2024 Provincial Budget Submission





About the Ontario Chamber of Commerce

The Ontario Chamber of Commerce (OCC) is the indispensable partner of business and Canada's largest, most influential provincial chamber. It is an independent, non-profit advocacy and member services organization. The OCC has 60,000 members, including large multinational corporations, small-to-mediumsized enterprises, labour unions, postsecondary institutions, non-profits, associations and close to 150 chambers of commerce and boards of trade.

The OCC's mission is to convene, align and advance the interests of its members through principled policy work, value-added business services and broad engagement to drive competitiveness and inclusive, sustainable economic growth in the province.

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A Message from the President and CEO

Dear Minister Bethlenfalvy,

The Ontario Chamber of Commerce (OCC) welcomes the opportunity to participate in Ontario's budget consultation process. This year's provincial budget comes at a critical juncture as Ontario's business community continues to grapple with inflation, labour shortages, supply chain disruptions, and broader economic uncertainty.

Budget 2024 must address Ontario's productivity gap by focusing on measures that not only support immediate growth but also lay the groundwork for sustainable long-term investments. This will require policies that generate economic efficiencies, reduce red tape, break down silos, and support innovation.

From the collective voice of our network's diverse 60,000 members and close to 150 chambers of commerce and boards of trade, the following submission contains 25 recommendations for the upcoming budget.

We look forward to continuing to work with businesses of all sizes and the Government of Ontario to build a sustainable,

inclusive and prosperous economy.

Sincerely,

Daniel Tisch, APR, FCPRS, ICD.D

President and CEO

Ontario Chamber of Commerce



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1. EMPOWERING ONTARIO'S WORKFORCE

a. Address prevailing labour shortages in key economic sectors and regions.

Many businesses – particularly in the transportation, construction, childcare, tourism, retail, and health care sectors – continue to face significant <u>labour shortages</u> exacerbated by a lack of transportation options, immigration backlogs, and rising living costs. Resolving labour shortages is critical to ensure economic growth and will require a comprehensive approach that identifies current and future workforce needs and implements workforce development strategies.

Recommendations:

- 1. Work with the federal government to make regional immigration pilots permanent in small, rural, and remote communities.
- 2. Work with the federal government to consider additional pathways to permanent residency for public postsecondary international students.
- 3. Partner with post-secondary institutions to inform students about employment opportunities in smaller communities, particularly where there are jobs relevant to the skills they graduate with.
- 4. Develop a strategy, in consultation with the post-secondary sector, to better leverage labour market information to inform institutions' development of programming, and reward them for meeting market demands.

b. Build on existing skills development partnerships.

As emerging technologies such as automation and artificial intelligence (AI) continue to transform business operations, it is more important than ever to prioritize skills development, including robust reskilling and upskilling initiatives, to ensure Ontario's workers remain agile in a rapidly evolving landscape.

- 1. Build on existing investments into partnerships and programs that provide individualized supports and apprenticeship opportunities by matching job seekers with skilled trade employers.
- 2. Incentivize greater participation in experiential learning programs from employers, especially small businesses, and employers in remote regions.

- 3. Work with post-secondary institutions and employers to introduce new programs and micro-credentials to foster lifelong learning and secure the talent pipeline.
- 4. Develop and expand learning models for architecture, engineering, construction, and other housing industry jobs; incentivize greater employer participation in experiential learning initiatives, including industry-recognized in-class projects, mentorship programs, and virtual reality skilled training modules.
- 5. Offer training programs to equip workers in the oil and gas sector with competitive skills for the energy transition.

c. Foster a diverse and inclusive workforce.

Equity, diversity, accessibility, and inclusion in the labour market are preconditions to Ontario's economic prosperity. We encourage the government to continue improving workforce programming for women and other equity-deserving groups to help meet these objectives. An equitable socioeconomic recovery will only be achievable if all stakeholders rally behind measurable goals.

- 1. Continue to prioritize access and delivery of financial and legal advice, mentorship, and skills training programs for equity-deserving groups.
- 2. Scale evidence-based interventions geared towards equity-deserving groups, including Indigenous peoples, racialized people, people with disabilities, and women. This includes programs proven to increase their representation in the skilled trades, STEM, and other high-demand occupations and sectors.
- 3. Continue to promote skilled trades careers as viable employment options, with intentional outreach to traditionally excluded groups.
- 4. Expand free training opportunities and awareness campaigns, in partnership with the business community, to ensure all employers and staff have the requisite resources and training to meet accessibility requirements.
- 5. Reinstate the Basic Income Pilot program to evaluate whether it can strengthen Ontario's workforce and economic outcomes.



d. Enable a robust post-secondary education sector to ensure a thriving workforce of the future.

Post-secondary institutions are pillars in Ontario communities and essential to the province's competitiveness. They play pivotal roles as centres of research and development, and in preparing students for the jobs tomorrow. To maintain Ontario's competitive edge, we recommend renewed investment in a robust post-secondary institution system that safeguards the province's future and labour market needs, ensures student access, and supports the quality of the province's universities and colleges.

Recommendations:

- 1. Lift the cap on domestic student enrolment to ensure universities can enrol more Ontario students to fuel the talent pipeline and meet growing demand from Ontario high school students.
- 2. Lift the four-year tuition freeze for general programs for post-secondary institutions, starting in fall 2024.
- 3. Increase multi-year tuition flexibility to help facilitate long-term planning for post-secondary institutions to increase enrolment, meet labour market needs, foster ground-breaking research and development, and boost economic development throughout Ontario's communities.
- 4. Reassess the International Student Fee Recovery system to ensure institutions have adequate budgets to better provide tailored wraparound supports for international students.
- 5. Provide post-secondary institutions with increases in multi-year base operating grants to ensure they have the financial capacity and flexibility to respond to student and community needs.
- 6. Increase funding for northern grants that have not been adjusted to ensure a vibrant and financially viable postsecondary sector in Northern Ontario.
- 7. Adjust the fees paid by apprentices for the in-school portion of college programs to help deliver high-quality inschool apprenticeship programs with cutting-edge facilities and labs.

For more information, see our <u>submission</u> to the Blue-Ribbon Panel on Financial Sustainability in the Post-Secondary Education Sector.

e. Design an effective and efficient portable benefits program.

The OCC supports the government's intention to develop and implement a portable benefits program in Ontario for workers who fall outside of traditional employer-provided benefit programs. To ensure the program is effective and efficient, we encourage ongoing opportunities for public and private perspectives from labour and health experts to be involved in program development and implementation.

Recommendations:

- 1. Leverage internal (e.g., Ministry of Health) and external (e.g., private insurance companies) expertise related to the design and delivery of health benefits (including mental health) programs in Ontario.
- 2. Define program scope and governance to determine the workers that would be covered, benefits that would be available, the roles of stakeholders in administering, funding, and managing the program, and the intended program outputs.
- 3. Proceed with a time-limited pilot project in a specific industry and/or covering a certain type of worker to gather relevant data on the program's efficacy and outcomes.
- 4. Prioritize portability, proportionality, flexibility, and affordability in program design, considering the unique challenges facing small and medium-sized enterprises and low-income workers.
- 5. Avoid unintended consequences to existing public sector programs and private sector markets by focusing on filling benefit gaps.

For more information, see our <u>submission</u> on portable benefits.

2. CULTIVATING BUSINESS COMPETITIVENESS AND INCLUSIVE, SUSTAINABLE GROWTH

a. Foster a competitive business environment and provide supports and resources for smaller businesses.

In an intense global race to attract new investment, it has become increasingly important for Ontario to foster a predictable, competitive business environment. As part of this, the recovery of small businesses from the lingering effects of the pandemic must be prioritized.

Recommendations:

- 1. Develop and scale digitization funding and training programs for small businesses, and make it easier for businesses to access them.
- 2. Improve access to private capital and credit for small businesses through a combination of tax policies, capital market reforms, and loan guarantees.
- 3. Build upon existing small business advice and support services to create and promote a one-window concierge service to guide small businesses through regulatory compliance processes and help them achieve compliance obligations.
- 4. Continue to work with Ontario's business community to reduce regulatory burdens.
- 5. Publish a cost-of-doing-business index to track and improve Ontario's business competitiveness relative to other jurisdictions.
- 6. Work with municipalities to undertake a comprehensive social and economic prosperity review and modernization of the provincial-municipal fiscal relationship to examine municipal responsibilities, financial risks, and revenue tools, including the property tax regime.
- 7. Begin work on an employee ownership policy framework to reduce barriers, promote awareness, and create targeted incentives to complement the federal government's approach.
- Support greater business adoption of co-operative conversion (e.g., worker co-operatives, consumer co-operatives, producer co-operatives and/or multi-stakeholder cooperatives) as a method for succession planning through education and financial incentives.

For more information, see our reports, Capital is Key: Financing Entrepreneurship in Ontario After COVID-19 and Broken Links: Driving Technology Adoption within Ontario's Small Businesses.

b. Accelerate clean energy projects to advance Ontario's leadership in the green global economy.

Amid growing supply gaps and the ongoing global transition to the green economy, Ontario must provide clear regulatory processes and frameworks to attract competitive investments in low-carbon energy that will drive climate action and sustainable economic growth.

Recommendations:

- 1. Develop a long-term integrated energy plan for electricity and low-carbon fuels, based on insights from Ontario's Electrification and Energy Transition Panel report.
- 2. Leverage existing clean energy assets by prioritizing timely impact assessments and approvals for projects with long lead times.
- 3. Take a more proactive approach to investing in transmission and distribution infrastructure across Ontario and consider allowing transmission companies to bulk their developments.
- Streamline regulations for new energy builds by ensuring previously approved environmental and safety studies on existing sites and projects are accepted as baseline studies for their expansion or continued operation and harmonizing federal and provincial approval processes.
- 5. Continue to prioritize the establishment of market rules, power purchase agreements, permitting guidelines, and approval processes for battery and water storage, underground storage, and hydrogen production projects.
- 6. Define clear medium- and long-term planning targets for hydrogen supply, as seen in Europe, and renewable natural gas blending.
- 7. Continue to develop a competitive framework for carbon capture and storage (including considerations for pore space access) and explore policies around hybrid heating.
- 8. Support and leverage research and innovations from industry and Ontario's postsecondary sector that advance Ontario's clean energy transition.

For more information, see our <u>submission</u> on pathways to decarbonization and our report, <u>Climate Catalyst: Ontario's</u> Leadership in the Green Global Economy.



c. Take meaningful action on economic reconciliation.

The Indigenous economy is strong and growing, making action toward economic reconciliation an urgent imperative. To realize the full benefits of shared prosperity between Indigenous and non-Indigenous peoples, meaningful action must be taken on the Truth and Reconciliation Commission's Calls to Action and the National Inquiry into Missing and Murdered Indigenous Women and Girls' Calls for Justice.

Recommendations:

- 1. Continue to build on investments through the Indigenous Economic Development Fund and the Indigenous Community Capital Grants Program to support mutually beneficial partnerships with Indigenous nations, communities, and businesses, including equitable opportunities for Indigenous procurement, employment, and economic development.
- Continue working with industry, including financial institutions, to provide Indigenous businesses and entrepreneurs with direct support, financing, legal advice, mentorship, training, and supplier diversity programs.
- 3. Improve Indigenous education, learning, and training opportunities to increase labour market participation and drive entrepreneurship.
- 4. Ensure the timely and fair resolution of land-related claims and issues to remove systemic barriers to Indigenous sovereignty and self-determination and enable opportunities for engagement, collaboration, and economic development.

For more information, see our report, Sharing Prosperity: An Introduction to Building Relationships for Economic Reconciliation in Ontario.

d. Modernize Ontario's supply chains and public sector procurement.

As supply chain backlogs and disruptions continue to constrain business operations in Ontario, immediate relief and long-term infrastructure investments are critical to ensuring the timely and reliable movement of goods. Additionally, procurement modernization is a major opportunity to transform health care and other public services, build more resilient supply chains, and improve value and outcomes for Ontarians.

Recommendations:

- 1. Offer targeted financial supports to help small and medium-sized businesses adopt supply chain risk management and diversification strategies and technology to improve visibility, predictive analytics, and real-time management.
- 2. Invest in trade-enhancing infrastructure and identify gaps for alternate air, rail, land, and marine route planning in the event of major disruptions, such as protests, border disruptions, and climate disasters.
- 3. Provide financial support for the digitization of infrastructure through intelligent equipment, supported by data governance, to better manage resources and optimize supply chains.
- 4. Work with Supply Ontario to adopt collaborative, value-based procurement across the public sector by defining the objectives of procurement to include lifecycle costs, innovation, economic development, supply chain resiliency, and other long-term outcomes.
- 5. Establish frameworks and targets around supplier diversity, sustainable procurement, and Indigenous procurement, and improve access to procurement for small and local businesses by centralizing information, reducing administrative barriers, and helping municipalities take similar steps.
- 6. Work with the health care sector to identify opportunities to modernize procurement processes to support innovation throughout the ecosystem, attract investments, and improve long-term value creation.
- 7. Provide greater clarity to healthcare suppliers around product need forecasting, improve contingency planning in response to geopolitical events, and consider incentives that promote greater domestic manufacturing.

For more information, see our policy primer, Supply Chain Disruptions and Delays and our report, Power of the Purchase Order: Modernizing Public Sector Procurement in Ontario.

e. Remove barriers to interprovincial and international trade.

Interprovincial barriers to trade – including inconsistent rules around transportation, the environment, securities, professional certification and marketing, etc. – continue to limit Ontario's competitiveness and deter further investment. The global market is rife with opportunity for Ontario-made goods and services.

Recommendations:

- 1. Take bold national leadership on interprovincial trade by signing mutual recognition agreements and/or unilaterally recognizing standards in other parts of the country, where appropriate, to promote trade and labour mobility (e.g., consider entering a bilateral agreement with the Government of Quebec for meat and meat products, recognizing the equivalency of inspection systems).
- 2. Work with the federal government to adopt a bold strategy for low-carbon exports that positions Ontario's energy, cleantech, and natural resource sectors as strategic tools in the transition to net zero.
- 3. Continue working with the federal government to ensure trade negotiations and/or disputes with the U.S. are not detrimental to Ontario's forestry industry.

f. Rebuild Ontario's tourism industry.

Tourism is the lifeblood of many communities across Ontario, contributing \$37 billion to the province's GDP and \$6 billion in tax revenue. In the years following the pandemic, Ontario has an opportunity to help the industry rebuild with a strategic focus on workforce, taxation, infrastructure, and regulatory reforms.

- 1. Invest in workforce development initiatives that communicate the business case for careers in tourism, retain and attract international talent, and optimize work placement opportunities for post-secondary students.
- 2. Amend the Municipal Accommodation Tax to optimize its benefit to local visitor economies.
- Explore emerging markets and support the growth of promising new tourism areas, including intercultural exchanges with Indigenous and francophone tourism sectors, as well as cannabis tourism and agritourism.

- 4. Address gaps in public transportation within and between Ontario destinations.
- 5. Incentivize local travel and tourism through initiatives similar to the Ontario Staycation Tax Credit.
- Support developing new Indigenous-led tourism experiences, with Indigenous Tourism Ontario, local Indigenous communities, the five Regional Tourism Organizations and municipalities.

For more information, see our State of the Ontario Tourism Industry Report.

g. Modernize Ontario's cannabis sector.

Having an established and competitive legal cannabis sector will be the cornerstone to combatting the illicit market, which is still responsible for a sizeable share of all household cannabis purchased in Ontario. Despite the significant contributions the sector has made to Canada's GDP, major hurdles, including an overly restrictive regulatory regime, are inhibiting economic growth, deterring investment, and squeezing margins for producers and retailers alike.

- 1. Modernize regulations to allow licensed producers and retailers to have a direct relationship.
- 2. Pursue lost tax revenue from underground markets and establish tougher penalties for noncompliance, coupled with intensified audits.
- 3. Require the Ontario Cannabis Retail Store to provide quarterly updates on its progress around the 16 recommendations in the Auditor General's value-for-money audit report released in December 2021.

3. INVESTING IN RESILIENT, HEALTHY COMMUNITIES

a. Accelerate the development of an integrated health data system.

To help alleviate some of our healthcare system pressures and ensure improved outcomes, cost effective service delivery, and a healthy, productive workforce, government action would support innovation in health data collection, sharing, and reporting between patients, providers, governments, and industry, with robust privacy protections.

Recommendations:

- 1. Increase data interoperability, including by leveraging the Ontario Health Data Platform to increase data accessibility and transparency and pursuing alignment with other provinces (where possible) to facilitate standardization and information dissemination in support of the Pan-Canadian Health Data strategy.
- 2. Continue to engage all relevant health sector stakeholders (including patient advocates, health information custodians, researchers, research hospitals, and industry) to inform all phases of health data system policy development and implementation.
- 3. Establish a provincial health data strategy that underpins the advancement of health and social services. This should include an equity lens that considers the social determinants of health, access, experience, and outcomes among and across populations, as well as a recognition of health data as a public good.
- 4. Work to give all Ontarians secure access to their health data.
- 5. Provide greater transparency with respect to publishing health data, public health information, and utilization of public health programs (e.g., Ontario Drug Benefit, Ontario Trillium Benefit, and Ontario Disability Support Program).
- 6. Accelerate the rollout of health navigation services to assist Ontarians in finding the right care at the right time.
- 7. Create a provincial vaccine registry accessible to all health care providers, parents, and individuals for all publicly funded vaccines (similar to the CoVaxON system that was implemented during the COVID-19 pandemic) to assist in determining eligibility for all vaccines across health care providers and boost vaccine coverage rates across all immunization programs.

For more information, see our <u>submission</u> on personal health information and our report, <u>In Data We Trust: Unlocking</u> the Value of Data in Ontario.

b. Develop a robust strategy to tackle the primary care and broader health human resources (HHR) crises.

Currently, 2.2 million Ontarians do not have a regular family doctor, with one in five Ontarians expected to be without a family doctor in the next two years. This poses extreme short- and long-term risks to individual and population level health, in addition to the capacity and sustainability of our HHR and health system more broadly. This widening gap in primary care and HHR capacity could also pose broader economic impacts through lost productivity, outmigration and/ or decreased business investment in Ontario.

Recommendations:

- 1. Leverage digital health technology and innovations to alleviate pressures facing HHR, including supporting the responsible adoption of AI for health-related applications.
- 2. Collect, share, and report on HHR data to improve health services and planning, prioritizing demographic shifts.
- Continue to prioritize and expand team-based care across the province, including by incentivizing collaboration between Ontario Health Teams, family health teams, Indigenous communities, municipalities, and other stakeholders to develop innovative local service delivery models.
- 4. Continue to address immediate HHR workforce shortages by working with the federal government to pursue a national licensure strategy and remove barriers to foreign credential recognition for internationally educated HHR professionals, including physicians, nurses, paramedics, laboratory technologists, and specialists.
- 5. Continue to build on investments to support the next generation of HHR, including by increasing enrolment in post-secondary health care programs (especially in high need areas such as family medicine, nurse practitioner programs, mental health and addictions, geriatric medicine, etc.), investing in resources and supports for postsecondary students in health care programs (e.g., mentorship/internship opportunities), and encouraging youth to pursue health care careers.

For more information, see our <u>letter</u> on ensuring sufficient HHR in Ontario.

c. Support and prepare for Ontario's aging population.

Ontario's aging population has implications for its workforce, health care system, productivity, infrastructure, business succession, and economic growth. Over 250,000 Ontarians currently live with dementia, a number that is expected to triple by 2050 as our population ages and lives longer.

Recommendations:

- 1. Define Alzheimer's disease and dementia as a public health priority, with a focus on early detection and support for those living with dementia and their caregivers.
- 2. Ensure Ontario's preparedness to administer emerging disease-modifying treatments for Alzheimer's disease by investing in critical health care infrastructure, including diagnostic capacity, access to team-based primary and specialist care, and public education and awareness.
- 3. Explore opportunities to update adult vaccination programs with the newest innovative vaccines as they become available and recommended by the National Advisory Committee on Immunization to adequately protect older Ontarians from increasing rates of infectious respiratory and other diseases, including pneumococcal disease, respiratory syncytial virus, and shingles.
- Continue to enable and intensify investments in Ontario Health Teams and innovative home and community care models to ensure adequate, predictable, and sustainable funding, and to reduce reliance on costly, institutional-based care settings.

For more information, see our <u>letter</u> on supporting and preparing for Ontario's aging population.

d. Enhance mental health and addictions supports to help address the "echo pandemic."

Even after the COVID-19 pandemic abated, demand for mental health and addiction-related support remains high in Ontario. With growing waitlists to access mental health services in the community and small businesses juggling postpandemic recovery with increased demand for employee mental health supports, this mental health "echo pandemic" will have long-term socioeconomic consequences. Collaboration between the public and private sectors is needed to develop comprehensive solutions and improve mental health outcomes across the province.

Recommendations:

- 1. Increase awareness of and improve small businesses' access to mental health resources and tools by:
 - a. Coordinating education and communication campaigns about workplace mental health supports with regional business associations, chambers of commerce, and/ or boards of trade to include easy-to-use toolkits available for small businesses.
 - b. Recognizing mental health within the workplace as a primary focus for occupational health and safety research grants and innovation project funding.
 - c. Engaging in discussions with businesses and employers to identify opportunities for expanded provision of workplace benefits and Employee Assistance Programs through an overarching policy framework.
- 2. Consider a tax incentive to encourage small business spending on employee mental health.
- Take a whole-of-government approach to addressing mental health and addictions challenges for Ontario's business community and workforce; involve people with experience in the design and delivery of mental health and addiction tools and supports.
- 4. Work with Indigenous business leaders and communities to review and bolster the effectiveness of existing Indigenous mental health and business programs and pave a path for an Indigenous mental health strategy.
- 5. Prioritize funding and incentivise private sector investment in mental health research and innovation.
- 6. Partner with other provinces and territories to advocate for additional mental health resources from the federal government as part of the Canada Mental Health Transfer.
- 7. Work with postsecondary institutions, student associations, community organizations, health care providers and other stakeholders to strengthen a whole-of-community approach to mental health that advocates for strong partnerships to provide integrated health services to students and youth.



For more information, see our report, Mind the Gap: Addressing Mental Health and Addictions Echo Pandemic in Ontario.

e. Drive innovation in Ontario's life sciences ecosystem.

The COVID-19 pandemic shone a light on the immense value of our life sciences sector, which ensured we had access to life-saving vaccines, personal protective equipment, and other critical goods and services. With adequate supports and ongoing partnerships between government, industry, healthcare, and post-secondary institutions, Ontario can become a leading jurisdiction in life sciences innovation and advancements.

Recommendations:

- 1. Continue to expedite implementation of Ontario's life sciences strategy, including by designing a framework to achieve the 2030 anchor goal, optimizing Ontario's Innovation Pathway, and providing ongoing opportunities for the Life Sciences Council to engage with industry, post-secondary, and health sector stakeholders.
- 2. Prioritize investments throughout the life sciences ecosystem, which could include strategic matching of federal dollars in biomanufacturing and life sciences to ensure Ontario can remain competitive with other provinces (e.g., Quebec, British Columbia, and Alberta).
- 3. Develop strategies in partnership with industry to ensure a reliable supply and inventory of healthcare supplies in the event of health crises and shortages, including by shifting towards a preparedness model focused on proactively preventing shortages through cooperation with key stakeholders.
- 4. Work with the federal government to unlock additional funding to support and grow Ontario's medical isotope ecosystem and establish our strategic global advantage, including partnering with Indigenous communities, postsecondary institutions, hospitals, and industry.

For more information, see Building Ontario's Resiliency: Empowering the Life Sciences Ecosystem.

f. Prioritize equitable and timely access to health care across Ontario.

Equitable and timely access to care and treatment across the province is critical to ensure positive health and economic outcomes for Ontario, including improved individual and population-level health, a productive workforce, and increased economic participation, growth, and resilience.

Recommendations:

- 1. Ensure equitable access to care for under-served populations across the province by expanding funding and alternative care options where traditional points of care do not exist or are inaccessible, including in rural, remote, northern, and Indigenous communities.
- 2. Expedite pathways to leverage community and independent health facilities to address the backlog of surgeries and diagnostic procedures.
- 3. Invest in cancer care and adopt clear and specific performance indicators to reduce long timelines for cancer screening, diagnosis, and treatment.
- 4. Apply lessons learned from the COVID-19 pandemic to continue addressing the backlog of routine immunizations (e.g., for human papillomavirus, hepatitis B, and conjugated meningitis), including by leveraging existing immunization infrastructure, adopting and monitoring vaccination targets, creating a centralized, accessible electronic immunization registry, and developing a robust communications plan to drive awareness.
- 5. Work with international, federal, provincial, territorial, industry, and patient stakeholders to expedite and streamline the review and approval processes for medical devices, pharmaceuticals, and other health care products to ensure patients have timely access to life-saving drugs and devices.
- Work closely with the federal government, industry, and patient stakeholders on the roll-out of the national dental care program, forthcoming pharmacare agreement, and implementation of the national strategy for drugs for rare diseases.

For more information, see our letters on addressing the backlog of routine immunizations and interrupted routine cancer care during COVID-19.

g. Strengthen Ontario's local food supply.

The demand for local food in Ontario is rising, and the agri-food sector, generating \$44.3 billion in provincial GDP and over 700,000 jobs in 2020, plays a vital role in supporting the economy and communities. To enhance local food production, the provincial government's Grow Ontario Strategy emphasizes the importance of broadband internet access, affordable energy, technological innovation, and a skilled workforce, aiming for a 30 percent increase in consumption and production of locally grown and prepared food by 2032.

- 1. Increase investment in Foodland Ontario promotion to support Ontario agricultural production.
- 2. Develop a program in collaboration with key stakeholders to encourage local food procurement within the provincial government and wider public sector.2
- 3. To help address the farm succession crisis in Ontario and enhance food security, implement policies that alleviate the financial burden on aging farmers, provide resources for succession planning, and incentivize the transfer of farms to the next generation.

¹ Ontario Federation of Agriculture. (February 8, 2023). OFA Submission to Finance and Economic Affairs Standing Committee re: 2023 Provincial Budget. Retrieved from https://ofa.on.ca/resources/ofa-submission-regarding-ontarios-2023-pre-budget- consultations/

² Ibid.

4. BUILDING STRONG FOUNDATIONS THROUGH INFRASTRUCTURE

a. Continue to prioritize and accelerate the rollout of broadband across Ontario.

Access to reliable broadband internet has been a longstanding issue in Ontario, particularly in northern, rural, and remote areas, and it was only further magnified by the COVID-19 pandemic. Without it, many businesses and workers cannot access digital resources, services, healthcare, talent, and markets. Continued investments are needed to accelerate rollout and expand broadband infrastructure in underserved areas to ensure digital equity, support competitiveness, and spur regional economic growth.

- 1. Work with municipalities, internet service providers, telecommunication stakeholders, and local distribution companies to accelerate broadband rollout while ensuring close alignment with federal government plans and funding.
- 2. Build more redundancy resiliency in Ontario's broadband networks.
- Similar to the efforts in partner jurisdictions such as Quebec, identify the next goals when it comes to broadband connectivity – in addition to the current 2025 target of 50/10 Mbps.
- 4. Explore "dig once" strategies, future proofing of digital infrastructure, and opportunities for better data sharing around broadband gaps.
- 5. Align processes for broadband cabling expansion with roadway, highway, and railway widening and reconstruction to minimize public and business disruption and gain efficiencies.

b. Invest in climate-resilient natural infrastructure.

Investments in nature are one of the most cost-effective ways to address climate change and manage the impacts of extreme weather events. Public infrastructure, and the state of repair of that infrastructure, has a direct impact on communities, facilitating the day-to-day operation of the economy and society, as well as providing capacity to deal with challenges that arise.

Recommendations:

- 1. Protect Ontario's wetlands through a natural infrastructure program to enhance their role in protecting both people and property from an increasing frequency of extreme weather events, along with contributing to biodiversity.
- 2. Encourage municipalities to integrate natural assets into asset management plans, and support municipalities in developing natural infrastructure projects.
- 3. Facilitate collaboration between conservation authorities and municipalities to model and collaborate on watershedscale natural infrastructures solutions to manage major flooding and erosion risks.
- 4. Implement a climate adaptation and mitigation plan, with strategies that value nature and ecosystem services, and support the federal Task Force on Flood Insurance and Relocation.

c. Leverage partnerships to build and preserve affordable housing along the continuum.

Housing has reached a crisis point in Ontario, impacting businesses' ability to attract and retain workers. As Ontarians spend more of their income on housing, they have less to spend on other goods and services in their local economies. With fewer affordable options, communities across the province are facing increasing rates of homelessness, leading to deep inequities and higher health, justice, and social service costs. Meeting the provincial target of building 1.5 million homes by 2031 will require an all-hands-on-deck approach, leveraging the strengths of the private, public, and nonprofit sectors.

Recommendations:

1. Continue to incentivize the development of housing options along the continuum to meet diverse housing needs throughout the province, including purpose-built rental housing, missing middle housing, and affordable home ownership (e.g., through dedicated funding streams, tax credits and exemptions).

- 2. Provide funding to support rural municipalities with the costs of preparing development studies for purpose-built rentals in rural areas and workforce training in their planning and building departments to review and process approvals for purpose-built rental housing projects.
- 3. Support the renewal and growth of non-profit and cooperative housing, including supportive housing with wraparound services, to provide long-term affordability for low-income and other marginalized Ontarians.
- 4. Develop a rental housing acquisition strategy to preserve the existing low-end of market rental housing, including by supporting community land trusts.
- 5. Leverage surplus public lands and other assets for affordable housing development (i.e., by requiring that a portion of all government land sales include an affordable housing component).
- 6. Create distinct strategies to address regional challenges in housing supply and affordability in rural, remote, northern, and Indigenous communities.
- 7. Support the construction of new postsecondary housing for domestic and international students, on and off campus.
- 8. Ensure common definitions of affordable and attainable housing focus on outcomes and considerations for regional variation in market rates, income levels, cost of living, etc.
- 9. Support the development and expansion of innovative technologies (e.g., modular construction and 3D-printed housing) and data tools (e.g., the Rural Housing Information System), including by sharing best practices across the province.
- 10. Continue to improve capacity and processes at the Landlord and Tenant Board to ensure swift access to justice for landlords and tenants, including by implementing recommendations from the recent Ombudsman of Ontario report.

For more information, see our report, Home Stretched: Tackling Ontario's Housing Affordability Crisis Through Innovative Solutions and Partnerships.

d. Enable growth through land use planning policies.

Comprehensive land use planning and development are vital for commercial and economic opportunities. Ontario needs policies that integrate growth with existing infrastructure, including electricity distribution and transmission infrastructure, transportation and transit systems, water resource systems, and employment zones.

Recommendations:

- 1. End exclusionary zoning and encourage the expansion of as-of-right and inclusionary zoning in Official Plans.
- 2. Prioritize gentle densification and the development of missing middle solutions that minimize the disruption to employment lands, natural assets and resources, farmlands, and critical electricity infrastructure.
- 3. Consider a pause on implementing proposed policies related to employment lands in the Provincial Planning Statement to allow for additional consultations with relevant stakeholders and opportunities to further explore protections for employment areas.
- 4. 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, recognizing that employment lands must sustainably coexist alongside other community zoning purposes.
- 5. Ensure that zoning of Employment Areas incorporates additional considerations for mixed-use zoning communities and live-work units.
- 6. Protect employment uses that are dependent on or directly related to major facilities such as airports and marine ports for their economic value and for future economic growth, including access and egress for the movement of goods.
- 7. Continue working with industry to modernize locates delivery, including steps to:
 - a. Mandate the adoption of dedicated locators for the province's top 25 largest infrastructure owners.
 - b. Amend the Ontario Underground Infrastructure Notification System Act to focus on compliance instead of penalties and remove member and excavator resource provisions.

For more information, please see our submissions on the proposed 2023 Provincial Planning Statement policies and the proposed changes to locates regulations.

e. Invest in resilient and growth-enabling transportation infrastructure.

Ontario is facing an infrastructure deficit, limiting access to jobs, healthcare, and investment opportunities, particularly in Northern Ontario. The province faces a municipal infrastructure backlog of \$52 billion. According to a recent report by the Financial Accountability Office of Ontario, the cost of maintaining public buildings will increase by \$6 billion between 2022 and 2030 due to climate hazards.3

- 1. Work with federal and municipal governments and the private sector to expand low-carbon public transit systems, including GO transit, and to improve regional fare integration.
- 2. Work with the federal government to address municipal infrastructure backlogs and state-of-good-repair projects by supporting municipalities with investments in the maintenance, repair, and resiliency of infrastructure assets.
- 3. Invest in winter road safety, road development, and all-season roads in remote northern Ontario, including continued investments to complete the four-laning of Highway 69 and Highway 11/17.
- 4. Work with industry partners to explore opportunities to enhance Ontario's Forest Access Roads Funding Program and build modernized, multi-use forest road infrastructure.
- 5. Support the air transportation infrastructure necessary to provide travellers with an efficient and convenient experience, including by:
 - a. Working with urgency alongside the federal government and the City of Toronto to protect the future of Billy Bishop Airport.
 - b. Ensuring greater integration with existing transportation infrastructure, including last-mile connections between the Ontario Line and Billy Bishop Airport and between the Eglinton West LRT Extension to Toronto Pearson.
- 6. Support the expansion of marine transportation services within the Great Lakes.
- 7. Maintain and enable better goods movement along Ontario's road and rail corridors to ensure the goods necessary to support planned growth can reach communities efficiently.

³ Financial Accountability Office of Ontario. 2021. Costing Climate Change Impacts to Public Infrastructure. https://www.fao-on.org/web/ default/files/publications/EC2105%20CIPI%20Buildings/CIPI%20Buildings-EN.pdf.



f. Support businesses with the transition to low-carbon fleets.

With transportation being the province's largest source of greenhouse gas emissions, accelerating the adoption of lowcarbon vehicles will be critical to meeting Ontario's net-zero target and to attract businesses that are looking to meet their ambitious climate goals.

Recommendations:

- 1. Expand and incentivize investments in charging and refuelling station infrastructure for low-carbon commercial fleets across major supply chain and commercial transportation routes.
- 2. Expand electricity distribution infrastructure across the province to support expanded charging infrastructure.
- 3. Invest in low-carbon vehicle research and development programs at Ontario's post-secondary institutions to support the advancement and commercialization of new technologies for medium- and heavy-duty vehicle classes.
- 4. Consider adopting a low-carbon vehicle incentive program for commercial fleets to complement the federal Incentives for Medium and Heavy-Duty Zero-Emission Vehicles Program and Green Freight Program, and match the incentives found in British Columbia and Quebec.

For more information, see our policy primer, <u>Transitioning to Carbon-Neutral Fleets in Ontario</u>.