power robots that move parts around its factories.<sup>207</sup> By exploring alternative uses for EV batteries, they offer manufacturers additional value beyond their initial purpose.

As these batteries approach their end-of-life point beyond when their reuse is possible, companies must then salvage what materials they can. According to the United States Department of Energy, current recycling methods for lithium-ion batteries can recapture 95 percent of the original raw materials.<sup>208</sup> Recycling these materials can supply a significant amount of anticipated demand for cobalt, manganese, lithium, and nickel.<sup>209</sup>

As this industry is in the midst of its growth in Ontario, the time is now to address this issue and before an influx of EVs end up in our junkyards. By implementing best practices now, Ontario can avoid playing catch up when confronted with this challenge down the road.

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<sup>206</sup> [A circular economy approach is needed for electric vehicles | Nature Electronics](#)

<sup>207</sup> [Electric cars: What will happen to all the dead batteries? \(bbc.com\)](#)

<sup>208</sup> [EV Battery Recycling and Sustainability | Arrow.com](#)

<sup>209</sup> [A circular economy approach is needed for electric vehicles | Nature Electronics](#)

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with industry and post-secondary institutions to develop a comprehensive plan to ensure that the end-of-life treatment of electric vehicles follows a circular approach including:
  - a. Strategies for how batteries can be reused at the end of their vehicle use lifespan, and
  - b. Incentivize increased recycling of electric vehicle components including from their batteries.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

## U. Deploying Economic Principles to Policing

Submitted by: Chamber of Commerce Brantford-Brant & Cambridge Chamber of Commerce. Co-sponsored by: Greater Kitchener Waterloo Chamber of Commerce & Halton Hills Chamber of Commerce

### Issue

As homelessness, addictions, and mental health continue to plague large numbers of individuals in urban settings, business communities continue to grapple with disruptions, vandalism, threats of violence, and intimidation of staff and customers. Police budgets are ballooning to deal with this problem reactively while not effectively targeting the root cause of these disruptions. By critically evaluating and deploying funding to crime deterrent programs, long-term success can be achieved at reducing incidents of crime and tax-payer funding of over-inflated reactionary policing budgets.

### Background

The interconnectedness of social issues facing Ontarians today has led to an increase in the frequency of negative interactions between persons struggling with substance abuse, mental illnesses, and homelessness and businesses in many urban cores across Ontario. While superficially this may appear to be a social issue only, the cost of policing, social services, healthcare, and other emergency interventions are ever increasing costs to the taxpayers of Ontario. The tax burden borne by local businesses to support these services, as well as the threats and interruptions these negative interactions present is making the province of Ontario a less and less attractive place to invest and do business.

Policing and enforcement in these situations are certainly a necessary response to protect the public welfare, but often more can be done to prevent individuals from falling into these situations in the first place taking into consideration that Municipalities are regarded as also playing a significant role in providing crime prevention intervention in Ontario<sup>210</sup>. Quite often, they are considered the best source to identify crime and problems in their area as well the conditions that contribute to these problems, including addiction and poverty.

Community-based crime prevention programming, especially those aimed towards at-risk youths, are seen as key methods to reduce criminal activity. However, valid concerns surrounding police-driven programming involving youths, especially those from marginalized communities, can't be overlooked<sup>211</sup><sup>212</sup>. While there have been strides in the judicial realm pertaining to those facing Youth Criminal Justice Act involvement, including a reduction in charges, increased diversion tactics and decrease in the use of youth court, obstacles remain for some youths<sup>213</sup>.

In the meantime, businesses, especially small businesses, continue to face growing challenges surrounding robberies and break-ins<sup>214</sup><sup>215</sup>, highlighting the need for immediate solutions making the urgency for current, and additional community-based initiatives, imperative.

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<sup>210</sup> Crime Prevention in Ontario: Booklet 1 – Section 5 – Ontario's partners in crime prevention.

<https://shorturl.at/mwLS8>

<sup>211</sup> Police, advocates differ on ways to address rising youth crime rates – Cambridge Today. <https://shorturl.at/qryAV>

<sup>212</sup> Police school resource officer program cancelled by Waterloo region's public school board – CBC News, 2021.

<https://shorturl.at/mnqEM>

<sup>213</sup> Youth criminal justice – Good progress but more to do – John Howard Society of Canada, June 2023.

<https://shorturl.at/OS014>

<sup>214</sup> Rising crime is raising big challenges for Canada's small businesses – Financial Post, November 2023.

<https://shorturl.at/lyQRZ>

<sup>215</sup> Toronto councillor sounds alarm on rise in small business break-ins across the city – CBMC, March 2024.

<https://shorturl.at/yBHK6>

Initiatives that can involve businesses directly, such as the CAMSafe program launched by the Belleville Police Service in June of 2021 and is now being adopted in other communities, deserve closer consideration<sup>216</sup>.

Programs such as this, as well as programs that receive provincial grants<sup>217</sup>, and the potential for others that can offer measurable cost savings on police and social services for every dollar invested, should all be considered.

It follows, then, that an economic analysis of potential provincial programs and funding can be deployed to assess the highest value return on investment of provincial funding allocations.

Additionally, pending updates to the Comprehensive Ontario Police Services Act are contemplating removing the ability for Municipal Police Services to deploy Special Constables on proactive community patrols, instead compelling Police Services to utilize only fully sworn officers. This change could dramatically increase the cost of servicing urban cores that have been successfully managed using special constables to date. The Province should ensure that this option be maintained so that municipal policing budgets can be as economical as possible.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. In consultation with the municipalities, police boards, business communities, and the populations they serve:
  - a. Use economic analysis principles in assessing crime diversion program efficacy in communities of all different demographics to establish an evidence-based approach to provincial funding of diversionary police programs.
  - b. Identify underperforming programs that do not adequately serve communities of all types and prioritize provincial funding for programs according to efficacy for each demographic cross section and community.
  - c. Implement a system to measure long term impacts of the investment in diversion programs to systematically gauge performance across all community types and demographics.
  - d. Evaluate the efficacy of these programs in the context of other wrap-around services available to individuals in each community to gauge the broader impacts of the Provincial Programs and ensure no individuals are systematically excluded from these services.
2. Ensure that municipalities can continue to use Special Constables in proactive patrolling of urban areas in lieu of fully sworn officers to reduce tax burdens.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>216</sup> Belleville Police Service launches new CCTV camera registry – Qunite News, June 2021. <https://shorturl.at/rACM3>

<sup>217</sup> Community safety initiative and resources – Province of Ontario. <https://shorturl.at/betI0>

## V. Lack of Access to, and Affordability of Childcare Hurts Ontario Businesses

Submitted by: Greater Sudbury Chamber of Commerce. Co-sponsored by: Barrie Chamber of Commerce, North Bay & District Chamber of Commerce, Thunder Bay Chamber of Commerce, & Timmins Chamber of Commerce

### Issue

Parents seeking childcare face significant affordability and availability challenges in Ontario. The federal and provincial governments have begun to focus on childcare, but we need more immediate action at the provincial level. The new childcare agreement between the two senior levels of government is not a silver bullet solution, and the agreement has increased demand for childcare spots. This issue disproportionately affects female workers, who stay at home with younger children the majority of the time. We must advocate for childcare solutions that will bring more women back into the workforce at a time when businesses are desperate for more workers<sup>218</sup>.

### Background

Do you spend \$25,000 per year to put your child in daycare and return to work, extend your parental leave, or stay home with your child for the first few years?

This is a legitimate dilemma for many workers in Ontario. Many workers with children begin searching for childcare spots years before they need them, and they still find themselves on waitlists when the time comes for them to return to work<sup>219</sup>. Economists Gordon Cleveland and Michael Krashinsky say the cost of not having childcare is borne by all businesses that have workers leave for extended periods to provide childcare. The impact can be primarily quantified by lost productivity, eroded skills, higher absenteeism, and increased mental health impacts on their employees<sup>220</sup>.

Ontario has the most expensive childcare in Canada<sup>221</sup>. The cost of childcare in Ontario went from an average of \$677 per month in 2011 to an average of \$1,600 per month in 2021<sup>222</sup>. The Financial Accountability Office of Ontario reports that mothers with young children have a labour participation rate that is 14.1 percentage points lower than fathers, which is four times higher than the gender gap of adults without young children<sup>223</sup>.

Childcare services face a massive labour crisis due to low pay, short staffing, and uncertain funding from the provincial government<sup>224</sup>. The Government of Canada and the Government of Ontario signed the Canada-Ontario Canada-wide Early Learning Child Care Agreement in 2022 to address childcare issues in Ontario<sup>225</sup>. Ontario was the last province to sign an agreement with the federal government. Ontario has a licensed childcare space for only 20% of all children<sup>226</sup>.

The agreement introduces fee reductions for parents that will see fees set to an average of \$10 per day by September 2025. It also includes minimum wage increases for early child educators and supervisors starting at

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<sup>218</sup> <https://www.canada.ca/en/employment-social-development/campaigns/child-care.html>

<sup>219</sup> <https://toronto.citynews.ca/2023/07/24/gta-families-struggling-to-find-daycare-amid-implementation-of-10-day-child-care/>

<sup>220</sup> <https://childcarecanada.org/sites/default/files/bc.pdf>

<sup>221</sup> <https://arrivein.com/daily-life-in-canada/child-care-in-canada-types-cost-and-tips-for-newcomers/>

<sup>222</sup> <https://simplysmartchildcare.com/how-much-is-the-cost-of-daycare-in-ontario-simplysmart-2/>

<sup>223</sup> <https://www.fao-on.org/en/Blog/Publications/wilma>

<sup>224</sup> <https://toronto.citynews.ca/2023/10/31/ontario-childcare-centres-concerned-about-keeping-doors-open-as-costs-balloon/>

<sup>225</sup> <https://www.cbc.ca/news/canada/toronto/ontario-child-care-deal-ford-trudeau-1.6399694>

<sup>226</sup> <https://www.childcareontario.org/parents-looking-for-child-care-click-here>

\$18/hour and \$20/hour, respectively, and increasing \$1/year until the floor is \$25/hour. Early childhood educators in Ontario currently make \$16.55/hour on the low end, \$20.51/hour median, and \$28/hour on the high end, according to a November 2023 Job Bank update<sup>227</sup>. The funding provided to Ontario childcare centres increased by 2.75% to account for inflation, whereas the price of food alone went up 5.5% in 2022. This has put undue pressure on childcare centres suggesting they may have to close without more funding<sup>228</sup>.

Ontario was the final province to sign an 'Early Learning and Child Care Agreement' with the Government of Canada. Over 92% of Ontario's licensed childcare providers have signed onto the federal government's \$10-a-day program, with the remainder of the providers often charging \$2500 or more in major centres like Toronto. These providers have spots available, but then families need to pay their higher costs. The Ministry of Education said the province is building 86,000 new daycare spaces, but building spaces doesn't solve the worker shortage<sup>229</sup>. The proposed spaces are less than half of the estimated 200,000 spots needed to alleviate Ontario's childcare wait times.

An underfunded and understaffed childcare system will lead to growing childcare costs<sup>230</sup>. Private childcare should continue, but we can not support the growth of one industry at the expense of the private sector suppliers that rely on their workers to have affordable and reliable child care.

Ontario must step up so our future generations are cared for while they're young, and parents can continue to work in this era of chronic short-staffing. Our economy depends on it.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Monitor the effects of the ratification of the *Early Learning and Child Care Agreement* between the governments of Canada and Ontario to ensure issues are addressed quickly;
2. Create a long-term plan for childcare that supports families in Ontario with an eye toward future economic prosperity; and
3. Make the availability of an adequate number of affordable daycare, preschool and after-school spaces a priority so that parents, particularly women, can return to the workforce to help address the labour shortage.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>227</sup> <https://www.jobbank.gc.ca/marketreport/wages-occupation/5180/ON;jsessionid=7334BB3E1472EA13807D5965EC2BF1DB.jobsearch75>

<sup>228</sup> <https://toronto.citynews.ca/2023/10/31/ontario-childcare-centres-concerned-about-keeping-doors-open-as-costs-balloon/>

<sup>229</sup> <https://toronto.citynews.ca/2023/07/24/gta-families-struggling-to-find-daycare-amid-implementation-of-10-day-child-care/>

<sup>230</sup> <https://www.cbc.ca/news/canada/toronto/ontario-child-care-1.6875384>

## W. Leveraging Natural Gas for a Cost-Efficient Energy Transition and Ontario's Economic Competitiveness

Submitted by: Sarnia Lambton Chamber of Commerce

### Issue

Ontario requires a robust energy sector that puts certainty in future access to natural gas and sets a deliberate course which assures natural gas delivery in Ontario's energy mix, impacting millions of Ontarians and businesses who depend on natural gas for heating and day-to-day operation. Any action to destabilize the vitality of natural gas system such as the Ontario Energy Board's (OEB) decision on Phase 1 of Enbridge Gas Inc's (EGI) 2024 rebasing application, is a setback to Ontario's energy and economic efforts.

### Background

#### The Role of Natural Gas in Ontario's Energy Transition<sup>231</sup>

A recent report by the Independent Electricity System Operator warns that phasing out gas-fired plants before 2030 would result in rotating blackouts and higher electricity bills. Meanwhile, natural gas is enabling new technologies such as low carbon fuel blending (e.g. hydrogen, Renewable Natural Gas), and carbon capture and storage (CCS) to reduce emissions from hard-to-abate industries like steel, cement and fertilizers where electrification alone is insufficient.<sup>232</sup>

The developments in energy efficiency, and low-carbon fuels such as RNG, low-carbon hydrogen and CCS, the natural gas system will help Ontario and customers transition from higher carbon fuels in a cost-effective way while providing other critical benefits including increased energy system resilience, reliability, customer choice and business competitiveness.

Given Ontario's geography, energy systems must accommodate summer and winter peaks to ensure reliability year-round. Natural gas plays a pivotal role in the province. The electric grid is currently designed to meet the demand on peak summer days when Ontarians turn to air conditioning to cool our inside spaces. And on the hottest summer day, up to 30 percent of that electricity is generated by natural gas. On the coldest winter day, four to five times the energy of a peak summer day is needed to keep people safe and warm in their homes and that energy is currently delivered by natural gas. Warming a home from -30 to a comfortable 20 degrees, is a 50-degree change. This represents a 90 GW equivalent which is five times larger than the energy it takes to cool a home by 10 degrees at a summer peak. The Independent Electricity System Operator (IESO) projects that Ontario's electricity demand could double by mid-century with expanded use in electric vehicles and manufacturing.

The electric infrastructure to replace the energy provided by natural gas today and meet future expanded use will require an enormous investment in both money and time. In addition, energy intensive industrial processes such as steel or concrete production are relying on natural gas to help them move off higher emitting fuels in a cost-effective way that prioritizes safety, sustainability, reliability, and affordability — requiring all energy sources.

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<sup>231</sup> Jim Redford, VP Energy Services, Enbridge Gas Inc., Remarks: **Ontario Chamber of Commerce Breakfast Panel – The Role of Natural Gas in Ontario's Energy Transition**, October 3, 2023

<sup>232</sup> [Report Decarbonization and Ontario's Electricity Sector: Assessing the impacts of phasing out natural gas generation by 2030](#), Independent Electricity System Operator, IESO, October 7, 2023

A pipes and wires approach are reflected in the recently released Powering Ontario's Growth plan<sup>233</sup>, which recognizes the critical role that natural gas will continue to play in providing Ontarians with a reliable and cost-effective fuel supply for space heating, industrial growth, and economic prosperity. This plan affirms that with developments in energy efficiency, and low-carbon fuels such as RNG and low-carbon hydrogen and carbon capture and storage, the natural gas distribution system will help contribute to the province's transition from higher carbon fuels in a cost-effective way.

Recently, key groups including the Ontario Home Builders Association and the Residential Construction Council of Ontario<sup>234</sup> have expressed support to the natural gas system and are actively supporting Government action to pair natural gas to housing affordability across Ontario.

### **Natural gas as an opportunity for Ontario Homes, Communities and Businesses**

With natural gas, communities across Ontario feel the impacts of heating homes and fulfilling daily business operational needs – the stakes are high:

- **Customer Choice:** Natural gas expands customer choice and bolsters Ontario's efforts and policies to bring reliable and affordable energy to all Ontarians. Energy access relies on a fair investment climate for energy infrastructure. Any decrease reductions in capital expenditure (capex) can discourage or threaten the growth of the industrial sector, leading to increased costs for manufacturing, agriculture, consumer goods, and variety of customer market choices.
- **Investment Expansion:** Natural gas operations require enormous, planned capital budgets that run into millions to billions of dollars in the short and long-term. These investments in energy projects greatly contribute to Ontario's economic development, competitiveness, and emissions reductions. There are immediate benefits of such investments to industrial customers, who experience growth in the province, and choose to stay because of the added load on the electricity system that can accommodate their needs in the near-term and positions Ontario as genuinely open for business. According to Invest Windsor-Essex, local agri-food businesses have recently seen a tremendous uptake in their products. A homegrown food chain is important to the province's food supply chain and much of the energy innovation taking place within the expanding greenhouse industry depends on reliable natural gas. Any delay in the enhancement of critical energy enhancements such as the Panhandle Regional Expansion Project (PREP), places the region at risk of losing significant investment to competing jurisdictions outside of Ontario and Canada.<sup>235</sup> The Ontario Greenhouse Vegetable Growers (OGVG) who are a key customer base for the PREP project and their involvement is necessary for it to proceed, have also echoed that an inability to access natural gas economically will result in greenhouse investments leaving the province.<sup>236</sup>
- **Energy Innovation:** Natural gas has formed the foundation for the implementation of new bold and creative ideas in Ontario. Greenhouse farms have adapted natural gas usage to fulfill both their heating needs and supplement their demand for CO<sub>2</sub>. Sourcing CO<sub>2</sub> from natural gas has been fundamental to unlocking efficient winter farming and reducing the demand for imported liquid CO<sub>2</sub>. During the spring, summer, and fall natural gas is burned during the day to supply the crop with CO<sub>2</sub> and the heat is stored in tanks to provide the heat when it is needed.<sup>237</sup> The technological

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<sup>233</sup> Ministry of Energy [Powering Ontario's Growth](#), 10 July, 2023

<sup>234</sup> Residential Construction Council of Ontario, [RESCON OEB Letter to Minister of Energy](#), 31 January 2024

<sup>235</sup> Invest WindsorEssex Letter to OEB in support of Panhandle Regional Expansion Project

<sup>236</sup> Ontario Greenhouse Vegetable Growers letter filed with the OEB

<https://www.rds.oeb.ca/CMWebDrawer/Record/821457/File/document>, 6 November 2023

<sup>237</sup> Op.cit, Ontario Greenhouse Vegetable Growers

advances in the greenhouse sector including the smart climate systems have further supported greenhouse farms in using natural gas efficiently and maximizing the benefits of natural gas. Natural gas has further supported greenhouse farming with the adaptation of combined heat and power (cogeneration) providing electricity for lights, heat for greenhouse, and CO<sub>2</sub> to the crop. Farms in Leamington and Kingsville adopted cogeneration due in part to a lack of capacity in the local electrical grid. As a result, throughout Ontario, nearly 90 Megawatts (MW) of electricity are produced by greenhouse operations and supplied to Ontario's energy grid with the CO<sub>2</sub> generated by these engines sequestered by greenhouse operations.

- **Energy Affordability and Competitiveness:** Energy affordability is closely linked to improved general economics of scale that enhances competitiveness. New gas customers and builders who pay for gas infrastructure spread over many instalments create a significant financial relief to all forms of new residential and commercial developments. Any unnecessary upfront fee/lumpsum payments adds thousands of dollars to individual consumers' cost to obtain or expand an existing gas service at a time where affordability and housing are at the forefront of public concerns. The accommodation of small installment payment approach provides certainty and stability in small and large consumer finances and assures long-term economic competitiveness and development in the province.
- **Economic Growth:** Natural gas expansion puts proposed and future developments in Ontario communities as a viable support to meeting government's target of building 1.5 million new houses by 2031. A guaranteed supply of natural gas will accompany such development and expand economic growth and the ability of future expansion projects to support regional investment to meet the ever-growing energy needs in communities across Ontario.
- **Energy Access:** Preserving customer access is critical. Access to natural gas through an increase in capital will significantly expand the future development of essential energy infrastructure vital to moving manufacturing, agriculture, and the consumer goods industry in Ontario. Guaranteeing access to natural gas positions Ontario as a leader in satisfying the growing heating needs in an equitable and sustainable way from coast-to-coast.
- **Energy Security and Grid reliability:** On an annual basis, natural gas delivers twice the energy to Ontario than electricity and four to five times the maximum peak capacity of Ontario's electricity grid. The natural gas network in Ontario is a system of reliability where consumer access is maintained by low-cost, resilient underground energy infrastructure that is crucial in delivering reliable and clean power. With Ontario's robust gas supply infrastructure, gas generation can provide continuous energy when needed as it is generally available at all times of the day throughout the year, under all weather conditions — it is far more reliable in inclement weather. Given its flexibility, natural gas generation can be ramped up or down within minutes to follow sudden or unexpected changes in demand or in the availability of other generators. This is important when managing the ebb and flow of wind and solar generation and the constant demand changes in the system.<sup>238</sup>

Produced via conventional or renewable methods, the advantages of natural gas as an alternative fuel also include its domestic availability, established distribution network, relatively low cost, and emissions benefits. Using natural gas and other alternative fuels and advanced technologies to reduce petroleum consumption

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<sup>238</sup> Op. cit., [Report Decarbonization and Ontario's Electricity Sector: Assessing the impacts of phasing out natural gas generation by 2030](#)

continues to strengthen national security and reduce transportation energy costs for businesses and consumers<sup>239</sup>.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Focus on an integrated approach where pipes and wires work together to ensure Ontario maintains an energy system that is resilient and cost-effective while supporting decarbonization. A diversified “pipes and wires” approach balances end-use electrification, leverages Ontario’s gas system to deliver made-in-Canada renewable gasses including RNG and hydrogen and pairing natural gas with carbon capture and can achieve net zero emissions with other critical benefits.
2. Accelerate the implementation of the provincial Electrification and Energy Transition Panel recommendation that the government establish a roadmap for an orderly energy transition and provide clear policy direction on the role of natural gas and low-carbon fuels in Ontario’s energy system.
3. Prioritize a diversified approach that gives industrial and residential consumers flexibility. This includes allowing customers to choose a heating system that best meets their needs, such as natural gas and reliable hybrid heating and natural gas and relates solutions for heavy industrial processes (e.g. RNG, hydrogen, carbon capture and storage) and heavy long-haul transportation that cannot be practically electrified.

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<sup>239</sup> US Department of Energy, [Alternative Fuels Data Center: Natural Gas Benefits \(energy.gov\)](#)

## **HEALTH/MENTAL HEALTH & ADDICTIONS**

### **A. Creating a backstop for the implementation of mandated workplace vaccination policies**

Submitted by: the Cambridge Chamber of Commerce

#### **Issue**

The financial impact the COVID-19 pandemic continues to have on Ontario businesses and our economy has yet to be fully tallied, or even realized. While mandated vaccination policies have been put in place for some sectors to offset potential interruptions, talk of similar policies being put in place at workplaces in general continues to generate heated political and social debate surrounding personal freedoms and government interference, not to mention threat of legal challenges. However, the need to keep businesses operating and providing a safe and healthy work environment for all employees should be paramount, even when not facing a national health crisis, and provisions should be included in the Employment Standards Act to ensure businesses that choose to mandate a vaccination policy are protected from discriminatory lawsuits.

#### **Background**

The Omicron variant of the COVID-19 pandemic has been the latest blow to Ontario's economy, potentially costing billions as businesses deal with even more lost revenue and a rising debt load as they continue to operate between waves of government-imposed health restrictions and persistent staffing shortages instigated by illness.<sup>240</sup>

The use of mRNA vaccines, whose foundation can be traced back to the early 1960s, to lessen the severity of this virus and its impact have become key tools at keeping our economy moving, especially since those who are fully vaccinated in Ontario with symptoms can now isolate for only five days compared to 10 for those who are not fully vaccinated.<sup>241</sup> The development of vaccines in general – smallpox, polio, MMR, Tdap, HPV – have provided protection to society, which in turn has helped businesses and economies continue to operate.<sup>242</sup>

However, ensuring this valuable mRNA technology can be utilized to its full potential during the most recent pandemic – one of five the world has experienced since 1900 – has sparked much political and social debate and protests surrounding use of the vaccinations, resulting in a seemingly widening divide in our society as government leaders attempt to find ways to navigate us out of this health crisis.<sup>243</sup>

Calls for the implementation of mandated vaccination policies have clearly added fuel to this heated debate, resulting in numerous protests as well potential legal challenges.<sup>244</sup> Three labour arbitration decisions filed in Ontario on behalf of the unionized employees of Ontario Power Generation, Paragon Protection Ltd. And Electrical Safety Authority resulted in only the latter action not being upheld when the judge ruled the Authority could not demonstrate having such a policy was reasonable since many of its employees worked from home.<sup>245</sup>

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<sup>240</sup> Toronto Star, Jan. 11, 2022. <https://bit.ly/3H2ZBpY>

<sup>241</sup> John Hopkins Bloomberg School of Public Health, Oct. 6, 2021. <https://bit.ly/32CAJGA>

<sup>242</sup> Insider, Nov. 28, 2020. <https://bit.ly/3u9bdUv>

<sup>243</sup> CBC, Nov. 3, 2021. <https://bit.ly/3H6urhu>

<sup>244</sup> Waterloo Region Record, Jan. 23, 2022. <https://bit.ly/33ZAPsl>

<sup>245</sup> Bennett Jones LLP, Nov. 22, 2021. <https://bit.ly/3r1TVqx>

Meanwhile, even mandated vaccination policies enacted for non-unionized employees in the healthcare, long-term care and education sectors have not come without challenges,<sup>246</sup> including protests outside Ontario hospitals<sup>247</sup> and harassment of healthcare workers.<sup>248</sup>

The acrimony surrounding the implementation of mandated, and proof of vaccination policies continues to fester – even though the Ontario Human Rights Code has deemed them generally permissible providing they meet an extensive list of criteria – as the current COVID-19 pandemic continues.<sup>249</sup>

It's this acrimony and clear lack of direction when it comes to the implementation of a mandated vaccination policy which has made it difficult for businesses to take any further steps without fear of legal and social repercussions.<sup>250</sup> Therefore, implementing elements within the articles of the Employment Standards Act to provide businesses with legal protection from discriminatory lawsuits should they choose to introduce such a policy to protect their employees and business down the road from any potential future health concerns or crises should be considered.<sup>251</sup>

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Have the Ministry of Labour include elements within the articles of the Occupational Health and Safety Act that can provide protection against discriminatory legal actions against businesses that implement a vaccination policy for the workplace.

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<sup>246</sup> Samfiru Tumarkin LLP. <https://bit.ly/348bufD>

<sup>247</sup> CBC, Sept 13, 2021 <https://bit.ly/3r2qfcW>

<sup>248</sup> Canadian Press, Sept. 3, 2021. <https://bit.ly/3KMs0Tn>

<sup>249</sup> WeirFoulds.com LLP, Sept. 23, 2021. <https://bit.ly/32FWuFw>

<sup>250</sup> Canadian Press, Jan. 2, 2022. <https://bit.ly/3IHIWsj>

<sup>251</sup> World Bank Blogs, Nov. 15, 2021. <https://bit.ly/3r6TZp0>

## **B. Create and Implement a Provincial Strategy to Address Homelessness, Mental Health and Addictions**

Submitted by: The Chamber of Commerce Brantford-Brant and the Greater Sudbury Chamber of Commerce.  
Co-sponsored by: The North Bay and District Chamber of Commerce, the Orillia District Chamber of Commerce, the Timmins Chamber of Commerce, the Sault Ste. Marie Chamber of Commerce, and the Barrie Chamber of Commerce.

### **Issue**

Many communities across Ontario are dealing with unprecedented vagrancy and nuisance behaviours as a result of a number of factors including the opioid crisis, shortage in social services supports, and a lack of housing that is affordable to many struggling with addictions. Businesses in many urban areas are struggling to manage loitering and trespassing issues, and police forces and municipalities are frustrated with repeated violations of the *Trespass to Property Act* with minimal tools at keeping people and negative activities from impacting their daily operations.

### **Background**

Communities across Ontario are struggling to manage transient groups of individuals that lack access to permanent housing or are unable to be housed in available units. Encampments can be found across the province. The December 2021 homelessness report by the Ontario Auditor General is based on four key municipalities - City of Toronto, City of Ottawa, City of Greater Sudbury, and the District of Cochrane. These municipalities were selected because they had the most people experiencing homelessness in absolute and relative terms, and/or they had a high number of COVID-19 cases in their shelters.<sup>252</sup> However, other municipalities including the City of Hamilton, City of North Bay, City of Kingston, City of Thunder Bay, City of Sault Ste. Marie and Kitchener Waterloo region are also impacted by homelessness encampments. Following the onset of the COVID-19 pandemic, the cost of a one-bedroom apartment in the City of Toronto rose by \$200 per month from 2018 to 2021.<sup>253</sup>

Unsheltered populations have complex and varied needs including mental health challenges, physical disabilities, and addictions that make supporting them within business areas like downtowns a challenge. The prevalence of addictions stemming partially from prescription opioids has increased the numbers of hard-to-house and employ individuals who are unable to work or follow rules needed for traditional community supportive housing units. Since the onset of the COVID-19 pandemic in March 2020, rates of emergency medical services (EMS) for suspected opioid overdose increased by 57% and rates of fatal opioid overdose increased by 60% in Ontario. Rural and northern communities, people experiencing poverty or homelessness, people experiencing incarceration, and Black, Indigenous, People of Colour (BIPOC) communities have seen the largest relative increases.<sup>254</sup> Public Health Sudbury District reported an increase of almost 40% in suspected opioid related incidents from January to the end of November 2021.<sup>255</sup> Social Services funding to and within municipalities has not kept up with the increased demands for mental health and addictions supports due to pressures on the existing revenue tools of municipalities. Further to this, the Auditor General states that “Ontario does not have an overarching and co-ordinated provincial strategy to prevent and reduce

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<sup>252</sup> [https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR\\_Homelessness\\_en21.pdf](https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_Homelessness_en21.pdf)

<sup>253</sup> <https://www.toronto.ca/community-people/community-partners/social-housing-providers/affordable-housing-operators/current-city-of-toronto-average-market-rents-and-utility-allowances/>

<sup>254</sup> <https://covid19-sciencetable.ca/sciencebrief/the-impact-of-the-covid-19-pandemic-on-opioid-related-harm-in-ontario/>

<sup>255</sup> [https://www.sudbury.com/local-news/opioid-related-incident-in-sudbury-jump-by-almost-40-in-less-than-a-year-4951051?fbclid=IwAR3y1tjs\\_Qk3MEJg2Hq3KGZYhIjci7HEKLuWSaCAOMOCKG6Av-waMQ9FMh0](https://www.sudbury.com/local-news/opioid-related-incident-in-sudbury-jump-by-almost-40-in-less-than-a-year-4951051?fbclid=IwAR3y1tjs_Qk3MEJg2Hq3KGZYhIjci7HEKLuWSaCAOMOCKG6Av-waMQ9FMh0)

homelessness.”<sup>256</sup> She recommends “that the Ministry of Municipal Affairs and Housing take a lead role, in collaborating with other ministries that fund or directly provide services and supports to people who are homeless or are at risk of homelessness, in developing a provincial strategy with specific actions, targets, and timelines to collectively aim to address the issues that contribute to homelessness”.<sup>257</sup> In addition, it would be beneficial to incorporate best practice ideas from the City of Medicine Hat, Alberta a municipality that successfully addressed chronic homelessness over a 10-year period through their *Plan to End Homelessness*.<sup>258</sup>

At the onset of the pandemic, police forces in Toronto, Ottawa, and York Region all reported increased business break-ins as a result of the pandemic.<sup>259</sup> The enforcement and implementation of the Trespass to Property Act is not effective. In Ontario, the number of actual incidents of Trespass at Night violations increased from 789 in 2019 to 1030 in 2020.<sup>260</sup>

Anecdotally, Ontario-based chambers of commerce and municipalities have received numerous calls from businesses regarding vagrancy, trespassing and loitering among other bylaw infractions. The Trespass to Property Act and their enforcement mechanisms needs to be reviewed and revamped in order to better support municipalities managing transient populations.

Communities are facing increased policing costs due to the policing demands in managing the struggling population, while simultaneously facing new demands on their services.<sup>261</sup> Funding allocations should be reviewed and budgeted to reflect the growing funding priorities stemming from the pandemic.

Increasing funding for social services that address mental health, homelessness and addictions is important as this has a direct positive impact on business health. Improving the visible social issues will ultimately allow municipalities to attract and retain vibrant economies across the province.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create and fund a provincial strategy to ensure social services outreach teams as partners or as an alternative to police throughout Ontario to support marginalized individuals.
2. Invest in more in-patient beds and support staff for addictions and mental health services throughout Ontario to support marginalized individuals.
3. Ensure that the Ministry of Municipal Affairs and Housing, the Ministry of Children, Community and Social Services, and the Ministry of Health coordinate efforts in developing a provincial strategy to address homelessness, mental health and addictions with a view to incorporate best practices from successful municipalities.
4. Review the *Trespass to Property Act* and their enforcement mechanisms to enable municipalities to better manage transient populations.

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<sup>256</sup> [https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR\\_Homelessness\\_en21.pdf](https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_Homelessness_en21.pdf)

<sup>257</sup> <https://mhchs.ca/homelessness-initiatives/plan-to-end-homelessness/>

<sup>258</sup> <https://mhchs.ca/homelessness-initiatives/plan-to-end-homelessness/>

<sup>259</sup> <https://www.cbc.ca/news/canada/crime-data-during-covid-19-shows-spike-in-business-break-ins-stunt-driving-1.5539331>

<sup>260</sup> <https://bit.ly/3nqkLqj>

<sup>261</sup> <https://www.ctvnews.ca/canada/a-better-way-this-is-what-alternatives-to-defunded-policing-could-look-like-1.5001517>

## C. Support for Mental Health Services

Submitted by: Richmond Hill Board of Trade

### Issue

Mental Health represents a major health issue that impacts businesses and residents of Ontario. Without ongoing support, businesses will see increased challenges maintaining staffing levels. This will directly impact the economy and productivity in all geographic and demographic areas of the province.

### Background

According to the Ontario Chamber of Commerce, the cost of mental illness of the Canadian economy is estimated at over \$50 billion annually, with \$20 billion of that stemming directly from workplace losses. On average, mental health issues cost businesses almost \$1,500 per employee, per year.<sup>262</sup>

Even though many large organizations have in place an Employee Assistance Program (EAP) and supplementary lifestyle programs, many small and medium-size companies may not be able to afford such services for their employees either self-funded or through third-party insurers. This puts a large portion of the population without access to treatment for mental illness and puts businesses at risk of staffing shortages due to a lack of available urgent treatment. When this unattended sector of the population seeks help, the wait times for treatment are long, and while they wait for treatment, they can sometimes be dealt with unsympathetically.

Over the past two years, the pandemic has highlighted the struggles individuals are experiencing to access adequate mental health care services.

Children's Mental Health Ontario (CMHO) says that a child or youth suffering from mental illness has to wait as long as two and a half years to receive mental health treatment, and due to the pandemic, the waitlists for services have doubled in the past two years.

One of our members, who provides services for the seriously mentally ill, expressed these same sentiments. The member shared the stories of their clients who have spiraled because of the lack of immediately available service.

The issue remains that if we do not fix the health issue of our society, it will continue to affect our economy. Businesses will continue to have massive losses. An unhealthy society equals an unhealthy economy.

According to CMHO statistics:

1. Currently, more than 6.7 million people are living with a mental health condition in Canada.<sup>263</sup>
2. More than 28% of people aged 20-29 experience a mental illness in any given year.<sup>263</sup>
3. Approximately 8% of adults will experience major depression at some time in their lives.<sup>264</sup>
4. About 1% of Canadians will experience bipolar disorder (or “manic depression”).<sup>264</sup>
5. Schizophrenia affects 1% of the Canadian population.
6. Anxiety disorders affect 5% of the household population, causing mild to severe impairment.
7. Suicide accounts for 24% of all deaths among 15-24-year-olds and 16% among 25-44-year-olds.
8. The mortality rate due to suicide among men is four times the rate among women.

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<sup>262</sup> <https://occ.ca/mentalhealth>

<sup>263</sup> [Mental Health Commission of Canada. \(2013\). Making the Case for Investing in Mental Health in Canada. http://www.mentalhealthcommission.ca/English/node/5020](http://www.mentalhealthcommission.ca/English/node/5020)

<sup>264</sup> [Canadian Mental Health Association. \(2014\). Fast Facts about Mental Illness. http://www.cmha.ca/media/fast-facts-about-mentalliness/#.Uw0Eo3lupg0](http://www.cmha.ca/media/fast-facts-about-mentalliness/#.Uw0Eo3lupg0)

The lack of adequate service and help for our youths and adults who may be the future leaders of our society can lead to devastating effects on our communities.

Even though companies have implemented their own Mental Health programs for employees over the last decade and many organizations are trying to help with this cause, there is still a massive gap for accessibility to adequate service. This gap has led to significant losses for businesses. In 2011 it was \$6 billion in losses. In little over a decade later, it is \$50 billion in losses. Some of the statistics provided by CMHO include:

1. Mental health issues account for more than \$6 billion in lost productivity (from absenteeism, presenteeism and turnover) in 2011.
2. Those with lower incomes generally report poorer physical and mental health than those in the higher income quintiles.
3. According to Statistics Canada, Canadians in the lowest income bracket are 3-4 times more likely than those in the highest income bracket to say that their mental health is fair to poor.
4. Research indicates that only 10-20% of persons with the most serious mental illnesses are even in the workforce.
5. 21.4% of the working population in Canada currently experience mental health conditions, which can affect their productivity.
6. Mental health conditions account for approximately 30% of short- and long-term disability claims and are rated one of the top three drivers of such claims by more than 80% of Canadian employers.
7. If unaddressed, the impact of mental health conditions on lost productivity will cost Canadian businesses \$198 billion over the next 30 years.

The Centre for Addiction and Mental Health (CAMH) data shows clear vulnerabilities relating to employment:

- While mental illness accounts for about 10% of the burden of disease in Ontario, it receives just 7% of health care dollars. Relative to this burden, mental health care in Ontario is underfunded by about \$1.5 billion.<sup>265266</sup>
- The economic burden of mental illness in Canada is estimated at \$51 billion per year. This includes health care costs, lost productivity, and reductions in health-related quality of life.<sup>267268</sup>
- Individuals with a mental illness are much less likely to be employed.<sup>26</sup> Unemployment rates are as high as 70% to 90% for people with the most severe mental illnesses.<sup>269</sup>
- In any given week, at least 500,000 employed Canadians are unable to work due to mental health problems. This includes:
  - approximately 355,000 disability cases due to mental and/or behavioural disorders<sup>270</sup>

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<sup>265</sup> Institute for Health Metrics and Evaluation (2015). *Global Burden of Diseases, Injuries, and Risk Factors Study, 2013*. Data retrieved from <http://www.healthdata.org/data-visualization/gbd-compare>

<sup>266</sup> Brien et al. (2015). *Taking Stock: A report on the quality of mental health and addictions services in Ontario*. An HQO/ICES Report. Toronto: Health Quality Ontario and the Institute for Clinical Evaluative Sciences.

<sup>267</sup> Smetanin et al. (2011). The life and economic impact of major mental illnesses in Canada: 2011-2041. Prepared for the Mental Health Commission of Canada. Toronto: RiskAnalytica.

<sup>268</sup> Lim et al. (2008). A new population-based measure of the burden of mental illness in Canada. *Chronic Diseases in Canada*, 28: 92-8.

<sup>269</sup> Marwaha and Johnson (2004). Schizophrenia and employment: A review. *Social Psychiatry and Psychiatric Epidemiology*, 39: 337-49.

<sup>270</sup> Dewa, Chau, and Dermer (2010). Examining the comparative incidence and costs of physical and mental health-related disabilities in an employed population. *Journal of Occupational and Environmental Medicine*, 52: 758-62.

Number of disability cases calculated using Statistics Canada employment data, retrieved from <http://www40.statcan.ca/101/cst01/labor21a-eng.htm>.

- approximately 175,000 full-time workers absent from work due to mental illness.<sup>271</sup>
- The cost of a disability leave for a mental illness is about double the cost of a leave due to a physical illness.<sup>270</sup>

CMHO listed the following Communities with the longest wait times for services - York (919 days), Durham (827 days), Northumberland (792 days), Peel (737 days), Hamilton (710 days) and Toronto (684 days)

Listed above are just some of the communities but there are many more in the rural areas with much longer wait times.

For the newly formed Ministry of Mental Health to achieve the promise of a healthier and resilient future for our communities, and to help mitigate the urgent staffing shortages that result from mental health issues, they must act now.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with the federal government to commit the dedicated resources necessary to improve the services provided to mentally ill individuals, ensuring that more service providers are available to tend to this area of health care; and
2. Require the Ministry of Mental Health to act immediately upon their promises regarding improvement on wait time for services.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

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<sup>271</sup> Institute of Health Economics (2007). Mental health economics statistics in your pocket. Edmonton: IHE. Number of absent workers calculated using Statistics Canada work absence rates, retrieved from <http://www.statcan.gc.ca/pub/71-211-x/71-211-x2011000-eng.pdf>.

## **D. Access to Team-Based Primary Care in Underserved Rural Communities**

Submitted by: Tillsonburg District Chamber of Commerce. Co-sponsored by: Ingersoll District Chamber of Commerce, Woodstock Chamber of Commerce, and Simcoe & District Chamber of Commerce

### **Issue**

The Ontario landscape for equitable access to primary care and mental health and addictions support continues to present a number of health system gaps and challenges specific to: 1) Shortage of family physicians, and 2) Lack of access to team-based care in Rural Communities, resulting in increased and inappropriate Emergency Department (ED) visits and hospital admissions.

### **Background**

There are several salient challenges faced by the health system that hinder the provision of community services:<sup>272</sup>

#### **Lack of family physicians and lack of access to team-based care**

For those patients without physicians, walk-in clinics are relied on, but in many rural communities they don't exist. Alternatively, the Emergency Department (ED) is relied on for primary care, or by patients who chose to ignore health issues, resulting in untreated conditions that then lead to hospital admission. This results in a high rate of avoidable visits to EDs for problems that are more appropriately managed in the community.

Continuity of care problems also result from not having a family physician and not being rostered with a Nurse Practitioner (unattached patients). HealthCare Connect is available to connect physicians with unrostered patients but often physicians do not use it due to the concern of complex patient issues.

Additionally, from an employer's perspective, employees who don't have access to a primary care provider to assess injuries and general illness have difficulties getting assessed and receiving care potentially resulting in longer periods of absenteeism.

#### **Additional rural challenges**

Rural community populations are rapidly increasing with no additional investment in health care supports, programs and services to support the population.<sup>273</sup> The senior population is often higher in these communities presenting a more prevalent need for chronic disease care, such as hypertension and diabetes mellitus support, for example.

Rural communities also tend to present with higher numbers of high-strength opioid users and alcohol use disorder due to isolation and anxiety.

Access and wait times for mental health and addiction support are also higher due to lack of programs and services available.<sup>274</sup>

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<sup>272</sup> Some of these issues were identified in the Oxford County and Area Ontario Health Team (OHT) Full Application but are seen across the province. <https://www.oxfordandareaoh.com/wp-content/uploads/2021/02/OHT-Full-Application-Oxford-and-Area-FINAL.pdf>.

<sup>273</sup> "Population Growth in Canada's Rural Areas, 2016-2021," Statistics Canada, <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021002/98-200-x2021002-eng.cfm>.

<sup>274</sup> "Everything is Not OK: Sector Leaders Call for Mental Health and Addiction Wait Times Strategy to be in Upcoming Ontario Budget," Addictions & Mental Health Ontario, <https://amho.ca/everything-is-not-ok-sector-leaders-call-for-mental-health-and-addiction-wait-times-strategy-to-be-in-upcoming-ontario-budget/#:~:text=The%20average%20wait%20time%20for,access%20the%20services%20they%20need.>

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Investigate the opportunities available to establish equitable team-based primary care access to all rural and remote communities across the province, specifically in areas that are identified as high need: <https://www.health.gov.on.ca/en/pro/programs/highneed/>
2. Invest to expand team-based Primary Care models such as Family Health Teams (FHTs); Community Health Centres (CHCs), Aboriginal Health Access Centres (AHACs), Nurse Practitioner Led Clinics (NPLCs) and expand the Family Health Organizations (FHOs), to enhance access and increase capacity for unattached patients to team-based primary care in rural and remote communities.
3. Roster patients to Nurse Practitioners to avoid duplicate primary care in rural and remote communities with physician shortages.

Effective Date: April 30, 2022

Sunset Date: April 30, 2025

## **E. Addressing Mental Health Restrictions to Allow a Positive and Safe Return to Work**

Submitted by: The Ajax-Pickering Board of Trade

### **Issue**

After a workplace injury and to allow the worker return to work, their health care provider normally prepares and submits to the Workplace Safety and Insurance Board a Functional Abilities Form. This form is then used by the employer to develop a positive and safe return to work plan, with appropriate accommodations. Unfortunately, the current form is limited to detailing only the worker's physical health restrictions (e.g., lifting, carrying, etc.). As a result, the employer is left without knowledge of any mental health restrictions (e.g., concentration restrictions, memory restrictions, stress restrictions, etc.). This is particularly of concern where the worker is employed in a safety sensitive position. Accordingly, the form needs to be updated to also address mental health restrictions.

### **Background**

When a worker is injured at work in Ontario, insurance coverage is often provided by the Workplace Safety and Insurance Board (WSIB). Furthermore, a claim is filed with the WSIB, the WSIB then provides wage-loss benefits, medical coverage, and support to help the worker return to work. As part of returning the worker to work, the worker's health care provider completes the WSIB's Functional Abilities Form (FAF). This form has clear and specific checkboxes to be completed to allow the WSIB and the employer to understand any restrictions. Unfortunately, the FAF is limited to only physical restrictions. In particular, the FAF asks the health care provider about lifting restrictions, standing restrictions, sitting restrictions, etc. The FAF does not ask health care provider about mental restrictions, such as concentration restrictions, memory restrictions, and problem-solving restrictions. As a result, a worker may return to work with proper accommodation for their physical restrictions, but without proper accommodation due to their mental restrictions. This is particularly of concern where the worker is employed in a safety sensitive position (e.g., log truck driver, swing-stage operator, pilot, electrician, etc.).

The WSIB acknowledges that workplace injuries not only result in physical health issues, but also mental health issues. As of January 2018, the Workplace Safety and Insurance Act was amended to allow for workers to make claims regarding chronic mental stress. In 2022, over 2,000 workers filed claims with the WSIB, requesting the need to be off from work because of mental health harms. For employers to properly support these workers to positively and safely return to work, the employer needs to understand the worker's mental health restrictions. Does the worker need to receive instructions in writing, or verbally? Does the worker need to have certain tasks removed from their responsibilities? With an updated FAF, both the WSIB and the employer would be properly informed, helping the worker return to work.

### **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Update the Workplace Safety and Insurance Board's Functional Abilities Form, not only addressing physical restrictions, but also mental health restrictions.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **F. Diversifying healthcare to ease the burden on Emergency Rooms and family doctors**

Submitted by: Peterborough and the Kawarthas Chamber of Commerce. Co-sponsored by: Greater Kingston Chamber of Commerce, Brockville and District Chamber of Commerce, Belleville Chamber of Commerce, Guelph Chamber of Commerce

### **Issue**

Our hospitals are in crisis, struggling to fulfill all the healthcare needs we are asking of them. At the same time, many people in Ontario are without access to a family doctor. Lack of access to healthcare is leading to greater lost time and limiting workforce mobility. While our hospital and family physician services are in need of investment, there are other healthcare professionals in our communities that are underutilized and can help fill in the gaps when it comes to primary and non-urgent healthcare needs.

### **Background**

Healthcare in Ontario is crisis. Hospitals are regularly at capacity for dealing with emergencies and staffing struggles have led to regular temporary closures to new admittance.

While COVID-19 and a particularly difficult influenza season have created challenges, adding further pressure is the lack of family physicians. According to the Ontario College of Family Physicians, more than 3 million Ontarians could be without a family doctor by 2025.

People without a family doctor are left to piece together their healthcare services with what is available to them, including attending Emergency Rooms for non-urgent healthcare needs.

Increasing the service capacity of hospitals and access to family doctors should be a priority for the government, but there are other healthcare services that can help take some of the pressure off in the near term.

Nurse Practitioners can shoulder some of the demand for family doctors through funding more Nurse Practitioner-led clinics as a primary care option, as well as funding the additional Nurse Practitioner seats at Ontario's universities.

Similarly, pharmacists have the expertise to ease some of the healthcare burden by increasing their ability to prescribe and administer medication. Steps have recently been taken to expand this capacity, but more can be done.

Community Health Centres are able to provide physical and mental healthcare to some of our most vulnerable citizens. There are still many communities around Ontario that do not have this service, which serve individuals who live with complex mental health and/or addictions, extreme poverty, and disability. It is welcoming to newcomers, racialized individuals, Indigenous persons, and individuals who identify as 2SLGBTQ+. The need for Community Health Centres is especially important for businesses located in historic downtowns who are dealing with the consequences and filling in some of the gaps for marginalized individuals.

Enhancing funding for Community Paramedicine Programs will assist communities with an additional safety net that will meet people's healthcare needs without a visit to the hospital.

We need our government to work with local healthcare providers to ensure people have access to walk-in clinics. This is a vital stopgap for people unable to access a family doctor, but in need of non-emergency

healthcare — yet many communities are un- or underserved. Enhancing access to walk-in clinics is a necessary preventative measure that will ensure the treatment of various ailments that may otherwise be escalated and lead to readmittance, putting further pressure on an already strained healthcare infrastructure.

Mobile clinics offer resources to rural communities that are often without significant local healthcare services.

Employers in Ontario are facing significant challenges attracting and retaining their workforce. Providing adequate and efficient healthcare will minimize absenteeism and creating a stronger, healthier workforce.

Workers are reluctant to relocate due to the potential loss of access to a family doctor, limiting workforce mobility in Ontario.

Healthcare challenges increase in rural communities, adding more barriers to attracting skilled workers — particularly for our struggling tourism sector.

A healthy workforce will drive a healthy economy.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Provide more funding for Nurse Practitioner-led clinics, and fund additional Nurse Practitioner seats at Ontario's universities.
2. Expand funding for community paramedicine programs.
3. Support Community Health Centres as a means of addressing healthcare needs for those with barriers and needs that fall outside the scope of traditional healthcare systems.
4. Ensure communities have access to walk-in clinics.
5. Invest in mobile clinics to meet non-urgent healthcare needs in rural communities.
6. Make medical schools more financially accessible to students interested in entering the medical field.
7. Work with the federal government to Improve the mobility of physicians within Canada by broadening the national licensure program.
8. Continue to improve recognition of equivalent qualifications held by international medical graduates to integrate them into the Ontarian medical field and meet fast-growing demand.
9. Increase admission capacity for different types of health care professionals.
10. Expand programs to offer incentives for health care professionals — including physicians, nurses, specialists, and technicians — to locate in rural and northern regions experiencing higher levels of healthcare workforce shortages.
11. Ensure that communities across Ontario possess the digital infrastructure necessary for enhanced and integrated telehealth programs that bring physician teams and patients closer together.
12. Ensure the reduction of unnecessary administrative demand regarding family practitioners.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **G. Healthcare Crisis: Demands Exceed Supply**

Submitted by: Brampton Board of Trade

### **Issue**

Ontario's healthcare system is breaking under the compounded pressures of the COVID-19 pandemic.

### **Background**

Hospital overcrowding has become the new normal in too many of Ontario's cities, including Brampton. This is an historic trend but has been made considerably worse by the many pressures that the COVID-19 pandemic put on emergency departments and surgical waitlists.

The issue is simply one of capacity. The supply of 33,000 hospital beds in Ontario has negligibly increased since 1999<sup>275</sup>, even though Ontario's population has grown by more than 27%, from 11.5 million to just over 15 million. In addition, the segment of Ontario's population that is 65 years or older has increased by 1 million. As a result, hospitals in high growth cities operate at near or over 100% capacity on a near daily basis. Additionally, a shortage of trained professionals such as nurses is a significant barrier to the healthcare system meeting its full potential.

Another significant factor is that approximately 1 in 6 hospital beds are occupied by patients who require a more 'appropriate level of care' (ALC), which on average is less expensive than hospital beds and come in such forms as long-term care, assisted living, and rehab. Although some progress has been made on ALC via Bill 7, it remains a significant structural issue in our healthcare system. The majority of ALC patients are waiting for a long-term care beds, which in 2019 had a wait list of 161 days. While the current provincial government has invested in more long-term care beds, it takes three years to get those beds in operation. Just 21 new long-term care beds opened in Ontario in 2019, while the waitlist grew by more than 2,000. Under the previous provincial government, only 611 new long-term care beds opened from 2011 to 2018.

Matching patient needs to the appropriate healthcare resources will reduce the strain put on hospitals and will contribute to sustainable and inclusive growth.

### **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Ensure provincial funding commitment for new hospital beds based on communities' and regions' demographic and infrastructure needs.
2. Speed up the process to get new long-term care beds into operation - and make sure the beds are created where they are needed.
3. Ensure provincial funding commitment for variety of 'alternative level of care' options that meet diversity of needs, including at-home, community, and mental health support.
4. Continue seeking solutions to the healthcare staffing crisis, including by;
  - a. Looking at ways to continue to expedite credential recognition for internationally trained nurses and those accredited in other provinces;
  - b. Supporting programs that streamline nursing degrees at postsecondary institutions and those that help healthcare professionals graduate faster.

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<sup>275</sup><https://www.oha.com/Bulletins/OHA%20Fact%20Sheet%20on%20Hospital%20Capacity%20and%20Projections%20Jan%2015%202021.pdf>

5. Research healthcare technology in comparable jurisdictions where remote patient monitoring and crisis management is used effectively to curtail hospital stays.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **H. Simplify information sharing to improve specialized mental health care for people experiencing homelessness**

Submitted by: The Greater Oshawa Chamber of Commerce. Co-sponsored by: Sault Ste-Marie Chamber of Commerce, Chamber of Commerce Brantford-Brant, Scugog Chamber of Commerce, Whitby Chamber of Commerce, and Guelph Chamber of Commerce

### **Issue**

There is a lack of integration among care professionals when caring for the complex mental health needs of people experiencing homelessness and experiencing acute mental health crises, leading to a disproportionate number of hospital emergency department visits, and an increase in preventable overdoses and deaths. The 'circle of care' model put forward by the Information and Privacy Commissioner does address information sharing for several health information custodians, but it fails to include two of the most common service providers involved in the case management of individuals experiencing homelessness with complex mental health needs: law enforcement and social services.

### **Background**

Healthcare providers and community service providers must be able to collaborate to meet the unique mental health needs of people experiencing homelessness<sup>276</sup> in order to ensure stronger socioeconomic opportunities and safeguard health system capacity. The misapplication and restrictive nature of current privacy laws prevents the necessary and timely collaboration of professionals when addressing the ongoing and complex mental health needs of those experiencing homelessness. One intention of the *Personal Health Information Protection Act, 2004* (PHIPA) is to provide practitioners with the right information at the right time. Without access to the full scope of information from all providers involved in an individual's case management, emergency healthcare providers and emergency responders are unable to assess and tend to an individual's needs effectively and appropriately.

This results in inadequate care for people experiencing homelessness and mental health and/or addictions challenges, which can lead to the continuation of those complex challenges. It also directly creates missed opportunities to adequately and more quickly address some of the individuals' acute needs, effectively short-circuiting any chance to stabilize the person in a more timely fashion.

With growing rates of homelessness and mental health and addictions challenges in communities across the province, municipalities and local businesses are unable to manage the associated business, economic, and health system costs and impacts. For example, individuals experiencing homelessness make up a disproportionate share of Canadian emergency department visits in the absence of adequate and affordable housing and/or mental health supports.<sup>277</sup> This puts additional and unnecessary strain on our hospitals, healthcare resources, and the community at large. The lack of specialized mental health care for people experiencing homelessness is evident through the inability of all service providers to integrate specific case knowledge in the care planning process and through a system that fails to provide accessible care environments for all demographics. This lack of specialized care is also evident in the suboptimal discharge planning provided by hospitals and the justice systems (e.g., access to affordable housing, mental health and addictions supports, etc.) and the high rates of readmission among people experiencing homelessness.<sup>278</sup> The direct impact to businesses is that these barriers to care are directly correlated to a slowing down of many individuals' pathways

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<sup>276</sup> <https://www.homelesshub.ca/sites/default/files/attachments/s41572-020-00241-2.pdf>

<sup>277</sup> <https://www.theglobeandmail.com/canada/british-columbia/article-western-canada-the-growing-impact-of-homelessness-on-emergency/>

<sup>278</sup> <https://www.homelesshub.ca/sites/default/files/attachments/s41572-020-00241-2.pdf>

to becoming re-housed/re-integrated, posing significant, ongoing pressures on local communities, the health care system, and the economy more broadly.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Review relevant sections of the Personal Health Information Protection Act that prevent sharing of information among service providers involved in clinical case management of people experiencing homelessness, specifically, non-healthcare related sector service providers such as social service and emergency service providers.
2. Ensure a provincial funding commitment to specialized mental health care for people experiencing homelessness.
3. Create enhanced support mechanisms for people with mental health conditions for aftercare after being released from the hospital, so they can be monitored for a more extended period by the required mental health specialist and social service professional, in partnership with the ACT team.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## **I. Supporting Safer and Healthier communities through Detox Centres in a collaborative approach when dealing with those experiencing Homelessness, Mental Health and Addictions**

Submitted by: Belleville Chamber of Commerce. Co-sponsored by: Brockville & District Chamber of Commerce, and Peterborough and the Kawarthas Chamber of Commerce

### **Issue**

Across Canada over the past five years, most communities have seen a significant increase in the number of community members experiencing homelessness, mental health and addictions. While not intrinsically connected, there is a direct correlation between homelessness, mental health and addictions. While there are many social service agencies doing their best to work with these affected community members, a missing element in a small to mid-sized community is the support to operate a Detox Centre in an effort to address the addictions component of a triangle that encompasses homelessness, mental health and addictions.

### **Background**

Currently in Canada it is estimated that as many as 6 million people, or 21% of our population, will meet the criteria for substance use disorder in their lifetime. When we look at some of the larger municipalities across our country, they have the resources available to support a Detox Centre. Ottawa has a Detox Centre program that enlists the support of the Montfort Hospital for the health and safety of their clients. It is imperative to address these socioeconomic challenges through an integrated three-pronged approach, including addressing homelessness via the use of short- and long-term solutions (e.g., shelters, supportive housing, affordable housing, etc.), a transition centre and other dedicated services and supports to address the mental health concerns of the clients, and last but not least, the most important element is a Detox Centre to provide wrap around services for clients who are suffering from alcohol and/or drug addictions.

According to the Advocacy Centre for Tenants Ontario, 35,000 Canadians experience homelessness on any given night. At least 235,000 Canadians experience homelessness in a year and 27% are female while 19% are youth. Additionally, the number of adults 55+ years old experiencing homelessness is rising, a combined 24% of shelter users.

In 1988 Robert Graham developed a document called “Building Community Support for People.” This was a plan for mental health in Ontario that included the closure of mental health facilities across Ontario (i.e.: Mountainview & Burritts Rapids along with others). The Graham report highlighted the importance of reintegrating those with mental health challenges in our communities across Ontario. The reintegration of these members of our community was to be supported through social support mechanisms that did not materialize, thus leaving the municipalities to deal with the social support challenges of the reintegration.

With growing rates of homelessness and mental health and addictions challenges in communities across the province, municipalities and local businesses are unable to manage the associated business, economic, and health system costs. This is not a criminal problem but a health care issue that can no longer be managed within a system already stretched beyond capacity.

It is time for the provincial government to support our most vulnerable populations with the support promised the well-intentioned reintegration that not only costs municipalities, but the businesses serving these communities.

It is also critical to note that the establishment of a detox centre in a select community will exacerbate the problem where these resources are located; the request is to consider the creation of these centres in multiple communities across Ontario.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Invest in integrated and specialized mental health services that meet the unique needs of communities.
2. Facilitate the creation of Detox Centres and healing lodges in communities across Ontario without existing facilities.
3. Develop a framework to allow for sustained funding agreements with parameters to ensure the viability and success of the Detox Centre.
4. Ensure that Detox Centres are provided with mental health and housing resources and integrated with mental health care providers and homeless shelters.

Effective Date: April 29, 2023

Sunset Date: April 29, 2026

## J. Funding to Municipalities for Mental Health & Addictions Treatment Centres & Training of Front-Line Support Workers

Submitted by: The Greater Kingston Chamber of Commerce

### Issue

Lack of funding available to municipalities to meet the ever-expanding demand concerning mental health and addictions treatment and the limited treatment centres along with limited resources available to train existing and new front line support workers inclusive of police and by-law officers, municipalities are not being able to effectively improve upon this widening failure to our most vulnerable citizens. Furthermore, storefront employees, workers and businesses within the service and hospitality sectors, are often the first responders to instances of mental health or addiction crises yet are not equipped to deal with such situations. Municipalities need the funding support to establish increased programming to tackle the gaps in education and provide the supports towards the creation of additional treatment centres. We appreciate and are thankful of the 5% increase to boost overall operational budgets that was provided to CMHA, Canadian Mental Health Association, in 2023, however, the challenges are much broader than mental health and addictions alone and therefore, increased funding directly to the municipalities will allow for broader collaborative support mechanisms to be established in order to deliver focused and guided solutions to enhance education, training and creation of treatment programs and centres.

### Background

The OMA, Ontario Medical Association lists *“that one in five people in Canada experiences mental health problems and illness”*<sup>279</sup> which further surged as a result of the pandemic. Statistics Canada states, *“According to data from 2022, over 5 million Canadians (18%) aged 15 and older, met the diagnostic criteria for a mood, anxiety, or substance use disorder in the previous 12 months”*<sup>280</sup> When mental health or addiction crises occur and (emergency?) frontline workers including bylaw officers, police officers, and paramedic workers are called for immediate assistance, they are not adequately equipped with the proper training or education regarding how to handle these situations. Policing alone is not a solution to municipalities drug problems and rather an integrated approach including prevention, treatment, harm reduction, as well as policing has proven to be effective among other jurisdictions (municipalities?). According to the National Harm Reduction Coalition, *“Over 750,000 people have died from a drug overdose in the last 20 years, many of which could have been prevented if the people using the drugs had access to life-preserving tools”*.<sup>281</sup> The Ontario government developed the Ontario’s Workplace Naloxone Program which provides free online naloxone training for two workers per workplace and a free nasal spray naloxone kit for up to two years. While this is a positive step, it would be favourable to extend this free program and to include injectable intermuscular naloxone, as it is a more effective dose in achieving the spontaneous respiration within ten minutes of drug administration.<sup>282</sup>

To further illustrate the shortfall in meeting the demands, the International Journal of Mental Health Systems report from Mar. of 2023, outlines *“Canadian youth (aged 16–24) have the highest rates of mental health and addiction concerns across all age groups and the most unmet health care needs. There are many structural barriers that contribute to the unmet*

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<sup>279</sup> CMHA Ontario. (2023, March 23). *Mental health*. <https://ontario.cmha.ca/news/cmha-ontario-welcomes-historic-investment-for-community-mental-health-and-addictions-in-2023-provincial-budget/>

<sup>280</sup> Government of Canada, Statistics Canada. (2023, September 22). *Mood disorders in Canada*. <https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2023053-eng.htm>

<sup>281</sup> National Harm Reduction Coalition. (2023, December 2). *Overdose prevention resources*. <https://harmreduction.org/issues/overdose-prevention/>

<sup>282</sup> Korneev, V. (2023). *New naloxone kit requirements: 7 things you need to know now*. <https://www.wsps.ca/resource-hub/articles/7-things-you-need-to-know-now>

*mental health care needs of youth including lack of available and appropriate services, high costs, long wait times, fragmented and siloed services, lack of smooth transition between child and adult services, stigma, racism, and discrimination, as well as lack of culturally appropriate treatments.”*<sup>283</sup> These inequities, which the Public Health Agency of Canada defines as differences in health outcomes or in access to the resources that support health that are systemic (consistently observable between population groups) and can plausibly be avoided or ameliorated by collective action<sup>284</sup>, require a robust and collaborative approach.

Employees who attempt to address these inequities and are working within the current support streams are overworked, underpaid, and undervalued which has contributed to a massive labour shortage. Reducing this trend will require better equipping the support workers we currently have, as well as urgently attracting more individuals to hire to meet the demand to offset the expanding crisis.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Develop a provincial funding strategy for all municipalities to deliver more treatment resources to address mental health and addictions.
2. Provide funding so that Municipalities can better train all front-line support staff, namely police officers and by-Law officers, who attend to a person in crisis, so that they may better assist and guide them to the appropriate channel of assistance and support.
3. Deliver funding for municipalities to train and hire mental health professionals, including psychiatrists, psychologists, social workers, and addiction counselors.
4. Develop an onsite overdose response policy across law enforcement and mental health facility employees.
5. Continue to provide business with yearly naloxone kits and training without any additional costs.
6. Expand mental health, suicide prevention training, and PTSD support to all first responders, those working in the mental health or substance use sector and shelter sectors.
7. Adopt a social determinant of health approach when aiding individuals dealing with mental health and/or addiction crises.

Effective Date: April 27, 2024

Sunset Date: April 27, 2027

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<sup>283</sup> Kourgiantakis et al. (2023, September 14). Access to mental health and addiction services for youth and their families in Ontario: Perspectives of parents, youth and service providers. *International Journal of Mental Health Systems*, 17(1). <https://ijmhs.biomedcentral.com/articles/10.1186/s13033-023-00572-z>

<sup>284</sup> Government of Canada. (2023, June 1). *Social determinants of health and health inequalities*.

<https://www.canada.ca/en/public-health/services/health-promotion/population-health/what-determines-health.html>

## **K. Increase Funding to New and Primary Care Teams to Address Critical Health Care Shortages in Ontario and the Health Human Resource Crisis**

Submitted by: Timmins Chamber of Commerce. Co-sponsored by: Greater Sudbury Chamber of Commerce, Thunder Bay Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, & North Bay & District Chamber of Commerce

### **Issue**

A health care crisis in Ontario has resulted in 2.2 million Ontarians without a family doctor and increased difficulties in accessing specialty and diagnostic care. Demand for government-funded primary care teams has increased, as well as funding for existing primary care teams. Team-based primary care models continue to demonstrate patient health services benefits as the framework provides a holistic, wraparound approach by bringing together health care providers such as nurses, doctors, social workers, and dieticians. This bridges the gap in accessing primary care services for unattached patients to connect to care when they need it. A team-based model to health care not only decreases the workload of family physicians, but allows for sustainable direct service delivery, support a larger patient population, and improve health care access, which positively impacts economic stability and productivity.

### **Background**

Over the past decade the Ontario Government has made the process of establishing new Primary Health Care Teams excessively challenging and limited. The province's population is an estimated 14.4 million, which is projected to increase by 43.6% from 2022-2046<sup>285</sup>, only an approximate 3.4 million patients are enrolled in one of the 184 teams currently operating within the province. Approximately 2.3 million Ontarians are without equitable access to health care and will continue to grow as 65% of family physicians are considering retiring or reducing clinical hours in the next five years, as per the Ontario College of Family Physicians reporting in their May 2023 survey<sup>286</sup>.

Ontario's Ministry of Health recently announced<sup>287</sup> a \$110-million investment to the 'Your Health to connect more than 300,000 people to primary care teams and adding 400 new, tripling the original \$30 million announcement. Ontario's investment in team-based care is a significant contribution, and while it is a step in the right direction, more investment, specifically in health human resources, is required to address health care service gaps and reach unserved and underserved communities. There are still substantial pockets of the population remaining unserved and barriered to health care due to geographic locations and available health care providers. While 'Your Health Plan' aims to give 1,200 more physicians access to this model by 2025, other health care sectors issues such as the ongoing physician recruitment and retention crisis remain unaddressed. The health care sector has faced significant human resources challenges as recruitment has become more competitive as HR representatives must compete with higher wages and international recruitment, tenured physicians preparing for retirement, and health care professionals leaving the sector all together.

Patients with complex health needs lack access to team-based primary care, where a collaborative group of inter-professional health-care providers delivers comprehensive services. The Ontario Medical Association (OMA) is advocating for new primary care teams to offer tailored support to meet the needs of patients in different communities. The OMA hopes to see a diverse primary care team that includes a physician, nurse,

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<sup>285</sup> <https://www.ontario.ca/page/ontario-population-projections#foot-1>

<sup>286</sup> <https://ontariofamilyphysicians.ca/news/new-survey-shows-full-blown-crisis-in-family-medicine/>

<sup>287</sup> <https://news.ontario.ca/en/release/1004143/ontario-connecting-over-300000-people-to-primary-care-teams>

administrator and at least two other inter-professional care providers, such as a social worker, registered dietitian, nurse practitioner, physiotherapist, pharmacist, specialists, and mental health professional and/or outreach worker.<sup>288</sup> Investing in team-based primary care provides a supportive work environment for healthcare workers, benefits existing providers, ensures access to comprehensive and coordinated care, and results in a more connected healthcare system. The benefits of this approach include healthier patients, fewer hospitalizations, and lower health system costs.

At a time where access to health care is underserved and facing an acute shortage of physicians, the Ontario government must urgently address and increase investment contributions, while adjusting to inflation rates, to support health team programs and operating models to address critical gaps in service and continue to build clinical capacity. Findings from the Ontario College of Family Physicians (OCFP) plan, 'Plan of Action, Solutions for Today: Ensuring Every Ontarian Has Access to a Family Physician'<sup>289</sup> supports these recommendations and the Association of Family Health Teams of Ontario (AFHTO) have echoed urgency of the current situation, urging both levels of government to build on their investment and further expand team-based care across the province.<sup>290</sup>

Technology adoption for health teams' is crucial for advancing healthcare and improving patient outcomes. It will allow teams to stay current with the latest technological advancements, foster innovation, improve efficiency, and enhance patient care outcomes. For example, technology can simplify and streamline prescription process, while telehealth consultations can further alleviate administrative burdens. Strategic investments in technology adoption will ensure patients receive the best possible care while improving the effectiveness and efficiency of the healthcare system.

The health care crisis will continue to grow, and more Ontarians will lose access to quality health care if the government does not address current operating models and develop long-term, sustainable solutions. Investing in team-based healthcare can lead to a healthy and robust workforce, contributing to a thriving economy.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Strengthen Ontario health care by increasing the target number of Comprehensive Primary Care Teams, and expand the current number of Nurse Practitioner positions available in health team settings, to effectively address health care service gaps in underserved and unserved communities;
2. Build upon the \$110-million investment to grow new and existing multidisciplinary teams through increased funding for new and existing Comprehensive Primary Health Care Teams, Nurse Practitioner Led Clinics, to drive sustainable health care services, including recruitment and retention support;
3. Allocate strategic investments to provide support for technology adoption for Primary Care Teams', fostering innovation, improving efficiency, and enhancing patient care outcomes.
4. Increase base funding for existing community health centres so they can deliver primary care and attract and retain the necessary talent.

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<sup>288</sup> <https://www.oma.org/advocacy/prescription-for-ontario/prescription-for-ontario-doctors-solutions-for-immediate-action/>

<sup>289</sup> [https://ontariofamilyphysicians.ca/wp-content/uploads/2023/08/ocfp\\_fp\\_access\\_pp\\_execsummary\\_01\\_24.pdf](https://ontariofamilyphysicians.ca/wp-content/uploads/2023/08/ocfp_fp_access_pp_execsummary_01_24.pdf), January 2023

<sup>290</sup> <https://www.afhto.ca/news-events/news/primary-care-leaders-urge-canadas-premiers-and-federal-government-strike-deal>, February 06, 2023

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## **L. Supporting healthcare infrastructure in Ontario**

Submitted by: Whitby Chamber of Commerce

### **Issue**

To support Durham Region's rapidly growing community and increasing healthcare demands, Lakeridge Health and many stakeholders established a Master Plan which includes the building of a Hospital and Trauma Centre in Whitby. Currently, those efforts hang on the approval for the 2-million-dollar planning grant, from the Ontario Government. The Whitby Chamber of Commerce brings forth a resolution in support of the Lakeridge Health planning grant.

### **Background**

The development of a new hospital in Durham Region is a key component of Lakeridge Health's Master Plan, which provides a roadmap for the future of health-care delivery in Durham Region, which aims to provide inpatient bed growth of almost 1,000 beds to meet projected demand over the next 25 years.

In January 2022, Lakeridge Health's Board of Trustees accepted the Expert Panel's recommendation of the site in Whitby as the preferred location for a proposed future hospital. The Panel was made up of a diverse group of professionals who bring many years of leadership experience and expertise in health care and real estate development to this site selection process.<sup>291</sup>

The preferred site is located on 50 acres of land south of Highway 407, west of Highway 412, east of Lake Ridge Road and north of Highway 7/Winchester Road (owned by the Province). The location is easily accessible given its proximity to existing major highways and roadways, as well as planned public transit projects. Its location in central Durham Region will help to efficiently serve residents across the region.

The panelists also had knowledge of the Region, grounding their final recommendations on fact and experience. The process of selecting the hospital site was independent, transparent, and understandably expensive.

### **Healthcare Demands in Durham**

There is a dire and growing need for increased and improved Health services in Durham. In 2023, it was estimated that 44 thousand Durham residents have no family physician, this number rose by 11 thousand since 2021. With a lack of healthcare workers and sufficient resources, the Region's residents are forced to find medical services in neighboring Regions and are often transported to hospitals outside Durham; this adds undue loan on the Provincial healthcare system, increasing costs and pressures on the system that could be avoided by the Regional Hospital. The significant population growth projected for Durham Region will only add greater pressure on the current services available. According to Statistics Canada, the population of Durham Region grew by 6.3% between 2016 and 2021, which is higher than the national average growth rate of 5.3%. Moreover, Durham Region is projected to have a population of over 900,000 by 2041, which represents an increase of almost 30% from its current population.

To illustrate the rapid changes, Durham Workforce Authority's 2023 Data Walk shows that between 2016 and 2021 (a mere five years) our region:

- Experienced 7.91% population growth;

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<sup>291</sup> Site Selection Process for a Proposed New Hospital - Lakeridge Health

- Is home to 4.9% of Ontario’s residents; and
- Saw the percentage of residents who are 65 year or older increase 19.71%.<sup>292</sup>

In parallel to the increasing demand, Durham current hospital facilities are aging; according to Lakeridge Health, the average age of its facilities is 50 years, which is well above the recommended lifespan of most hospital buildings.

Despite being the second largest municipality in Ontario, Durham Region still has no trauma centre within our boundaries. This means that that we must frequently continue to engage the services of Ornge to evacuate critically-injured or endangered patients, costing both valuable treatment time and vastly more than local ground ambulance service. The new hospital is also planned to provide acute care, which are not currently available in Durham Region. Neighbouring the Greater Toronto Area, Durham Region’s success will have a direct impact on the distribution of available resources and services in the GTA, which is facing its own strain on healthcare services.

### **Economic Impact and Timing**

A new hospital is crucial for the success of our local businesses and organizations. By providing high quality healthcare services locally, we can ensure a healthier and more productive workforce, which in turn will drive economic growth and prosperity. Additionally, a new hospital will attract and retain new businesses, investors, and employees, ultimately contributing to the long-term sustainability and success of our community. Currently, our Chambers advocacy surveys indicate that hiring skilled labour is a significant challenge to our local businesses, without strong infrastructure and community, Durham region will continue to lose skilled talent to neighbouring regions that offer better support and services.

The hospital will also undoubtedly fuel local and support local spin off industries, like sports and fitness, medicine, therapeutics, physio, private labs, and nurse practitioner services.

It could be as much as 10 years before this new hospital is open and the rate of growth across the entire region is too fast to continue to delay this process. Regional reports indicate that the Durham population is expected to rise from 723,200 in 2021 to 1.3 million by 2051, almost doubling, and becoming a more important economic hub in southern Ontario.

Ontario’s success relies of the strength and sustainability of its regions, particularly along the Greater Horseshoe area. If one of the links is weak, it adds pressure of the rest, threatening the health and growth of the Ontario economy.

Strengthening our healthcare infrastructure in Durham gives Ontario another continued powerhouse of economic success.

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<sup>292</sup> Data Walk – December 2023 - [https://durhamworkforceauthority.ca/wp-content/uploads/2023/12/Data-Walk-December-2023\\_Posters\\_FINAL-Corrected-Posters-Dec-6-2023.pdf](https://durhamworkforceauthority.ca/wp-content/uploads/2023/12/Data-Walk-December-2023_Posters_FINAL-Corrected-Posters-Dec-6-2023.pdf)  
 Durham Community Foundation – Vital Signs –Health - 2023 - <https://durhamcommunityfoundation.ca/dcfwp/wp-content/uploads/2023/11/VitalSigns-Report-11-24-23.pdf>

## **Recommendation**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Reduce the lengthy timelines and process for hospital infrastructure renewal projects, including access to planning grants, to facilitate the development of modernized and new hospital builds that can better meet the acute care needs of Ontarians.

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## **M. Position Ontario for life sciences success in the 2020s and beyond**

Submitted by: Mississauga Board of Trade

### **Issue**

Ontario has become a home of leading life sciences endeavors. Whether it has been through businesses of all sizes, Ontario is a player globally in life sciences. To ensure that Ontario has a place in the life sciences industry worldwide in the decades to come means we should contemplate today how we lay the foundation for success.

### **Background**

A majority of Canadian provinces as well the federal government have started signaling the importance of Life Sciences as a sector. The strategies that are enabled through the various components that included medical technology, biotech/pharma, digital and others have shown to be a backbone for “healthier economies and healthier people”. During the pandemic, these industries and individuals, amongst others, supported innovation partnerships to enact care within the province for many communities.

We note that the Ontario government, along with other Canadian governments, are looking for ways to thrive in innovation. This is being done while trying to increase access to unmet needs to solve some of the largest health care system challenges. A successful strategy needs to include not only funding for implementation but also being tied to the support and creation of industry growth and increasing access to care.

Aligned with the vision released by the government of Ontario, “Establish Ontario as a global biomanufacturing and life sciences hub leading in the development, commercialization and early adoption of innovative health products and services”, there is tremendous potential to support propelling this vision forward.

### **Phase 1**

Phase 1 will build up our life sciences sector through securing commercial-scale manufacturing capacity and supply chains while improving manufacturing readiness of Ontario’s small- and medium-sized businesses through four pillars:

1. Grow Ontario’s biomanufacturing footprint
2. Build domestic resiliency in PPE and critical medical supplies
3. Boost commercialization capacity of Ontario companies and startups
4. Adopt Ontario innovation to improve healthcare

### **Phase 2**

Phase 2 will build out Ontario’s industry to become a leader in next-generation life sciences technology.

### **2030 anchor goal**

Maintain and grow Ontario’s biomanufacturing and life sciences sector by targeting 85,000 high-value jobs in the life sciences sector by 2030, a 25% increase from 2020.

## Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. The creation of a permanent industry enabled government partnership table including representatives from the Ontario Chamber of Commerce (OCC) chamber network. The OCC played a leadership role during the pandemic with rapid tests but also with the formulation of the province wide Vaccination Council. This would also include various businesses from across the province including medical technology and pharmaceuticals as well as post-secondary institutions to support this framework. Many organizations within the province, in particular the Mississauga community, have resources, expertise and the ability to foster research and development aligned with priorities.
2. Continue meaningful engagement with the Life Science Council in supporting and fostering innovation, investment, and commercialization in the province's life sciences. This will lead to a stronger implementation of key recommendations developed by the Council and show the provinces ongoing commitment to this sector.
3. Aligned with the **OCC Power of Procurement** report, develop a provincial wide mechanism to identify the value and impact of procurement and increased access to medical needs through acceleration of pathways. While at the same time, keeping patient care at the centre of the proposition. This will in term assist with demonstrating value for money and value-based procurement practices aligned with government mandates.
4. Support the need for provincial participation from institutions such as Invest Ontario to support sector events as an economic development opportunity. In the coming months, the largest medical technology conference in US will be hosted in Ontario, AdvaMed. Support from both the Ministry of Health and the Ministry of Economic Development, Job Creation and Trade could lead to new opportunities for business but also shows their commitment to Ontario's Life Sciences Sector.

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