

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-66

**Journal
des débats
(Hansard)**

F-66

**Standing Committee on
Finance and Economic Affairs**

Protecting the People
of Ontario Act
(Budget Measures), 2021

1st Session
42nd Parliament
Monday 12 April 2021

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

Loi de 2021 visant à protéger
la population ontarienne
(mesures budgétaires)

1^{re} session
42^e législature
Lundi 12 avril 2021

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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House Publications and Language Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service linguistique et des publications parlementaires
Salle 500, aile ouest, Édifice du Parlement
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Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Monday 12 April 2021

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Lundi 12 avril 2021

The committee met at 0900 in room 151 and by video conference.

PROTECTING THE PEOPLE
OF ONTARIO ACT
(BUDGET MEASURES), 2021

LOI DE 2021 VISANT À PROTÉGER
LA POPULATION ONTARIENNE
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 269, An Act to implement Budget measures and to enact and amend various statutes / Projet de loi 269, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Chair (Mr. Amarjot Sandhu): Good morning, everyone. We're meeting today to continue public hearings on Bill 269, An Act to implement Budget measures and to enact and amend various statutes.

We don't have any members present in the committee room. The following members are participating remotely: MPP Arthur, MPP Cho, MPP Fife, MPP Hunter, MPP Mamakwa, MPP Piccini, MPP Roberts, MPP Smith and MPP Thanigasalam.

As a reminder, I ask that everyone speak slowly and clearly. Please wait until I recognize you before starting to speak. Are there any questions or business before we begin?

Seeing none, each presenter will have seven minutes for their presentation, and after we have heard from all three presenters, there will be 39 minutes for questions from members of the committee. This time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members, and two rounds of four and a half minutes for the independent members.

Before we start, I would like to let the members know about a change on the agenda. Henry Wall, the chief administrative officer for the Northern Ontario Service Deliverers Association is no longer able to attend, so Fern Dominelli will be the only presenter for that organization.

BRAMPTON BOARD OF TRADE
NORTHERN ONTARIO
SERVICE DELIVERERS ASSOCIATION
ONTARIO REAL ESTATE ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Now I would like to call the first presenter this morning: Brampton Board of Trade. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Todd Letts: Thank you, Chair Sandhu and committee. My name is Todd Letts, and I am CEO of the Brampton Board of Trade. The Brampton Board of Trade connects, advocates and empowers its members to succeed. Board of trade members employ over 45,000 in our city. Put in context, members provide about one in every three jobs within the city of Brampton.

It's a pleasure to speak to you today in support of Bill 269. The 2021 budget prioritizes important investments for Brampton; specifically, investments in regional transit, local health care, and more support for businesses impacted by the heavy burden of pandemic operating restrictions. We thank the government for these allocations.

Of particular interest to the Brampton business community is the commitment to an in-patient wing at Peel Memorial. The pandemic, as you know, has had a disproportionately negative impact on Brampton. Even before the pandemic, there was and continues to be a significant strain on the local health system. Bill 269 earmarks expansion for Peel Memorial. Currently, Peel Memorial, which opened in 2017, is an urgent care centre that provides a range of day procedures and outpatient services. To support the transformation of Peel Memorial into the new hospital, this bill allows the construction of over 250 net new beds at the site. Construction is anticipated to begin in 2023. The province is also providing up to \$18 million in 2021-22 to expand the urgent care centre to 24-hour, seven-day-a-week operation, eventually paving the way for an emergency department as Peel Memorial expands to an in-patient hospital.

We also appreciate the financial support in this bill for planning a Brampton medical institute. The passing of Bill 269 provides financial support to Ryerson University in preparing a proposal for a new institute of medical education. We strongly support this investment. Our organization works closely with Ryerson, Algoma and Sheridan on a united vision to expand the post-secondary footprint in Brampton. The 2021 budget's allocation helps to allow the

next generation of health care practitioners to train locally in our city.

Thank you also for the investment toward two-way, all-day GO train service. The 2021 budget's investment of \$61.6 billion over the next 10 years to public transit includes an allocation to increase capacity for more trains to travel the Innovation Corridor from Waterloo region to downtown Toronto. This is a very wise investment that has a strong return on investment. And because Brampton is located in the centre of the corridor, fast, frequent, two-way, all-day GO train service allows local employers to draw on a larger talent pool. We look forward to further allocations in next year's budget to fully implement Metrolinx's business case for this corridor.

Bill 269 also allows allocations that support workers and families by introducing a temporary Ontario Jobs Training Tax Credit. It enhances the temporary CARE tax credit, helping parents return to the workforce by making child care more accessible and affordable. Bill 269 will attract jobs and business investments in the manufacturing, tech and life science sectors through the Invest Ontario Fund. We want to say thank you, also, for the recovery and rebuild support through the Ontario hospitality and tourism small business support grant.

In that particular vein, I want to also express thanks on behalf of our business community for the 2021 budget allocation that doubles the Ontario Small Business Support Grant. This is particularly welcome now.

I want to share some stats with you. Recent data shows that more than 3,300 businesses are at a high risk of bankruptcy in Brampton. More than 13,500 are at high risk of becoming delinquent with their financial institution, and more than 14,500 are at risk of being unable to pay their suppliers.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Todd Letts: The doubling of the Ontario Small Business Support Grant without an additional application for those who already are receiving the first grant is very sensitive to the seriousness of the need in our business community, and we thank you for that.

In all, ladies and gentlemen, the 2021 Ontario budget provides hope during a very difficult time for businesses and our economy. Putting a priority on immediate relief for those businesses impacted by the pandemic while also making allocations to health care, post-secondary expansion and regional transit are all good for Brampton. The 2021 budget is comprehensive in its support of the current and long-term needs of our community.

Thank you to the committee, and we encourage you to pass Bill 269.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll now move to our next presenter, Northern Ontario Service Deliverers Association. Please state your name for the record, and you will have seven minutes for your presentation, as well.

Mr. Fern Dominelli: My name is Fern Dominelli. I'm the executive director for the Northern Ontario Service Deliverers Association. I would like to thank Chair

Sandhu and the committee members for the ability to present today. I've been in government for 39 years—18 years with the province, and another 21 years with the Manitoulin-Sudbury District Services Board.

NOSDA, which is the Northern Ontario Service Deliverers Association, brings together service system managers in northern Ontario who are responsible for the local planning, coordination and delivery of municipal health and social services, including Ontario Works, employment supports, children's services, community housing and paramedic services.

NOSDA is comprised of 10 district social services administration boards and one municipal service system manager, the city of Greater Sudbury, that cover the entire northern geography, with the exception of First Nations, from the Manitoba border to the Quebec border. NOSDA members deliver services to all 144 municipalities in northern Ontario. NOSDA members provide services to over 780,000 people who live across 800,000 square kilometres in northern Ontario.

NOSDA members' annual operating budget exceeds half a billion dollars, of which \$125 million, or approximately 25%, is 100% municipal.

NOSDA members directly employ over 1,500 people in the north.

NOSDA members provide Ontario Works employment and financial assistance to over 15,000 families from over 50 office locations across the north. NOSDA members fund and deliver child care through a network of 350 child care centres, providing subsidies to over 17,000 children. NOSDA members deliver and manage over \$1 billion in housing infrastructure through 12,000 community housing units. In addition, we fund over 150 non-profit housing providers, for another 7,000 units, and we provide over 2,000 rent supplements.

NOSDA members also employ over 1,200 paramedics, and we respond to 160,000 calls per year.

NOSDA coordinates the effective delivery of human services to the people of northern Ontario with the support and collaboration of its member organizations. NOSDA acts as the authoritative voice to enhance the profile and success of human services programs as they contribute to sustainable economic development through accessible labour markets, healthy communities and social development in northern Ontario.

This government speaks of an all-of-government approach, and we truly believe that that is a right approach to getting services to the residents of Ontario, whether they are looking for child care, housing, employment assistance or any other government service. The government has made some strides in an all-of-government approach, but the local level needs to be coordinated and aligned. More money is not always the answer, because there are many ministries with the capacity to provide excellent programs and services, but there is truly no local coordination across ministries. We believe NOSDA members are well positioned to help this government achieve its goal of an all-of-government approach, but it does need to be coordinated at a local level.

0910

One of the recent examples of how NOSDA members worked with government in a little community to meet the local needs was the Ontario Social Services Relief Fund. The province provided over \$765 million to support Ontario's service system managers through the social services relief fund. NOSDA members received approximately \$44 million, about 5.8% of the provincial pot. The social services relief fund provided the service managers with chief funding objectives and eligible uses of funding.

NOSDA members met with their local community partners to determine the best approach to allocate the funding. NOSDA members worked with municipalities, First Nations, mental health and addiction agencies, Ontario health teams, hospitals, school boards, food banks, homeless shelters and many other local community organizations and groups to determine what was the priority in each of their 144 municipalities across northern Ontario. This is an excellent example of how the province outlined key principles and objectives of funding, while allowing local communities to allocate the funding where it was required.

Flexibility is key. All too often, government copies a great idea that worked in one community and tries to use a cookie-cutter approach to force the idea across the entire province. The government needs to recognize great ideas, fund them and move on. Not every idea can work across Ontario. The province needs to establish principles, objectives and expected outcomes, but then allow local communities to execute. That is why coordination at a local level is key, and NOSDA members can provide that coordination. We are looking for a policy change in order to allow NOSDA members to address local needs, as was intended 20 years ago, through local services realignment initiatives between municipalities and the province.

Our first recommendation is, we are asking the government to recognize NOSDA members as true partners when it comes to the alignment of housing and infrastructure, to deal with mental health and addictions in the north. NOSDA members are not recognized as health service providers, and that stands in the way of converting and developing purpose-built housing in the north.

The provincial and federal governments have made significant investments in portable housing allowances, but unfortunately, without affordable housing stock in the north, the housing allowances will not achieve their intended outcomes. There are over 11 ministries providing subsidies; there needs to be coordination of the housing subsidies. NOSDA members are prepared and ready to mobilize immediately when it comes to expanding mental health and addictions support options in northern Ontario.

Our second recommendation for the north's economic growth depends on a workforce that is ready for the future. NOSDA members have the ability to provide wraparound services, such as financial assistance, child care and community housing, that allow future workforces to stabilize their lives—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Fern Dominelli: —and achieve their education and employment goals in order to become financially

independent. There needs to be local coordination of services, and NOSDA members are well positioned to play that role.

Thank you for the opportunity to present today.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is Ontario Real Estate Association. Please state your name for the record, and you can get right into your presentation.

Mr. David Oikle: Good morning, Chair and members of the committee. My name is David Oikle. I'm a broker at Royal LePage Team Realty in Ottawa, and I am the 2021 president of the Ontario Real Estate Association. Joining me today is Stacey Evoy, OREA's president-elect and a broker with Royal LePage Triland Realty in London.

By way of background, OREA is the trade organization that represents Ontario's 80,000 realtors. We are here today to speak in support of Bill 269 and the measures it takes to connect Ontarians to broadband Internet, help parents with the costs of child care, and target assistance to underprivileged communities who need it the most. These policies will help hard-working Ontarians and our economy bounce back from COVID-19 and set the stage for future economic growth, job creation and recovery.

I would like to turn it over to Stacey to provide our support for specific investments in Bill 269. Stacey?

Ms. Stacey Evoy: Good morning, everyone. OREA was pleased to see the budget act on three of OREA's key recommendations, as brought forward in our COVID-19 recovery research report and our Small Towns, Big Opportunities report, both focusing on housing-related policies that will help support Ontario on the path to recovery. Specifically, Bill 269 commits to expanding access to broadband Internet, expanding the Ontario Childcare Access and Relief from Expenses—known as CARE—tax credit, and expanding the regional tax credit for business investment.

In a modern economy where remote work is increasingly prevalent, Ontario cannot compete globally if its people and businesses can't access good Internet service. Moreover, when it comes to housing, Internet access is one of the top questions that realtors get from their clients about communities homebuyers are looking to move to. The commitment in the budget to increase broadband investment to \$4 billion will bring connectivity to all Ontarians by 2025. This groundbreaking investment will allow more Ontarians to work remotely, creating jobs and reversing out-migration in the smaller communities across the province. It will also entice more businesses to set up shop in communities outside of urban centres, which will bring new life into towns that have experienced economic stagnation for far too long.

The budget also supports Ontario's moms and dads with the rising cost of child care through a 20% enhancement to the Ontario Childcare Access and Relief from Expenses, or CARE, tax credit. As a working mom of four myself, I know how hard the pandemic has been on women with children at home. During the pandemic, thanks in large part to social distancing requirements, we know that child care costs increased. These cost increases

have forced many moms and dads to choose between working and looking after their families.

Helping families with child care costs will offset some of these increases, making life a bit more affordable. More importantly, if two of every 10 mothers cannot work because of rising child care costs, this change will support over 5,000 parents, to help them potentially stay in the workforce, contributing to our economic recovery.

Lastly, to ensure that all areas of the province share in the recovery and growth after COVID-19, the budget also looks to enhance the Regional Opportunities Investment Tax Credit.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Stacey Evoy: This proposal will help encourage business investment in the areas of the province where employment growth lags the provincial average. This is a step in the right direction towards OREA's recommendation of opportunity zones. The province has a unique opportunity to capitalize on trends brought on by the pandemic, by making it easier for more Ontarians to find a place to call home outside of the GTHA. A government of Ontario focused on building up our smaller communities will help create and attract jobs, reverse the out-migration of young talent and close the infrastructure gap in smaller communities.

As the provincial recovery continues, OREA believes it is important that all Ontarians and all regions are supported and share in the prosperity that is soon to come.

Mr. David Oikle: Thank you, Stacey.

As Ontario continues to look to get the province's economy back on track, Ontario realtors believe that housing has the potential to lead the recovery. In the last provincial budget, OREA was pleased to see the government introduce the Seniors' Home Safety Tax Credit. OREA recommends expanding on this tax credit and implementing a general home renovation tax credit for all Ontarians.

In 2009, the federal government implemented a home renovation tax credit to help the country bounce back from the financial crisis. Canadians spent \$3 billion fixing up their homes, and as a result, \$4.3 billion of economic activity was generated. Housing-related policies such as the home renovation tax credit can be the engine that gets the Ontario economy back on track.

Thank you, Chair and members of your committee, for your time today. We are happy to answer any questions you may have at this time.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

Before we start with the questions, MPP Kanapathi, can you please confirm your attendance?

Mr. Logan Kanapathi: I'm Logan Kanapathi, MPP for Markham-Thornhill.

0920

The Chair (Mr. Amarjot Sandhu): Are you present in Ontario?

Mr. Logan Kanapathi: Yes.

The Chair (Mr. Amarjot Sandhu): Thank you.

We'll start the first round of questions with the opposition. MPP Fife.

Ms. Catherine Fife: Thank you to all the presenters for appearing before finance committee on Bill 269.

My questions are going to focus, I think, beginning with Todd. It's nice to see you, Todd.

Were you surprised that the eligibility was not expanded for small businesses to apply for the small business grant? Obviously, there was a whole swath of businesses that were left out of that first round of small business grants. It was good to see the government acknowledge the stress and turmoil that the tourism sector had gone through. But the CFIB said that many thousands of hard-hit small businesses across the province remain ineligible for the support grant, such as construction businesses, dry cleaners, caterers, the entire restaurant supply chain, breweries, regulated and unregulated health professionals, and print shops, just to name a few, and they call on the government to expand the eligibility to cover these businesses.

How important do you think that factor is as we are shut down again for four more weeks?

Mr. Todd Letts: Thanks very much for your question, MPP Fife.

We know that this pandemic is nasty. It's nasty in many ways. Its impact has been uneven across sectors. Yes, it would be wonderful if more businesses met the eligibility criteria for the small business grant, and certainly we would support that in any future endeavours.

It's important to be precise, as much as we can, in the aid that we provide. These are unprecedented times, and I think as we see in this budget, Bill 269, a special allocation for those in tourism and hospitality is certainly welcome. I hope—

Ms. Catherine Fife: We do agree with that. It has taken a full year, but it's never the wrong time to do the right thing.

Also, Todd, you mentioned that the pandemic has impacted Ontarians in an unequal manner. We would totally agree with that—especially those workers in Brampton and the greater Peel area. We have seen the outbreak of COVID-19 in warehouses, in manufacturing. It's good to see some talk, anyway, of prioritizing some vaccine in those areas, because that's where some of the biggest outbreaks are happening.

The medical officer for Peel and various doctors in the Brampton area have called for paid sick days, which would be government supported—a government-supported model for businesses—so that workers don't have to go to work sick and the transmission of COVID-19 doesn't continue to happen, and so we don't end up in this cycle of opening and shutting and opening and shutting. Does your board of trade have an opinion on this? The government didn't listen to their own science table on paid sick days.

Do you think that it's time, after 14 months in now, to consider supports for businesses to ensure that workers don't have to work sick?

Mr. Todd Letts: You are correct that Brampton is a hot spot, and the pandemic has been disproportionately disruptive. We had 860 cases in Peel on the weekend, the highest yet.

It's important for all persons who are sick to stay at home, to not go into work. There is sick pay allowed by the federal government, and many companies do bridge the gap to that. If there were to be any consideration for more paid sick leave, certainly we would want it to be temporary in nature—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Todd Letts: —and to recognize those employers that are already providing a bridge payment to the federal program.

Ms. Catherine Fife: That's a really good point: not a one-size-fits-all, but very targeted and strategic—which is what we've been calling for.

Todd, I just want to give you a chance to review some of those business stats for Brampton. You said there are 13,000 businesses. Can you go through those stats for me, please?

Mr. Todd Letts: We were able to get recent data from Equifax—of course, they track how credit cards are used, loan payments etc.—and the numbers are staggering. They identified just under 3,400 businesses that are at high risk of bankruptcy; 13,500 are at high or very high risk of defaulting with their financial institution; over 14,500 are at risk of defaulting with their suppliers for their inventory.

There's one other stat that I didn't mention, and that is that over 18,000 businesses—almost three in 10—are inactive. What that means is that businesses, for whatever reason, have lost hope, have decided to no longer be active in their business.

These vaccines cannot come fast enough. That's why we've really encouraged Peel Public Health and the Ministry of Health to come to an agreement to ensure not only community mass vaccination clinics, the pharmacy route and the mobile units to essential workers, but to also let employers lead some clinics. It's affordable. It could help redeploy mobile units to other vulnerable populations. We need all four lanes to get across the finish line or to the road of better community health, and it has to come this week.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Catherine Fife: I think that sense of urgency has not been fully adopted, actually, here at Queen's Park, where we are today.

I will note that you're quite right that businesses have stepped up. In Waterloo region, the chamber has distributed 15,000 masks—made in Ontario, by the way, because they can't get into the hospitals, so they're at least getting out into the communities—and then the rapid tests, so that businesses have some control. That coordination and collaboration piece is absolutely key.

Thanks very much for appearing today, Todd.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members for their time of questioning. MPP Hunter.

Ms. Mitzie Hunter: Good morning. I want to thank all of the presenters. It's so important that we hear your voice on the state of the province's economy, as well as how the pandemic is affecting your members and your regions.

Todd, I want to tease out your statistics a little bit. There is a concern around the recovery. Everything is almost frozen in time while we're in lockdowns and in various waves, but from the data that you've been able to acquire, we're seeing really troubling concerns. It really confirms some of the stories that I'm hearing in my riding—business owners with very solid businesses for many, many years almost have mortgaged their own personal finances to stay afloat, but that can only go so far.

If you could just talk a little bit about the meaning of this data in terms of the risks as we look to a recovery, if we start to see businesses just go away—they might not even say anything; they just won't come back.

Mr. Todd Letts: Just to reiterate: This is a very dire situation. We have not seen numbers like this in terms of business inactivity or high risk of default in recent history. So what does that mean? What that means is that particularly in [*inaudible*], we need to get needles in arms as soon as possible. Once we get that herd immunity, once we get to 70% to 90% of people vaccinated, then you'll see businesses bouncing back.

It's going to require more continued, consistent support from government. It's going to require support and understanding from banks. Just because a business may default in 2021 doesn't mean that it's a bad business. These have been extraordinary circumstances.

0930

MPP Hunter, anything you can do to ensure that—

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Todd Letts: —the government and Peel Public Health come to an agreement to get vaccinations to our essential workers soon—that is going to be the catalyst that brings us through this recovery.

Ms. Mitzie Hunter: Absolutely, Todd, and that's what I am fighting for.

Last week, I asked the government about paid vaccination leave. It's something that New York has implemented, Saskatchewan has implemented. We know that we have many essential workers who just don't have the flexibility. There are also side effects that may occur once they take the vaccine. They just simply don't have the ability to not go to work and to get that vaccine. Providing supports like that helps to get more people vaccinated faster, to get to that herd immunity. This is a health crisis, and that's why the federal government has funded 92% of the costs of the responses in Ontario.

We have the COVID-19 contingency funds, health funds for a reason.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Mitzie Hunter: We need to deploy them quickly, as they are needed, rather than waiting until the variants of concern and the third wave overwhelm us, cause us to lock down, and many sick people in our ICUs—who are getting younger and younger, and that's because it reflects the essential workers, those in factories, those in processing who can't stay home. They have to go to work, despite the risk.

Mr. Todd Letts: You make a very good point.

This is a triple-whammy crisis: This is a respiratory crisis, this is a mental health crisis, and this is an economic

crisis. That's why getting vaccines to essential workers at the plants and allowing employers to be part of the solution—because if you do the vaccinations at the plant, peers see peers vaccinated, so you have a higher participation rate, and it's more affordable to the Ontario taxpayer because the employers are willing to cover the administration for the vaccinations—

The Chair (Mr. Amarjot Sandhu): Thank you—I apologize to cut you off. The time has come up.

We'll now go to the government side. MPP Smith.

Mr. Dave Smith: I'm going to start with Fern.

You made a statement that I absolutely love, and I want to expand upon that. You said that the solution is not always more money. Can you elaborate on what you were talking about—on how there are efficiencies that can be built into the system to improve where the money is going?

Mr. Fern Dominelli: Thank you for the question.

The government comes out with a lot of good programs that are well intended. I think at a provincial level there is some coordination, there is some thought in process. The problem is that Ontario is a huge province, and what's going to work in Windsor is not going to work in Kenora. When you're coming out with new programs, you need to allow flexibility.

What typically happens is, you end up with a program in Kenora that they don't need or want but have money for, and there's a program in Windsor, where they desperately need it and they need more money. Meanwhile, Kenora or somewhere like Thunder Bay is sitting with money that they don't necessarily need in that area. That's where I think you have to allow flexibility for the local communities not to inappropriately use the money but to put it in the right places where that community needs. That's when I talk about that local coordination.

In the north, we see that all over the place. We see that in how the 11 NOSDA members are funded, and there are a lot of times that, if we had more flexibility to be able to manage within our allocations, we could achieve a lot more outcomes. Unfortunately, we're struck by the provincial rules and regulations and guidelines that governments put into programs, as opposed to just putting the principles in place, and the outcomes, and saying, "This is what we're trying to achieve. Here's a pile of dollars. Tell us how you're going to get there," and then allowing the local communities to come up with a plan that makes sense.

Mr. Dave Smith: So we should be looking at the net result of how the money is being used, as opposed to the process. It almost sounds like what you're saying is that we're wasting a lot of money trying to show that we're not wasting money.

Mr. Fern Dominelli: That's a very good way to put it. We spend a lot of time tracking and processing information that we could be spending actually helping people and putting the money to good use.

Mr. Dave Smith: I'm going to move over to Stacey. Stacey, in your presentation, you talked about the child care tax credit, the CARE tax credit, and how you thought

that that was something that was going to be very valuable for Ontario, moving forward. There has been some conversation around whether it should be a tax credit or whether it should be a grant that's handed to parents. Why do you think doing it as a tax credit is something that's going to be beneficial for families?

Ms. Stacey Evoy: I think that's a great question.

I think either one would be beneficial to parents. We highlighted the one that we thought would have more support.

I'm going to defer to Matt Thornton to answer this a bit more fully.

Mr. Matthew Thornton: Thank you, Stacey.

As Stacey referenced, our message here today is that every little bit for working parents is helpful. The commitment in the budget, in addition to the Ontario child benefits, has been really welcomed by working parents.

I know, as a father of two young daughters, both in daycare, this assistance has been really important for my family, in helping us to keep both kids in daycare throughout the pandemic, which has been critical for me and my wife to stay in the workforce and all that kind of stuff.

Every little bit helps, MPP Smith. That's our message here today.

Mr. Dave Smith: I'm going to follow up with Matthew again on this one.

In particular, I wrote this comment down that you guys made. I apologize if I don't have it 100% correct, but it was along the lines—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: —of that you ensure that areas of the province that share the recovery growth of COVID-19—that the budget is looking for regional opportunities with the Regional Opportunities Investment Tax Credit, and that areas where there's lower income or that have higher unemployment right now can benefit from this. From the perspective of OREA—and it's a two-point question. The first part of it is, how do you think that is going to improve the employment opportunities? Secondly, do you think it improves the opportunity for someone to get into the housing market, because those areas where there's lower income or higher unemployment tend to be less expensive to purchase a home?

Mr. Matthew Thornton: Thank you for the question.

I think this is all about investment in those communities. Whatever the government can do to incentivize investment is a good thing. We know from the research that 80% of the jobs created over the last 10 years have happened in two communities, Toronto and Ottawa. So the position of our association is that a post-COVID-19 recovery has to include all of Ontario, not just the big urban hubs.

We've brought forward some really interesting and unique research. I'm sure many on the committee have read it. Small Towns, Big Opportunities included a whole list of policy options that we've put on the table to help drive a recovery in small-town Ontario. One of those policy proposals was a concept we call "opportunity zones." I think it's a really progressive and unique solution to

driving economic growth and creating jobs in economically underprivileged communities. It's working exceptionally well south of the border. It's actually one of the few policies in Washington DC that both Democrats and Republicans agree on. So we think it could potentially work really well here in Ontario.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Thornton: The regional tax credit is a good step in that direction. We'd love to see the province go even further in incentivizing investment in small-town Ontario.

Mr. Dave Smith: Matthew, on that same line of economic development in rural parts of Ontario and small-town Ontario: Do you think that the broadband expansion is going to be of benefit to it?

Mr. Matthew Thornton: Yes, a game-changer, as a matter of fact. If the province can meet its commitment to connect all homes by 2025, that access to good-quality broadband Internet is going to mean the world to those businesses and those people in those communities. As Stacey said in her presentation, the number one question our members get every day when they're selling homes in those communities is, "Can I get good access to good Internet?" Having that vital infrastructure available to more homes is—

The Chair (Mr. Amarjot Sandhu): Thank you—I apologize to cut you off. The time has come up.

We're going to start the second round now with the independent members. MPP Hunter.

Ms. Mitzie Hunter: I wanted to ask OREA about the comments around the importance and the value of housing to individuals and to families. The pandemic—we're now in a stay-at-home, so that's really fundamental in terms of the need for housing. But housing has to be affordable and adequate for the needs of the people of Ontario.

Can you talk about what you're seeing and also what we can do to support more housing affordability across the province? There are housing pressures in different parts of the province affecting people's ability to secure housing.

0940

Mr. David Oikle: Mitzie, it's nice to see you again. The last time I was actually out at an event was March 10, a year ago, and I had a picture taken with you. That's the last time I think I wore a tie.

Ms. Mitzie Hunter: It's great to see you too.

Mr. David Oikle: I work in downtown Ottawa, and many of my clients who work in the federal government have now said, "Well, I'm going to be working from home, and I can get a little further away, so I can have a yard, some space. I can live in Carleton Place or Almonte or out a little further so my kids can run around." But broadband continues to be an issue there, as well, because they anticipate that their work-from-home solution isn't the kitchen table, in the long term. It's going to be something that is going to be important. That's replicated all the way across the province. People are moving to smaller towns.

To Matthew's point: Broadband is going to be super important.

And to Minister Smith's point: Affordability is probably a little bit—if people can move a little bit further and a little bit further. So that's what we're seeing—that people want more space for their family, quality of life, and they don't have to go downtown. This is what we're seeing in the marketplace each and every day.

Ms. Mitzie Hunter: Let's hear from our folks in Sudbury in terms of what we're seeing—in the hope for the recovery for people in the north and access to services such as child care.

The Chair (Mr. Amarjot Sandhu): Two minutes.

Ms. Mitzie Hunter: Health services are so critical also, and of course, broadband.

Stacey, can you speak to that?

Ms. Stacey Evoy: Mitzie, if it's okay, I'm going to defer to Matt or Jason. I'm from London, so they're more expert in areas outside of there.

Ms. Mitzie Hunter: Go for it, Matt or Jason.

Mr. Jason Lagerquist: To build on what David was saying earlier: People are increasingly now, because of the pandemic, looking for more space in terms of their housing options. One of the terms that we like to use is that space has become the new version of luxury in terms of housing. You're seeing a lot of people moving out of urban centres, like Toronto or Ottawa, into some of the smaller, remote northern communities. What that has resulted in, in a lot of these communities, is the concept of a bidding war or multiple-offer situations—which at one point were probably more of a downtown Toronto phenomenon, but are now happening all over the province.

The Chair (Mr. Amarjot Sandhu): Forty-five seconds.

Mr. Jason Lagerquist: It's having a real impact in terms of the price of housing in all communities. So one of the things we need to see moving forward is an increased emphasis on increasing the supply of housing, not just in Toronto, but in all communities, because prices have really escalated significantly.

Ms. Mitzie Hunter: Jason, do you see a role for government in helping to increase the housing supply and affordability?

Mr. Jason Lagerquist: I think anything that can be done to get more shovels in the ground and more supply and more homes on the market is what the government should be focused on. There was a strong commitment in the More Homes, More Choice Act from a couple of years ago. That was a really positive first step. Anything that can be done to get more supply—

The Chair (Mr. Amarjot Sandhu): Thank you—sorry to cut you off.

We'll move to the government side now for their second round. MPP Cho.

Mr. Stan Cho: Thank you to all presenters for joining us this morning.

I'm going to start with more of a comment for Fern. First of all, go Wolves. And I'm hoping that we can connect off-line afterward, because I really appreciated your comments. It shows the abundance of political experience that you've had. Principles of base, rules, regulations, laws—I couldn't agree with you more on how

important that is, letting the outcomes determine not just the dollars assigned to a goal, and not being too prescriptive in the way we accomplish that goal. That has been our guiding light when it comes to a series of changes—most recently, in the last budget, when it came to some of the credit union reforms and some of the other reforms we are working on.

To put a tangible example on that for anyone watching at home who doesn't understand what that means: Today, in our broader public sector, for example—and this is one of thousands happening—ER budgets are determined in hospitals by dollars alone. And so, just to take one example, of plastic surgical gloves—we have no idea if these are good-quality, if the value is there or not. We've heard now that surgeons are tripling up on certain gloves, because ERs are given the mandate of buying the cheapest possible gloves, and so that has tripled the cost on the cheapest, whereas if you had paid 30% higher on the gloves initially, you could actually save a lot more money. More importantly, this is allowing the surgeons to operate more thoroughly, because this leads to a better quality of touch when it comes to performing their procedures.

These are very granular examples, but there are thousands of them, as I said, in the broader public sector, and it's absolutely true at all levels of government.

Fern, my offer to you is that maybe we can get in touch off-line and talk about how we can better offer those services at the front line. We've certainly seen and appreciated what our municipalities have done during this pandemic, but it's a problem that extends beyond COVID-19, so I'm looking forward to hearing some of those great ideas that I'm sure you have. The offer stands.

The same with Todd—I'm looking forward to further conversations through this pandemic. We've had to move quickly, and obviously we've left gaps. No response has been perfect at any level of government, but we made a commitment to putting politics aside and working together. That commitment stands, and so I look forward, Todd, to talking about how we can better assist your members, because we know this fight isn't over. The job is not done yet.

That leaves me with my friends from OREA. It's nice to see you, Matt, Jason, Stacey and Dave. I hope you and Kent enjoyed the Leafs/Senators game on Saturday—I know I sure did—but we're not here to talk about that.

My question is around the Small Towns, Big Opportunities pre-budget submission you gave. I read that front to back, and I was fascinated by it and intrigued by it. I think we've talked about some very important parts of that program and getting that goal done, not least of which is having the necessary infrastructure in place. We talked about broadband and how crucial that is, but long-term, when it comes to, let's say, getting people to move to some of these more rural areas—we've seen an exodus during the pandemic out of some of these more urban areas, and that's great, because Ontario has a lot to offer. This tax credit, I believe, will help root some job opportunities in other areas. How do we keep them there longer-term, so that these areas can flourish and bear some fruit down the road?

Mr. Matthew Thornton: Thanks for the question, MPP Cho. It's so great to see you.

I'll start, and then I'll throw it over to my colleague Jason for a little bit of elaboration.

The question is, "How can we get folks to stay?" I think it's a combination of things. Obviously, the broadband Internet is going to be really important for both their home life and their work life, so the investment that this budget has made in that service is, as we said in our presentation, really groundbreaking, because it's going to make sure that everyone has access in our province as of 2025.

The other thing I think we need to focus on is making housing more affordable in those communities. Jason referenced the More Homes, More Choice Act; we think that's probably the most pro-home-ownership piece of legislation we've seen in a generation in this province—looking at ways to reduce red tape and costs on the building of new homes and those costs are passed on to buyers.

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Matthew Thornton: So really critical housing and broadband Internet are two things I would point to.

I'll pass it over to Jason to build on that a little bit.

Mr. Jason Lagerquist: Thanks, Matt, and thank you, MPP Cho, for the question.

I think the government deserves a lot of credit for the investments in infrastructure that we've seen in the last budget, particularly with respect to broadband Internet. We've talked a lot about it. The number one question that our members get in rural and remote communities from clients is, "Can I get Internet here? What's the Internet like?" Particularly as more businesses start to adapt to more of an online type of functionality, Internet really is the key to sustained economic success for these communities.

The way we like to look at it is in the same way that in the 1950s, Premier Frost started to build the 400-series highways. At the time, a lot of the thinking was that they were these random roads going in all different directions, but what we saw is they quite literally laid the groundwork for sustained economic success for communities along the 400-series highway corridor. We really feel that the Internet, in much the same way, has the potential to do similar things for northern, rural and remote communities.

0950

Mr. Stan Cho: I think it's very clear that broadband infrastructure today is as essential as water or roads—there's no question about it—and just because you're in a more urban area doesn't mean you have that broadband infrastructure in place. I point to the Ottawa area, as well as even London: Certain pockets are not well served, and so we need to connect the grid—no question about that.

I was just looking at some of the latest market reports in some of these other areas outside of the larger urban centres—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Stan Cho: —and I'm blown away at the price appreciations that we've seen in some of the not traditionally expensive areas of our market. That's a concern, because

as we do develop these regional opportunity zones—Small Towns, Big Opportunities, which I think is an absolutely crucial initiative—then we need to start paying attention to the red tape that got in the way and increased the housing unaffordability problems in our larger urban areas we have today and not repeat those mistakes. We have an opportunity now to get that done, to do it right this time around, and so we're going to have to make sure that we have those discussions around it.

I know we've had a great level of collaboration since day one. I think we have now an even bigger reason to collaborate further. So I look forward to future conversations with our friends at OREA. Congratulations to Dave and Stacey on another year—or, Stacey, in your case, a year—of service to OREA. It's fantastic work that you've done so far, and I look forward to those conversations.

The Chair (Mr. Amarjot Sandhu): We'll now go to the opposition side for their second round. MPP Arthur.

Mr. Ian Arthur: Good morning, everyone. Thank you for joining us.

I'm going to start with OREA and a couple of questions for you.

I want to touch on the becoming-infamous \$10 two-by-four and what material prices are actually doing. We can increase supply, we can eliminate what red tape we can safely eliminate, but given what the housing industry is currently facing, you've got developers under contracts who are desperately trying to get anything they can out of future buyers, because we're seeing units that are having anything from \$30,000 to \$100,000 in increased material costs for building. So we can eliminate all the red tape we want, but when we look at the unit price for a lot, when we look at the skyrocketing price of materials going into it—how are we going to deal with that side of the affordability crisis?

Mr. David Oikle: MPP Arthur, it's nice to see you again. I saw you in Ottawa a couple of years ago, when we did these things in person.

A client of mine just sold their place here in Ottawa and moved to Kingston, and they found that the house was more expensive in Kingston than a similar house here, as you're having the same issues.

I'll turn it over to Matt, on the supply side and what we're seeing.

Mr. Matthew Thornton: Thank you, David, and thank you for the question, MPP Arthur. It's a very good one.

The cost of materials has most definitely skyrocketed over the course of the pandemic. A lot of that, I think, is thanks to mills in the United States and Canada being shut down in the early stages of the pandemic, so it caused a bit of a backup in terms of production, which is still working to catch up. On top of that, you're seeing huge interest domestically in residential renovations. Every time I drop by my local Home Depot, I'm seeing lineups out the door with people looking to buy home supplies to take on that next project. So there are a number of factors, and it does play a huge part in the housing supply discussion.

We need good, affordable materials if we are going to increase housing supply. I think—I hope—that the market

will respond and boost the amount of lumber, in particular, that's coming into Ontario and other markets.

But for the long term, we really do need to focus on these sorts of systemic issues around barriers to building housing. The current model is unsustainable in that it's preventing more supply from coming onto the market, giving buyers more choice and better affordability. That's what we need to be focused on, and that's central to the research we've brought forward and the message we bring to MPPs on a daily basis.

Mr. Ian Arthur: I appreciate those points.

I don't think Lowe's and Home Depot are going put the price of a two-by-four back to what it was pre-pandemic. And my understanding of the supply side of that is that we're two to three years now from catching up with supply. If demand continues like it is, if the Canadian housing market continues like it is and we're building as many new units—two to three years before we would actually have the lumber mills running, producing stamped lumber that can be used in the building supply.

So I respectfully would suggest that beyond the red tape, to truly tackle the affordability issue, we're going to have to innovate how we build homes. We're going to have to look at different types of homes that come to market and support innovative developers that are building a new style than what we've done before.

Do you have any questions, Sol?

Mr. Sol Mamakwa: Yes. Good morning.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sol Mamakwa: Thank you for the presentation.

Fern, I know the housing crisis, with social housing, is a very big issue in the north. As you know, I am from Ontario's Far North. It's really an issue that we face as Ontarians and as Canadians.

A few months ago, I went to one of the fly-in communities, and there were about 17 individuals living in canvas tents. When we talk about Ontario, what actually happens is that it filters down to the municipalities in northern Ontario, whether it's Timmins, Thunder Bay, Kenora, Sioux Lookout, Dryden—all of those areas.

I know you mentioned some of the policy changes. An example is social housing or the housing crisis that's happening in the north. What solutions do you see in Ontario being part of the solution?

Mr. Fern Dominelli: Thank you for the question.

Basically, one of the biggest priorities we look at is the coordination of purpose-built housing, particularly in northern Ontario, with mental health and addictions issues. To be fair, a lot of the homeless people we have in the north are actually coming out of our jails. They are being discharged into homelessness. I think we need to have a coordinated effort between the Ministry of Health and the ministry of corrections so that when individuals come into the community, we have appropriate housing to meet their needs. That's, again, purpose-built housing.

On top of that, we also need to be able to build affordable housing. The reality is, at today's prices, to build housing you're looking at \$1,500 to \$2,000 a month in rent. There is no way a low-income person can afford that kind of rent.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Fern Dominelli: What you need to do is look at creative ways of actually providing housing. I think the government needs to look at a mix of a higher percentage of grant versus loan, because even on a loan basis, it's hard to make those mortgage payments on such infrastructure.

We've worked closely with Ontario Aboriginal Housing Services, who have built a lot of housing in partnership with NOSDA, and they are a great partner for us. But I think the reality is, we need to have more affordable housing built in the north, and it's not already there. If we already had the infrastructure there, we could use our portable housing allowances to meet the people's needs. But the reality is, the infrastructure is not there. And to be honest, we're in a very good position to help build that infrastructure in partnership with other services—mental

health and addictions, corrections services—as partners together in the communities.

The Chair (Mr. Amarjot Sandhu): That concludes our time.

I want to thank all three presenters for appearing before the committee and for your presentations.

This concludes our hearings.

The deadline for written submissions is 7 p.m. tonight, Monday, April 12, 2021. The deadline to file amendments with the Clerk of the Committee is 5 p.m. on Wednesday, April 14, 2021.

The committee is now adjourned until 9 a.m. on Friday, April 16, when we'll meet for clause-by-clause consideration of the bill. Thank you so much.

The committee adjourned at 1000.

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