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Standing Committee on Finance and Economic Affairs

Comité permanent des finances et des affaires économiques

Protect Ontario Through Free Trade Within Canada Act, 2025

Loi de 2025 pour protéger l'Ontario en favorisant le libre-échange au Canada

1st Session
44th Parliament

Tuesday 27 May 2025

1re session
44e législature

Mardi 27 mai 2025

Chair: Ernie Hardeman
Clerk: Lesley Flores

Président : Ernie Hardeman
Greffière : Lesley Flores

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Tuesday 27 May 2025

Mardi 27 mai 2025

The committee met at 0901 in room 151.

PROTECT ONTARIO THROUGH FREE TRADE WITHIN CANADA ACT, 2025

LOI DE 2025 POUR PROTÉGER L'ONTARIO EN FAVORISANT LE LIBRE-ÉCHANGE AU CANADA

Consideration of the following bill:

Bill 2, An Act to enact the Buy Ontario, Buy Canadian Day Act, 2025 and the Ontario Free Trade and Mobility Act, 2025 and to amend various other Acts / Projet de loi 2, Loi édictant la Loi de 2025 sur le Jour « Achetons ontarien, achetons canadien » et la Loi ontarienne de 2025 sur le libre-échange et la mobilité et modifiant diverses autres lois.

The Chair (Mr. Ernie Hardeman): Good morning, everyone. I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We're meeting today to begin public hearings on Bill 2, An Act to enact the Buy Ontario, Buy Canadian Day Act, 2025 and the Ontario Free Trade and Mobility Act, 2025 and to amend various other Acts.

MINISTRY OF ECONOMIC DEVELOPMENT, JOB CREATION AND TRADE

The Chair (Mr. Ernie Hardeman): I will now call on the Honourable Victor Fedeli, Minister of Economic Development, Job Creation and Trade, as the sponsor of the bill.

Minister, you will have up to 20 minutes for your opening statement, followed by 40 minutes of questions from the members of the committee. The questions will be divided into two rounds of six minutes for the government members, two rounds of six minutes for the official opposition members, two rounds of six minutes for the recognized third party members and two rounds of two minutes for the independent member of the committee. I will verbally notify you when we have one minute left.

Minister, the floor is yours.

Hon. Victor Fedeli: Thank you very much, Chair. Thanks everybody for being here. This is a really wonderful opportunity to talk a little bit about our government's first bill, Bill 2.

We'll begin by setting the stage: Since we took office, our government has acted to reduce interprovincial trade barriers—we've been working for seven years on the planning and the processing. Since that time, we've made some strides: We removed three of our party-specific exceptions under the Canadian Free Trade Agreement.

If you recall, more than a dozen years ago when the Canadian Free Trade Agreement was developed, each province and territory and the federal government signed on, and then they started looking at it and saying, "Well, this doesn't work for me"—so they pulled a little exemption—"and this one doesn't work for me, and this one doesn't work." Well, we had 26; Quebec has 39. We removed, at the time after we were elected, three of our party-specific exceptions under the CFTA, and they were related to energy, hunting and securities.

We've been really early and very strong advocates to advance mutual recognition—that means if we are allowing something from your province in our province, you need to do the same for us. That is mutual recognition, and we've been very strong advocates of that, including the launch of a pilot program on mutual recognition in the trucking sector. You've probably heard me in the Legislature over the last seven years talking about—you take a transport truck from the Atlantic coast and try to get to the Pacific coast, and you find that the tire pressures have different requirements in each province and the contents of your first aid kit were different in each province. It made interprovincial trade kind of haphazard and not in the best interest of the people.

We have developed a pilot program in trucking where we agree to recognize each other's regulatory requirements. Even though there's going to be differences in it, we recognize them as equivalent. And that's the first pilot program that we did. It was a pretty good move, where all provinces and territories signed onto it. Then we brought in what we all know is called the as-of-right rules, and that allows health care professionals to practise in Ontario immediately. That was very groundbreaking for us.

We removed interprovincial trade exemption limits on alcohol in 2019, allowing people to carry larger volumes of alcohol across provincial boundaries. That stemmed from the famous case where a guy from New Brunswick was in Quebec, picked up a few cases of beer, drove back over the border, got stopped by the RCMP, charged, the alcohol was removed, and he fought that. He said, "That's ridiculous that you can't buy a case of beer"—or whatever; it was a larger volume—"in Quebec and bring it into New Brunswick."

He fought it all the way to the Supreme Court and lost. Our answer to that was just to lower the exemption, that you can take more than one can over the border and you're good. You're good to go. That's what we did here.

But even then—this was touching little pieces at the edges, so we know we need to do more. That brings us to today's reality. Today, with Donald Trump in office, we are facing a once-in-a-generation threat from south of the border. Our closest ally of 150 years has turned their back on us.

The US and Canada have the largest bilateral trading relationship in the world. Ontario and the US do $500 billion in two-way trade. It's very balanced—almost $250 billion each way every year. That's what we do. Canada is the number one purchaser of American goods. We purchase more American goods than countries like Japan, South Korea, the UK, Germany, France—combined, by the way. All of that combined, we still do more business than them.

This mutually beneficial relationship thrived because, between our two countries, we had free and fair trade. That was the premise of all of this $500 billion. We had investments pour into Ontario and good-paying jobs that were created on both sides of the border because of this.

But because the current US administration is no longer a fan of free trade, we find ourselves in a very precarious position. President Trump wants all the companies that we brought to Ontario. He wants those companies in the States, and he wants those jobs in the States. He thinks that these protectionist policies that he's employing will unlock economic growth and prosperity for the US.

Now, obviously, as free traders, we fundamentally disagree. We absolutely believe in free and fair trade, and that is why we have to ensure that true free trade exists within our own borders. That's the signal. This is a great opportunity that President Trump has laid at our doorstep. He has, after seven years of us tinkering around the edges of free trade—if you can imagine—given us the incentive to get it done. So here we are. It takes a province like Ontario to lead the nation because of the ambition that we have. That's exactly what this legislation does.

Many of us have been in this room for several years. Lots of exciting things have happened here. After 14 years in this room, I have to say that this is one of the most exciting things that's going to happen. Minister Freeland was very quick to say when she took over as our minister of free trade that her plan is to make interprovincial trade "sexy" again. I don't know what that means, but she has repeated it over and over. I can tell you, I don't know if it's sexy, but it's kind of exciting that after all these years and our years in government as well, we're now going to hopefully see things happen.

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The benefits of interprovincial trade can't be clearer; they really can't be. Ontario right now—we are the largest player in interprovincial trade. We already do $326 billion in interprovincial trade annually, and that's equivalent to 28.5% of our GDP. This is a big deal for Ontario.

Since we took office, interprovincial trade is up $75 billion because of the work we've done with provinces, but we know that we can grow it even more. We know that the economic benefits that will stem from further growth won't only come in Ontario; in fact, it will be a lesser proportion, actually. It will grow the rest of the country. But those interprovincial trade barriers that exist today—that's what's driving up costs for our families, for our businesses, and that's what's holding back our economy.

Think about this statistic: Interprovincial trade barriers can add up to 14.5% to the cost of any good and service that consumers purchase, that businesses purchase. This 14.5% is because we have these barriers. I'll talk a little bit about them in a minute.

Removing interprovincial barriers could see Canada boost our national growth by 4% to 8% every single year. That's $200 billion a year just by removing barriers, getting rid of those costs—not changing anything, not changing the goods that flow, just changing the costs and the barriers that say, "Oh, I'm sorry. We don't recognize that. You have to fill out form 18-2 and—whatever—pay a fine."

Deloitte reports that of that $200 billion, Ontario's share is disproportionately lower. I will say that; it's $23 billion. It's because we already are almost there with our free trade. We are the single largest free trader in the federation. But knocking down those remaining barriers will not only add $23 billion to us, but it will help the rest of the country grow, and when the rest of the country grows, we grow with it. There's a lot of knock-off growth that we'll get, so we need to pound down these barriers. We need to unlock our province and our country's full potential. Again, it has never been more important because of the threat that we face south of the border.

Let's look at some specifics, then. When we tabled this legislation, we also removed all of the exceptions from the Canadian Free Trade Agreement. There are 23 PSEs; they're gone. If you go on the federal government's Canada free trade website today, you'll see everybody's exceptions listed. When you get to Ontario, it will say "none." It's done. That's already done. We are the first and the only province to remove all of our exceptions to date. They were outdated, they were protectionist, and now they're gone.

We went a step further than jurisdictions like Nova Scotia. They'll remove them only on a reciprocal basis: "If you remove yours, we'll remove ours for you." We've just removed ours. Ours are gone. Again, we think, as others follow our lead, we're going to see greater cost reductions, greater market access and about $200 billion in our economy.

The next part is mutual recognition. Now, this is really interesting. There are way too many rules and regulations among the provinces that have even the slightest of differences, but each of those differences takes time of companies and cost money. So we're going to ensure that goods and services that meet one province's regulatory standards are automatically recognized as being equivalent by us. So if you're making a pizza for export and you have got it in a certain thickness of wrapper with a certain style of labelling and it's good enough for you and it meets all your criteria, then we think it's good enough for us. We know it's different than what we like our labelling to be or our thickness of packaging. It's different, but we're going to accept it as equivalent. This is Canada; we have strict regulations all around. If it's good enough for you, it's going to be good enough for us. These diverging rules? Those are the barriers that are driving up costs. We already know every province has very strict health and safety standards. We can trust the goods that are coming from other provinces. We trust that they're safe and vice versa.

You're going to see this happen in the trucking sector as well—the diverging rules in that sector. The trucking industry accounts for about $40 billion in annual revenue—the 63 million shipments a year. The barriers that exist in trucking account for $500 million in economic loss. That's a really big industry that is draining our economy. We can't afford to have different rules in every province, and that's why this is here.

Labour mobility is another piece of it. This is basically where we have workers who are trained and registered in one province that are being held back from working in another because of bureaucracy. Our legislation will work on a reciprocal basis to ensure our workers can practise in another jurisdiction immediately and out-of-province certified workers can do the same here. That means if you're an architect in Manitoba, you can come to work in Ontario, start working the next week, and you get six months to get your paperwork caught up. That's basically really what it is.

We're also going to expand the as-of-right entry more broadly, so we can get workers on the job sites faster. Workers will be deemed to be registered with regulators as soon as the registration documents are submitted, not processed. That will speed things up. That will get things going.

The last item is the direct-to-consumer sales model across Canada. Do you remember we talked about alcohol, that you can now buy alcohol in Ontario and take it over the border into Manitoba or Quebec or wherever you're going? By negotiating memorandums of understanding with other provinces, we're going to allow for a reciprocal provincial deal to buy alcohol directly from Ontario producers. You don't need to be here to take the alcohol over; you can order it directly. That is going to really broaden choice for consumers. It's going to drive down costs because that's what competition does. This is a really great opportunity for the Ontario producers. It will give them full access to the Canadian market.

This legislation, along with the action that we have already taken to remove those party-specific exceptions, is without question the most ambitious provincial action on interprovincial trade in Canadian history. Maybe that's why Minister Freeland calls it "sexy." It's bold, it's ambitious, but it's really an opportunity to shine. It shows that Ontario is leading the way. We're answering that call of the Prime Minister. And we're already seeing the benefits: We've signed MOUs with Nova Scotia, New Brunswick, Manitoba. We've got several more coming very shorty—in fact, very, very shortly—because the provinces all see the benefits of free trade, and that's why they want free trade to exist within their borders as well.

Unlocking free trade starts by tearing down those interprovincial borders. That's the first step that we need to take, so we're here today to go through some of the details and have an opportunity to be able to chat a little bit more about the bill itself. We're very, very excited. The response that we're seeing from stakeholders across the province—in fact, across the country—has been very positive. The fact that we got rid of our 23 exceptions was shocking to almost everybody, that we've just said, "That's it. We're open for business. We expect you to do the same now."

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That's really what we want, is for other provinces to see that we're still here. We have no exemptions. We're still here; our businesses are all still working. And now we need to do the same kind of bold action with our labour mobility, with our mutual recognition and with the direct to consumer. We want to be able to have products made in Newfoundland and Labrador come into Ontario being accepted for what they are—that it's different but it's equivalent. And that's the magic word: We accept it as being different but equivalent to our standards. Because they meet already the high Canadian standards that every province and territory has.

We look at the employees that are looking to come to Ontario, where there's a roadblock here. You have to come and file, and you don't have an opportunity to go to work until you're fully papered up. We want you to come here; we want you to start work next week. We need engineers and architects. We want you to come here and work next week. We need more health care workers. That's why we'll expand; we'll work with everybody to look at the rules and regulations to expand the as-of-right so that we can bring more health care workers here.

Of course, on the alcohol side, this is a real opportunity to expand choice, and a really great opportunity to show that we're one big country, that we have a Canadian Free Trade Agreement that we all agree with and that we believe in each other, that what you've done is good enough for you and good enough for your people.

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

Hon. Victor Fedeli: I'll give you one more final example, just because it brings it home. You are in Ontario and you've got your safety vest, and you're crossing into Manitoba to go and do a construction job. You've got 20 guys and gals going over, and their safety vest is slightly different than ours. Can you imagine spending $4,000 to get new safety vests for your people to cross the border for the day, to go and finish something on the other side of the border?

That's the kind of rules we have today: "Oh, I'm sorry, you can't. You have that safety vest. You need the safety vest with the X on the back, not the cross on the back." That's the kind of ridiculous rules that we have. So—

The Chair (Mr. Ernie Hardeman): Thank you very much for your presentation. We'll finish that, I'm sure, in the question period.

We will start the first round questioning with the government side. MPP Saunderson.

Mr. Brian Saunderson: Thank you, Minister Fedeli, for coming today and explaining the legislation. I appreciate the historical background on the evolution of free trade amongst the provinces and, of course, the exigent circumstances that have brought this bill forward before the Legislature.

You've talked a lot about the historical context and what we're trying to do. It's bold legislation: from labour mobility to direct-to-consumer alcohol sales to mutual recognition that you've just spoken about. Ontario has 40% of Canada's population. It's really the economic driver of our country. We're critical not only for ourselves but for Canada.

I'm wondering if you can just speak to some of the benefits you expect will come from this legislation, not just for the businesses but also for our consumers and our economy generally, given the bold steps that we've taken over the last four years.

Hon. Victor Fedeli: Thank you very much, MPP Saunderson. First of all, from a financial perspective, this is going to bring greater GDP to the entire country. Again, we've shown the way here in Ontario by the $326 billion a year that we do. It's 28.5% of our GDP. We're showing the country that free trade brings greater opportunities for you. It should add about $200 billion to the Canadian economy.

But really, at the end of the day, if you're a business, it will lower your costs—hopefully by 14.5%. You're going to see lower costs. If you are a consumer, you're going to see lower costs. If you're a business, you're going to find it easier to find employees from around the country who won't be so hesitant to come to your province to do work because you've got several weeks or several months of a hold up on your paperwork.

But, really, it sends a signal to the world that when we say we're open for business, we really mean we're open for business. It's another tool in our tool box. You can't pretend to believe in global free trade if you can't do free trade within your own border. That's, I think, a very strong signal. I liken it to the EU—where we've spent a lot of time lately—and we talk about what's happening in Ontario. In this world of turmoil, they look across the ocean to Ontario as this reliable partner, this stable partner, this predictable partner. Part of the new message that we will be able to take is that it's not just us now. You can land here and deal with the rest of the 40 million people in Canada. Because of the free trade that we are offering, you will be able to have lower costs, easier access to employees and a strong sense of the country that's being held together by our free trade.

I think this is a brand new tool in the tool box. We're always looking for new things—we always talk about the $8 billion in lower costs and the 550 pieces of red tape and the low-cost green, clean energy that we have and the land that we have and the servicing that we have. All of these things are what brought us to where we are, landing the $70-billion worth of business that we've landed. But we need new tools in the tool box because we're visiting the same partners over and over, and now we've got a really interesting story to tell. We can weave quite a fascinating story for these people, for these countries and for these businesses who probably couldn't have imagined that we weren't having free trade—that it's easier to ship a product from British Columbia to Texas than from British Columbia to Ontario.

This is that genuine opportunity to be able to show them the way. I think that it's been a long time coming. As I say, we've sat on this committee for seven years. All of this homework here has been ready, and we've been trying to get all of these pieces put through.

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

Hon. Victor Fedeli: Before the Donald Trump scenario, we had the pilot program for trucking. That was a breakthrough, that we have this pilot program, where finally, after all these years, we're going to do one little test program on interprovincial trucking. Now, here we are. Because of the Trump tariffs, we're forced to look for alternative sources of business, and we looked right under our own nose and found 12 other provinces and territories each.

It's a really great opportunity for growth and for harmony in the country.

Mr. Brian Saunderson: Thank you very much for that answer. Is that the time?

The Chair (Mr. Ernie Hardeman): You have 19 seconds.

Mr. Brian Saunderson: I just want to thank the minister for his hard work. I look forward to working with you on this legislation.

The Chair (Mr. Ernie Hardeman): We'll now go to MPP Fife.

Ms. Catherine Fife: Good morning, Minister. Thanks for taking the time to meet with me at the beginning of this session. I actually really enjoyed hearing about your work abroad and trying to find new potential export trading partners. My caucus and my colleague here are actually looking forward to the opportunity to be propositional and to work in this new space. I believe that actually is our mandate as legislators and I think it's what Ontarians expect of us—to work together.

You have referred to the current economic situation in Ontario as a war. When your village is being attacked, you bring all the tools to the fight: the pitchforks, the shovels, the torches—think Shrek, but not as good-looking, smart or nice as Shrek. That's who we're kind of dealing with south of the border. Boy, when you watch the news, it is almost like watching a Saturday Night Live skit. It's embarrassing—but it's so dangerous as well.

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I want to say that we are supportive of removing interprovincial trade barriers. We believe that the potential is there to lift up our innovative businesses and innovation sector, including research and the commercialization of research, so that we can export our ideas and our innovative businesses and entrepreneurs in Ontario.

That said, I think we have to be honest about where we are right now in Ontario. We've seen steadily increasing unemployment for the past two years. We're clearly in the very beginning or in that first stage of recession, and unemployment's at 7.5%. GDP only grew in 2024 by 1.2%. Only 15% of businesses in Ontario feel confident. And you're quite right, Donald Trump is looking to kneecap Ontario's export-oriented industries.

The labour mobility piece contained in Bill 2 obviously has great potential, but there are some concerns that we have and we're going to be putting forward some amendments. We hope the government will receive those amendments as they're intended, to make the bill stronger.

But under schedule 6, it amends the Ontario Labour Mobility Act to eliminate the need for workers from other Canadian jurisdictions to have additional training, experience or examinations as a condition of certification in Ontario. The legislation gives these workers a six-month reprieve before they have to certify to Ontario standards.

How do you see this playing itself out if an electrician or a carpenter comes into Ontario—or a nurse practitioner—and all the trades have different levels of certification? I'll tell you why I'm asking—it's always personal; politics is personal—my son's an electrician. If an electrician comes from another jurisdiction and they're not up to the high standards that Ontario has, then potentially you could have unsafe working conditions. Can you walk us through how you see that playing itself out? How will the ministry be ensuring the appropriate certification, and how do we raise everybody up and not put anybody at risk?

Hon. Victor Fedeli: Thank you very much. I'll answer the first part of your commentary as well.

Things have really drastically changed around the world. I was in Eastern Europe last week, and I was always very careful when I talked about war. When I talk in North America, I talk about a war with the US. It's an economic war. It's nothing like the war that you're surrounded with there.

But I did tell them and I warned them; every country I went to, I said, "You have not seen the Trump tariff effects yet." I'll get to your answer, I promise you. "You have not seen the effects of these Trump tariffs. They're coming," I warned them, "They're coming, and they're coming soon." We've lost tens of thousands of jobs here in the last three months in Ontario. I said we gained 87,000 jobs in Ontario in December, January and February. We were on a trajectory to hit new highs—we could have surpassed a million jobs—and then the Trump tariffs come.

Of course, on Friday, President Trump announced to the European Union a 50% tariff. So they are going to be hit with these tariffs.

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

Ms. Catherine Fife: Let's go back to my question, please. How are you going to ensure—I mean, it will be your ministry, and labour, I would imagine. It should be. How are you going to ensure that the certifications meet our standards as a province? Because those workers are going to be coming into Ontario. They're going to be looking for affordable housing. They're going to be looking for health care. They're going to be looking for schools for their kids. But, really, safety is front and centre, I would think.

Hon. Victor Fedeli: Working with the Ministry of Labour, the whole concept is to put Canadian workers, businesses and the consumers first. They're going to be considered registered in Ontario once they provide their certificate of registration from their home province or territory and they will have six months to get their paperwork finalized here.

The Chair (Mr. Ernie Hardeman): That concludes the time.

MPP Cerjanec.

Mr. Rob Cerjanec: Thank you, Minister, for your presentation today. I think this is something that's been a long time coming, reducing and eliminating interprovincial trade barriers. I think it makes a lot of sense that we've got one Canadian market instead of 13. I think it makes a lot of sense that we can reduce the costs of certain goods between our provinces. It's something that Ontario Liberals have been calling for, and we're really glad to see that the first bill from this government is something to tear down those interprovincial trade barriers.

I want to focus on something a little bit more specific, though, in this today, and it's the LCBO. Minister, I know you know that the LCBO has been one of Ontario's most reliable public revenue generators: supporting our health care sector, supporting our education system and supporting a lot of the other things that the province does and that impact us in our day-to-day lives. We've seen over the last three years that revenue contribution to the province has declined year over year, and I think this trend raises some real concerns for me about the long-term health of the LCBO and the potential erosion of its public mandate. Now that we're looking at legislation here that grants the minister directive power over the LCBO, it opens the door to direct-to-consumer alcohol sales across provincial borders.

These changes may seem incremental, and I'm someone—I like to have a glass of wine; I like to have some spirits; I like to drink beer, as well, from time to time. But when I look at all of this taken together, I think this bill may very well signal a major shift in terms of how Ontario regulates, distributes and benefits from alcohol sales to fund very important services like health care and education. We see in the education sector, for example, accounting for inflation, $1,500 less per student from 2018 to now. In health care, as well, there are still many challenges.

Before we can really look at these provisions, I think Ontarians need clarity over whether this is going to strengthen or weaken the LCBO and whether it risks paving a path towards privatization of the LCBO. That's one concern that I have in looking at this legislation, and without, necessarily, consultation, transparency or guarantees for public benefit.

So my question is: Does the minister expect that the LCBO is going to be the distributor of out-of-province liquor, beer and wine? Can the minister commit to keeping the LCBO public?

Hon. Victor Fedeli: Thank you very much for your question. The LCBO is the only purchaser and distributor of alcohol in Ontario.

But you go back to the budget, the dollars in health care and education—when I think about getting elected and making government in 2018, we began by lowering the cost of business by $8 billion a year, because we knew that would drive the economy. We saw two things happen. We took an $8-billion-a-year haircut in taxes and the very two things that we expected to happen, happened.

Number one: A million people went to work in the last seven years. By lowering the cost of doing business, the business community added a million new jobs. The second thing that happened: By taking that $8 billion a year haircut, our revenue in 2018 went from $150 billion—in the budget, it's $220 billion. We have $70 billion, and what did we do with that money? Well, $30 billion a year more is spent in health care—you talked about a different version—and $1 billion a year added to education since we've been here. That's the real effect.

You're suggesting that lower alcohol revenue will mean lower spending in health and education. Those were the things you said, and I'm saying to you that our revenue in Ontario is up $70 billion and has been reinvested in health, education and other services.

Mr. Rob Cerjanec: Never have we seen in this province's history a government spend more to deliver so little.

0940

But my concern, I think, here today, and I think this is what Ontarians are concerned about, is will the LCBO still be the distributor of out-of-province liquor, beer and wine from other provinces and territories here in Canada, and will the minister commit today to keeping the LCBO public?

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

Hon. Victor Fedeli: I had said earlier that the LCBO is the only organization that purchases and sells alcohol in Ontario.

Mr. Rob Cerjanec: Right now. And, moving forward, is the intention for the LCBO to continue to do that?

Hon. Victor Fedeli: This bill is intended to increase sales for brewers, for wineries and for other alcohol producers. That's what this bill is intended to do: to increase their sales and increase competition, drive down costs.

The Chair (Mr. Ernie Hardeman): We'll now go to MPP Brady.

Ms. Bobbi Ann Brady: Thank you, Minister Fedeli, for coming this morning. I am pleased to see we are taking steps to ensure Ontario and, I guess, the rest of Canada will establish a defining moment in the evolution of internal trade, and this bill has the potential to be a pivotal chapter in our economic history. I can't believe that governments have never fixed this patchwork of conflicting laws and regulations across Canada, and as you said, Minister, conflicts are harming our economy and harming our growth.

The incentive is to get it done, as you said—however, getting it done and getting it done right are two different things. So I am heartened that this government is drawing on the experience of other jurisdictions, but I do have some concerns as it relates to employers. While Bill 2 seeks to streamline interprovincial mobility, it also introduces new challenges for workplace management, and I think of things like temporary workers—

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

Ms. Bobbi Ann Brady: I'm also curious about how employers will be supported with things like tax, workers' compensation and employment standards that differ from province to province.

Hon. Victor Fedeli: I think—thank you for the question, by the way—it's important to note that Canada has strong labour standards right across the country. In fact, many around the world would say that we have some of the best labour standards in the world, and you will find that our Ministry of Labour will be our lead as we take this through.

But those workers that come here would be considered registered in Ontario once they provide that certificate of registration from their home province or their territory. And that approach is going to reduce the barriers, the administrative barriers—

The Chair (Mr. Ernie Hardeman): Thank you very much. You'll have to finish that answer in the next round.

I'll go to the government. MPP Kanapathi.

Mr. Logan Kanapathi: Thank you, Minister, for the in-depth presentation, and thank you for your leadership. I know you have been working on this file for several years, and this is amazing. It's never happened in the history of Ontario. Thank you for your leadership and thank you to your team for making a difference when it comes to tearing down trade barriers.

When I heard about the trade barriers between the provinces, I couldn't believe it. As an MPP, I never thought there was such a thing that existed in Canada. I know it's hard to bring medical professionals from other provinces here. In COVID time, we learned that lesson: We were bringing nurses from Nova Scotia to Ontario. It was a nightmare. We acted like a different country. Thank you. Kudos to you.

You covered lots of ground. I ask you, Minister: Could you please elaborate more about why it is so important that we move forward with this bill and have other provinces follow our lead?

Hon. Victor Fedeli: It's our time to do this, right? We are leading the nation with our own ambition. It's very simple: Tariffs—and we've said this to President Trump and his team—are a tax on business. Everything we've said in the Legislature: They drive up costs, they disrupt supply chains, they stifle growth. These are all the things we stand up to, when we're in Washington, and talk about tariffs. And we come home and now we find ourselves saying exactly the same thing to our own provinces and territories. It's one thing to be able to go to Washington and sit in the trade committee and talk about whether we are going to sit around waiting for President Trump to change his mind and what he's going to do tomorrow. I joked at a function I was at; I said, "One morning, he woke up and said, 'We're going to tax movies that are not made in the United States.'" I said, "He must have been watching a movie at the time and thought, 'Hey, yes, movies. We should be doing that next.'" I kidded that the movie must have been Alcatraz because the next day he said, "We're going to reopen Alcatraz." You just don't understand the logic of what's happening.

We can only focus on what we can control and that starts right at home, with interprovincial trade. That's why it's so important, when you think about the $200 billion. Think about what we've done in just the last couple of years, moving away from the US: 187 companies have landed here in Ontario. They have invested $30 billion and they've put 18,000 people to work. Those are companies from around the world that have landed there. Those are the companies President Trump wants to carve out of Ontario and land here. This is what we're dealing with down there. While we continue to fight that, for heaven's sake, let's at least tackle what we can control, and that's the interprovincial trade.

We have shown the rest of the provinces and territories and the federal government that we're going to open this up. We are there. We are exposing ourselves to all of the things that we believe interprovincial free trade will bring. We are saying, "Look at us. We are here. We are showing you that all of these things we're doing are going to help your province." It's going to lower costs by 14.5%. It's going to increase our interprovincial trade in Ontario by $23 billion. It's going to increase interprovincial trade and GDP in the country by $200 billion, all by changing the guidelines and the rules. It's not changing the products, it's not changing the mix; it's acknowledging that while we're slightly different in each province, we will treat you as being equivalent.

We know that our country has the safest, the cleanest and the best of everything. We really believe that. If you're a Canadian, you really believe that.

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

Hon. Victor Fedeli: I believe that, and I think everybody in this room believes that. But these differences that showed up when we signed the Canada free trade—maybe, in hindsight, it shouldn't have been that opportunity; it should have been that we're all in this together and we accept these things back then. But that's not how it played out. But, today, under all these pressures, maybe we'll have President Trump to thank for one thing, and that's the fact that we've become a united country and are open to free trade.

Mr. Logan Kanapathi: Thank you, Minister, for your passion. I don't think you feel like you're working because of your passion. Passion alone can't do the job, but bold action.

Thank you, Minister, for being here and making a good presentation.

The Chair (Mr. Ernie Hardeman): That concludes the time.

We'll now go to MPP Fife.

Ms. Catherine Fife: I can tell you, it will be a cold day in hell before I thank Donald Trump for anything, for sure. I still can't believe that he's the President.

I do want to say that our new Prime Minister has said that Canada needs one economy, not 13. I think that we're all in agreement on this very principle. One of the words from the throne speech was that we need to build a resilient economy here in Ontario, and I completely agree with that, as do my colleagues.

You have also mentioned, Minister, we need to control what we can control as a province. This extends to procurement, for instance—I know that doesn't necessarily fall under your ministry—but also intellectual property, IPON Ontario, around protecting and commercializing our ideas and our innovation with the idea of future export partners.

Bill 2 does not delve into that. I think that this is probably one of the first bills that you'll be bringing forward. But I did want to ask you about—because you've talked about this as well—around nation-building projects. One of the concepts is that we need these big, massive projects to generate jobs. I hope we can all agree that we should not have construction workers unemployed right now in Ontario, especially in a housing crisis.

0950

I'm curious to know: What is the intersection with your ministry and municipalities and housing, because those are jobs that can't be outsourced, that benefit local economies and that really do address one of the key affordability issues that we have in Ontario, which is housing? That's what we hear—I mean, we were just in an election not that long ago. Housing and housing costs are obviously one of those issues, and housing stabilizes the economy. It's really something that we can build on.

What is the intersection between economic development and housing, and do you see potential here for your ministry to be driving these projects across the province to address an ongoing issue that we have but also build those resilient local economies?

Hon. Victor Fedeli: In this bill, it addresses the 23 exceptions, it addresses mutual recognition, it addresses direct-to-consumer alcohol, and it does address labour mobility. Ontario will continue to work to unlock Canada's economic potential by building our collective workforce and expanding labour mobility. I think that will be our contribution from this bill into the housing. Our government—

Ms. Catherine Fife: I'm just going to reclaim my time, because that's actually one of the key pieces. Labour mobility can obviously benefit Ontario because we do need specific skills in Ontario. But one of the issues that could hurt us, and this is one of our concerns, is that having a worker come into Ontario, which is one of the most expensive provinces across Canada, perhaps we may see labour leaving Ontario because they'll be moving to more affordable jurisdictions. That's why it's a carrot-and-stick sort of problem that we have. Workers would look at Manitoba, which has public insurance and public power and affordable housing, and we could potentially be losing workers.

How do you as the minister—because this is a problem, and if we want to be successful, we have to admit some of the problems that we have—think that we can address this? I'm proposing nation-building as a massive housing project for Ontario. Do you see that as potential, that we could work together on that?

Hon. Victor Fedeli: I would only talk about what's in this bill, where we have an opportunity now for the one million new jobs that we've created in Ontario. I think there's a very strong signal that workers want to come here. Ontario is the economic engine of Canada. We have

$70 billion in new business in the province of Ontario. This is where workers have signalled they want to be. I think these workers, once they come to Ontario and provide, as I have said frequently in this, their certificate of registration from their home province or territory, they're good to go here. I think the fact that a million of them have come here is a very strong signal that we're on the right track in Ontario.

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

Ms. Catherine Fife: This is us being propositional, okay? Housing is an issue in Ontario. We see great potential for job creation on this file. Affordability is a number one issue that workers are facing, and we want those workers to come to Ontario. We want them to be employed. We want them to be working on projects that benefit society as a whole.

I'm raising this because the intersection between your ministry and housing obviously is profound. People want to come to Ontario. They want to have access to education. They want to have access to health care, and they need housing. I'm going to leave that with you because I think repairing our schools, building houses—that this would make us a stronger province but also create good jobs. That is somewhat connected to labour mobility, because those workers are not going to come to Ontario if they can't find housing, health care—

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

We'll now go on to MPP Cerjanec.

Mr. Rob Cerjanec: Minister, I want to actually pick up on what MPP Fife was talking about around the issue of housing. I want to ground it in the reality that is facing people across the province. Workers, young people, newcomers, families are struggling to find a place to live. Whether renting or buying, the cost of housing really has become unmanageable for so many.

When we look at other jurisdictions in the country, we see that housing costs are much lower. It's much easier to be able to start a life there if somebody was considering to move. I know we've seen the ads from the province of Alberta—that Alberta is calling because they've got lower housing prices. That is an incentive for some people to move that are looking for work or maybe a change or dealing with the affordability situation.

We've got nurses commuting hours because they can't afford to live where they work—same with teachers, same with a lot of folks. These are folks that make really good wages. So I'm concerned that we may very well see—because of our challenges that we're dealing with around housing and the cost of living—workers deciding, "You know what? Maybe I'm going to go to another province, because it's going to be a lot more affordable for me to move there." Do you share that same concern, Minister?

Hon. Victor Fedeli: I would say, with respect to Bill 2, in the labour mobility portion of the bill, that the Ministry of Health continues to break down interprovincial and international barriers. Again, we've seen a million new jobs in Ontario, so the success is there. Our government plans on making it even easier through this bill, and faster for qualified health care professionals to work in Ontario and to provide timely services for Ontario families.

This bill is important because the work that we do will break down even more barriers for providers coming from other provinces and territories. It's going to make it easier for American nurses and physicians, who have gone through the immigration process, to meet our residency requirements to practise in Ontario.

I would say that the proof is in the pudding. The million new jobs that have been created in Ontario are a signal that what the province is doing is working, that this is one more piece with the mutual recognition, with the PSEs, the exceptions, with the alcohol component. But with this labour mobility, this is a very successful opportunity here. This bill, Bill 2, will boldly lead Ontario in the interprovincial free trade category.

Mr. Rob Cerjanec: I want to switch gears a little bit and talk about accountability and talk about reporting. This is something a little bit new, I think, what we're doing. Again, I think it is the right thing for us to be doing to break down these interprovincial trade barriers. But I think there could very well be some sweeping implications, and there really isn't a requirement, I think, for economic impact analysis of this—no built-in public reporting, no commitment to track outcomes over time, as far as I could tell.

I have some concerns around this, and I want to do this so that in two years, in three years, in four years, we're going to be able to make adjustments—not necessarily course-correct but fix things and ensure that businesses are well-prepared to succeed, but also people.

How is the government planning to measure whether this legislation is going to work? Is there going to be annual reporting? Will we be able to see data on job creation and credential recognition timelines, interprovincial trade flows and what the impact on Ontario businesses and consumers are? Because I think without real reporting mechanisms, this committee and the public—it's going to be a lot more difficult for us to evaluate the success of breaking down, or not, interprovincial trade barriers.

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

Hon. Victor Fedeli: Thank you for the question. I think you answered your own question as you fulfilled your commentary. We have continued to say we believe this will add $23 billion to our GDP. Well, we're going to see, because we track our GDP to the penny.

We have said it will add $200 billion—at least, the federal government has said it will add $200 billion to the national GDP. Well, we're going to see that because federal government and all of us provinces, we track things like the GDP.

We say it will add to our economy. Whether it's in population or whether it's in job numbers, well, we'll know, because we get those numbers every single month. The first Friday of every single month, those numbers come out. We'll be tracking them in the future, as we have every single month since we've been in office.

I do honestly think you've answered your own question by asking each of those individually. You asked about them because they are being tracked currently. We'll continue—

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

We'll now go to MPP Brady.

Ms. Bobbi Ann Brady: Minister, Ontario has some of the highest safety standards in Canada. I understand that tariff uncertainty means we have to build Ontario's infrastructure on time, on budget, but we also have to do it safely. Minister, you said employees will come and they will be good to go.

So how are consumers and employers assured that the safety we are accustomed to here in Ontario is going to be upheld when we begin seeing labourers coming in from other provinces who might not be subjected to the same rigorous health and safety training that we're accustomed to here in Ontario?

Hon. Victor Fedeli: Well, they will be subjected to the same rigorous health and safety training laws and rules that we have in Ontario. That's why we'll work hand in hand with our Ministry of Labour.

Ms. Bobbi Ann Brady: So there will be a process of bringing them up to speed, so to speak?

Hon. Victor Fedeli: I can't speak to that, but I can get you an answer on that.

Ms. Bobbi Ann Brady: Okay. And can you finish the thoughts on how employers will be supported?

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

Hon. Victor Fedeli: I'm sorry?

Ms. Bobbi Ann Brady: How employers will be supported in some of the changes that will be taking place, managing HR and things like that—tax, workers' compensation differences from province to province. It was the original question that I had asked you on how we will support employers in some of the changes that will be taking place.

Hon. Victor Fedeli: I'll have to get you an answer on that through the Ministry of Labour, on what their intentions are on that.

Ms. Bobbi Ann Brady: Thank you.

The Chair (Mr. Ernie Hardeman): Thank you.

That concludes the interviews. I think we've been around twice for everybody. I want to thank Minister Fedeli for participating this morning.

As a reminder, the deadlines for written submissions and filing amendments to the bill are this evening at 6 p.m. and 7 p.m., respectively.

The committee now stands recessed until 1 p.m.

The committee recessed from 1003 to 1300.

The Chair (Mr. Ernie Hardeman): Good afternoon, everyone. I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We're meeting to resume public hearings of Bill 2, An Act to enact the Buy Ontario, Buy Canadian Day Act, 2025 and the Ontario Free Trade and Mobility Act, 2025 and to amend various other Acts.

Please wait until you are recognized by the Chair before speaking. As always, all comments should go through the Chair. The Clerk of the Committee has distributed committee documents, including written submissions to committee members via SharePoint. To ensure that everyone who speaks is heard and understood, it is important that all participants speak slowly and clearly.

As a reminder, each presenter will have seven minutes for their presentation. After we've heard from all three presenters, the remaining 39 minutes in this time slot will be used for questions from the members of the committee. The time for the questions will be divided into two rounds of five minutes and 50 seconds for the government members, two rounds of five minutes and 50 seconds for the official opposition members, two rounds of five minutes and 50 seconds for the recognized third party members and two rounds of two minutes for the independent member of the committee.

I will provide a verbal reminder to notify you when you have one minute left in your presentation of the allotted speaking time. That one minute doesn't mean you stop talking; it means you get the punchline in.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

CANADIAN CENTRE FOR POLICY ALTERNATIVES

TORONTO REGION BOARD OF TRADE

The Chair (Mr. Ernie Hardeman): With that, we will have the first panel—I think they're at the table now—the Canadian Federation of Independent Business, the Canadian Centre for Policy Alternatives and the Toronto Region Board of Trade. The Canadian Centre for Policy Alternatives, I believe, is virtual and online, so his presentation will be done that way.

As I said, you will have your seven minutes, and at six minutes I will let you know and then we will carry on. In the first round of questioning, we'll start with the official opposition.

With that, we turn the meeting over to the panellists. The first presentation is the Canadian Federation of Independent Business.

Ms. Julie Kwiecinski: Good afternoon. My name is Julie Kwiecinski. I'm director of provincial affairs for Ontario at the Canadian Federation of Independent Business. Before I begin, here's a bit about CFIB: We're the non-partisan voice of 39,000 small and medium-sized businesses across Ontario. Our members represent all sectors and professions from A to Z—accountants to zoos and everything in between—and 92% have 25 or fewer employees.

Thank you for the opportunity today to present before committee on groundbreaking legislation that addresses CFIB's long-standing recommendations and recognizes that internal trade barriers are bad for businesses and people, just like tariffs. For at least the past 10 years, we've advocated for governments to knock down internal trade and labour mobility barriers. In our last three national internal trade report cards, we specifically recommended mutual recognition of goods and services between provinces, improved labour mobility, removal of Canadian Free Trade Agreement exceptions and direct-to-consumer sales of alcohol products. We've also advocated in Ontario for the government to apply their as-of-right health care profession rules to other economic sectors, especially those that rely on the skilled trades.

Bill 2 addresses all these suggestions and more. We thank the Ontario government for listening and acting on our recommendations. They have seized the opportunity created by the US-Canada economic war to work more closely with other provinces on eliminating persistent internal irritants that have long needed to be fixed.

I would be doing this committee a disservice by not first mentioning the Ontario government's removal of all Canadian Free Trade Agreement exceptions, even though this trail-blazing measure was accomplished outside of Bill 2. The Ontario government has boldly gone where no other province has gone before by unilaterally removing all 23 of Ontario's party-specific exceptions under CFTA. This is a high standard we hope all other provinces will follow.

On the topic of mutual recognition, the government is off to a great start by signing MOUs with Nova Scotia, New Brunswick and Manitoba. While it's important to celebrate these major milestones, it's also equally important to flag a growing concern: The developing spread of patchwork agreements and MOUs could result in the unintended consequences of creating red tape and limiting the full potential of mutual recognition. As a next step, we urge the Ontario government to move unilaterally instead, just like their independent removal of all CFTA exceptions. We've been urging all provincial governments to achieve true mutual recognition through broad unilateral commitments. For next steps on mutual recognition, the government should also focus on mutual recognition of workers' compensation registration and occupational health and safety rules. If the registration or rule is good enough in one province, it should be good enough in all provinces.

To keep progressing on this file and not lose momentum, the Ontario government and all other provincial governments must act swiftly on their internal trade commitments. According to our April survey, nine in 10 Ontario small business owners agree that governments need to follow through more quickly on their actions to improve interprovincial trade. Outdated trade barriers and fragmented rules stifle competition, growth and productivity; limit consumer choice; and raise costs for businesses and consumers alike. In a time of affordability challenges, tariff wars and a national productivity crisis, Canadian provinces cannot continue to support these costly invisible walls.

We appreciate that under Bill 2, the Ontario government is creating an annual Buy Ontario, Buy Canadian Day to promote local shopping. It looks like the first one will be held on Friday, June 30. This is a welcome initiative, especially since Ontario small businesses have rated lack of demand as their top barrier to sales or growth for the past 21 consecutive months.

While everyone's heart is in the right place with these campaigns, confusion around what it should mean to "buy Ontario" or "buy Canadian" can lead to unintended consequences. The best way to buy Canadian is to focus on buying from Canadian-owned retailers and restaurants, including locally owned franchisees. The government and MPPs from all parties should encourage people to buy Canadian-made goods in these businesses where possible and to avoid unintentionally punishing small businesses sitting on US inventory.

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

Ms. Julie Kwiecinski: The US-Canada trade war is a wake-up call for becoming more economically independent. By removing internal trade barriers, we are acting on what we can control within our own borders, instead of waiting for the Trump administration's next unpredictable move.

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Nobody says it better than a business owner, so I'll end with a direct quote from an Ontario CFIB member: "It is not beneficial for any province to impose restrictions of any type on trade between provinces. Canada-wide open trade should be the objective."

Thank you for your time and attention today.

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

The next presentation is from the Canadian Centre for Policy Alternatives—and I did forget to mention in the opening remarks that we ask that each presenter identify themselves for Hansard at the start of your presentation.

With that, we'll turn it over to the Canadian Centre for Policy Alternatives.

Mr. Stuart Trew: Thanks very much to the Chair and the committee for this opportunity to present on Bill 2. I'll focus my comments on the Ontario Free Trade and Mobility Act, but just very briefly say I'm a trade researcher here at the Canadian Centre for Policy Alternatives. We're a national policy research institute with more than four decades of experience and with offices and researchers in most provinces, including Ontario.

We share public concerns about the harmful effect that Trump's unwarranted tariffs are having on Canadian jobs, investment and the cost of living. We agree with the Ontario government that more must be done to create good, sustainable, high-paying jobs in this province and to trade more of the products of our labour, be it goods or services, with other Canadian provinces.

Bill 2, as written, unfortunately does little to move Ontario in that direction, from our perspective. The government has oversold the benefits of this legislation and is ignoring the possible risks to product and service standards, to health and safety, to the ability of this and future governments to drive investment toward Ontario businesses and workers.

First, regarding the alleged benefits of the legislation: The big numbers the Ontario government—and the federal government, for that matter—are using to sell this bill are highly suspect. Prior studies on the potential costs of small or large regulatory differences between provinces came up with numbers that were much, much smaller than the

$200-billion to $250-billion figures that are frequently raised today as a possible boost to GDP.

The small group of economists pushing those big numbers make questionable assumptions to get their estimates. For example, they underplay or ignore differences in natural resource endowments and industrial structures between provinces that have far more important effect than regulatory differences on what and how much trade goes on within Canada versus internationally. They treat interprovincial trade dynamics as basically the same as international trade despite the fact that there are no customs and inspections along provincial borders. Canadians use the same currency and share common legal, financial and economic institutions, and we're free to live and work wherever we want in this country.

They assume that business savings from reducing whatever barriers are left will automatically be reinvested into production, but they don't explain how or why that would happen. It's just as likely that the money will simply shift around the country from one buyer and seller to another. For example, we'll buy more or different booze from Manitoba or Nova Scotia than we are from Ontario. We can't simply expand the amount of booze we buy indefinitely to make up those big numbers.

In fact, the authors of those big numbers admit that to get close to an additional $200 billion to Canada's GDP, you'd have to eliminate every single different standard regulation or administrative requirement on business in every province in perpetuity. This is a fantasy that assumes away the provincial government's obligations, I would say, to regulate business in the interest of the electorate. Yet this is what the Ontario Free Trade and Mobility Act aims to do. The bill combines adjustments to the margins of existing Ontario labour laws—like removing any additional professional training requirements to work in Ontario—with sweeping promises to mutually accept out-of-province standards, regulations and credentials as equivalent to those set by the Ontario government.

I'll get to this aspect of the bill in a second, but I do also want to emphasize the government's decision to remove all of its exceptions from the CFTA, from the Canadian Free Trade Agreement. The exceptions were removed in a casual way, with no real debate. The government seems to take a "let's see what happens" approach that could result in substantial costs from additional trade disputes, though this is speculative at this point.

What were these exceptions, and what do they do? According to a technical briefing attached to Bill 2, Ontario removed 23 exceptions from the CFTA that, for example, allow the province to do such things as limit the number of forest resource licences that are issued; or maintain support and protections for collectively marketed goods, like in the supply-managed sectors; or exempt Ontario from certain procurement obligations for procurements that target poverty reduction or disadvantaged people.

Five of the exceptions relate to alcohol and cannabis sales—to preserve exclusive wholesale rights for the LCBO, for example, or to require local wineries to use Ontario-grown grapes or to regulate the retail sales of alcohol by wineries, breweries and distilleries. In the case of cannabis, the CFTA exceptions were only added a year ago, really, in 2024, to preserve provincial policy space to regulate this emerging market. Premier Ford has not explained what has changed between then and now that would justify throwing caution to the wind.

Most of these formerly excluded policies and Ontario measures remain on provincial books. Hunting licences are still legally available to only Ontario residents, for example. The same goes for laws and regulations preserving the LCBO's monopoly on liquor distribution. However, as these measures were only included in Ontario's list of exceptions because they potentially violate the CFTA, removing them in the way that the government has done makes Ontario vulnerable to trade disputes from other provinces and from persons outside of Ontario.

Indeed, the only way that removing Ontario's exceptions to the CFTA could lead to increased interprovincial trade or investment would be if those previously excluded policies cease to have any meaningful effect. If that is the government's intention, I don't think that it's been very clear about it.

Removing Ontario's remaining procurement exceptions in the CFTA will have little effect on the province's budget or economy. All it does is further hamstring this and future governments' ability to use public spending strategically to achieve other societal goals related to economic development, the training of local workers or directing public funds to Ontario businesses.

Back to Bill 2: The mutual recognition aspects of the legislation give too much authority over public policy to the executive. The legislation creates no actionable legal rights, no way to challenge the state in the event of overreach, but it gives the executive branch a veto over regulatory choices. For example, a regulator makes one decision with respect to certifying an out-of-province good or service or worker and the state overturns that decision based on the broad rules in Bill 2. This executive decision is final, even potentially where a person was denied certification for legitimate reasons.

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

Mr. Stuart Trew: In conclusion, Bill 2 cannot achieve what it promises with respect to addressing the US tariff threat; I think this is a pretense. The legislation simply concentrates more power in the executive over regulatory policy. In disputes over commercial interests and other societal interests, the bill helps the government put its thumb on the scales in support of business, even potentially in instances where other provinces' standards or training requirements are clearly weaker, which they are in many cases.

I think this is a recipe for a race to the bottom, and I would encourage this government to think about other ways they can increase east-west trade, for example by making transportation of goods cheaper, more rail lines, building out more infrastructure of that sort and reducing costs for Ontarians in other ways by expanding social infrastructure and whatnot. I think that's a much more effective way to get goods—

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

The next presenter will be the Toronto Region Board of Trade.

Mr. Dominic Roszak: Good afternoon, Mr. Chair and members of the committee. My name is Dominic Roszak and I am appearing today on behalf of the Toronto Region Board of Trade. Thank you for the opportunity to speak to Bill 2, the Protect Ontario Through Free Trade Within Canada Act.

The board represents more than 11,500 members and acts as a catalyst for economic growth in one of the most dynamic and globally connected regions in North America. Our focus today, and in all our advocacy, is to enable a strong and sustained productivity and growth agenda for the Toronto region, Ontario and Canada. This means removing barriers to business expansion, unlocking new talent pathways, modernizing regulatory systems and reducing the friction that prevents Ontario firms from reaching new markets and scaling their operations. In this context, Bill 2 represents an important step forward. By streamlining interprovincial trade and labour mobility, Ontario is advancing a foundational element of Canada's long-term economic competitiveness. The board commends the government for showing leadership and moving swiftly to address these persistent and well-documented barriers.

Bill 2 proposes mutual recognition legislation that would enable Ontario regulators to recognize goods, services and certified workers from other reciprocating jurisdictions. This is a practical and high-impact initiative, one that has the potential to unlock growth not just for Ontario businesses, but for the entire Canadian economy.

The board strongly supports Ontario's decision to eliminate all of its party-specific exceptions under the Canadian Free Trade Agreement.

Cela montre l'exemple au Canada et envoie un message clair : l'Ontario est prêt à diriger et à travailler avec les autres. Nous encourageons les autres provinces et territoires à faire de même et à avancer vers un marché intérieur plus simple et uni.

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This sets a national benchmark and sends a powerful message: Ontario is ready to lead and ready to partner. We encourage other provinces and territories to follow suit and work toward a more unified internal market.

The complexity of interprovincial trade rules—often, a mix of technical, administrative and regulatory differences—creates unnecessary costs, duplicative processes and red tape that stifle entrepreneurship and investment. Ontario's initiative helps set a clearer, more predictable path for businesses looking to grow beyond provincial borders.

One of the most consequential aspects of Bill 2 lies in its labour mobility reforms. Our members across sectors—from energy, finance and infrastructure—routinely cite talent shortages as a barrier to expansion and service delivery. Ontario cannot afford to leave qualified workers on the sidelines because of bureaucratic delays or fragmented recognition systems. The expansion of as-of-right rules, allowing additional regulated health professions from other Canadian jurisdictions and, potentially, US-licensed physicians and nurses to begin practising while waiting to be formally registered by the Ontario regulator, is a game-changer. This kind of pragmatic reform will not only enhance Ontario's workforce capacity but will also improve service delivery in critical sectors like health care, where speed and flexibility are essential.

Equally important is the government's intention to set a clear, 30-day service standard for regulators. The business community has long called for more efficient pathways for worker certification and onboarding, and this commitment will have a real and measurable impact.

We also support ongoing consultations to expand as-of-right provisions to more regulated professions beyond the health sector and to remove restrictions on where these professionals can practise. Talent is mobile, and our regulatory systems must keep pace.

Ontario's leadership has been catalytic. The memorandums of understanding with provinces like Manitoba, Nova Scotia and New Brunswick demonstrate a practical path forward—one built on mutual recognition, regulatory co-operation and shared economic opportunity.

While Ontario's actions are commendable, they must also be viewed as a call to broader reform. The fragmentation of Canada's internal market is not a new problem, but it is an urgent one. The board believes that a more coordinated national effort is required to address the patchwork of rules and standards that limit mobility and growth. We look to the newly elected federal government to provide ongoing leadership in that regard.

In conclusion, Bill 2 aligns with the board's long-standing focus on creating the conditions for a more productive, dynamic and integrated economy. It addresses some of the very real obstacles that businesses and workers face when trying to operate across provincial lines. It proposes solutions that are pragmatic, forward-looking and urgently needed. Most importantly, it signals to other jurisdictions that reform is possible and necessary.

The board supports Bill 2 and calls on other governments across Canada to join Ontario in building a stronger, more seamless internal market.

Thank you for the opportunity to contribute to these hearings. I'm pleased to take your questions.

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

That concludes the presentations. We will now start the first round of questions. We'll start with the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all presenters.

Stuart, I just wanted to give you a chance to finish what you were saying. You didn't get your last sentence out. Is there something that you wanted to add to your commentary?

Mr. Stuart Trew: I believe I pretty much wrapped up the presentation.

Ms. Catherine Fife: Okay. Good.

Labour mobility is obviously a big component of Bill 2. I wanted to get all of your opinions on the fact that up to October 1, 2024, Ontario saw a net interprovincial migration loss of 24,432 workers. This is according to the

Ontario Demographic Quarterly. This means that more people, obviously, moved from Ontario to other provinces than moved to Ontario from other provinces. The loss was a significant reduction from the previous year.

We had the minister before us this morning, and we were talking about what's going to draw workers to Ontario, because this is not embedded in this legislation. I think we have to be honest about what attracts workers to a province: affordable housing, quality health care, good schools, for instance.

Stuart, I'm going to start with you. These numbers are kind of shocking. We're going in the wrong direction, and Bill 2 has the capacity to perhaps make this issue even worse. So, did you want to start, Stuart? And then we'll go to the other two delegations.

Mr. Stuart Trew: Well, thank you for the question. I would agree with you that what brings workers to the province is going to be jobs and it's going to be—like you said, it will come to a factor of cost of living. They will move here if they can afford to rent a place. They will move here if they can afford to buy food and to get other services. But most importantly, they'll move here if there's a job, if there's a reason for them to move here.

And there's nothing in this legislation, that I can tell, that says much about investing in new productive capacity in Ontario, building on endowments that we have in this province, like our industrial capacity, which is directly threatened by Trump. Simply removing regulations, right, as this legislation does, is not going to do that.

And with respect to labour mobility, as far as I can tell from reading the bill, all that they've done is made it harder for you to—basically, it requires additional training requirements in Ontario that someone might not have from out of province. So to me, that raises red flags about how trained and how capable are newcomers to Ontario in doing jobs—in certain sectors. I don't want to exaggerate the threat, but there are areas where—for example, in Alberta, they require a certificate to do social work, whereas in most other provinces, they require some kind of degree, right, some kind of evidence that you are very well-trained in that. So there are risks in that respect.

Ms. Catherine Fife: Okay.

Toronto board of trade, please go ahead.

Mr. Dominic Roszak: Sure. I think one good example to use in this regard is the significant expansion in the energy infrastructure that we're expecting in the next number of decades. The Independent Electricity System Operator put in its report that we will expect an increase by over 75% in terms of the amount of energy we need by 2050. That will necessitate a build-out of infrastructure, which will require more workers.

So I think in terms of attracting workers, large infrastructure projects that have already been announced by the government are a significant draw, particularly in the skilled trades, which is where some of the most significant demand is amongst businesses.

Ms. Catherine Fife: And you referenced, in over the next couple of decades, right, that those projects will come to fruition?

Mr. Dominic Roszak: Many of them are already under way, but there will be more coming online in the near future.

Ms. Catherine Fife: Okay.

Julie?

Ms. Julie Kwiecinski: Well, thank you. I think I'll use an example, as well. Of course, we represent smaller businesses, and what we hear from them is the lack of skilled labour—that's actually second after lack of demand as a barrier to sales or growth for Ontario businesses. So I can give you an example of why this legislation and specifically applying as of right to other sectors, especially skilled trades, will help. We hear from a lot of our members that people won't come from other provinces because it takes too long for them to be able to work in this province. It's the invisible wall to an out-of-province person being able to work in Ontario. So if you take an example of an electrician, they'll be able to come into Ontario if Ontario has the reciprocating agreement with the province—

Ms. Catherine Fife: Yes, and then they have the six months to get their certification.

Ms. Julie Kwiecinski: Right, but there are timelines, too. The regulator—in this case, Skilled Trades Ontario—would have 10 days to get back to that applicant to say, "Hey, you're good to go. The clock's ticking. You can start working."

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

Ms. Julie Kwiecinski: Then they have six months within which they can work while their application is being completed. So that's how it would benefit small businesses—because we hear about skilled trade shortages all the time.

Ms. Catherine Fife: Well, those workers are going to need affordable housing, though, and affordable housing can be done now. Right now, Ontario has an unemployment rate of 7.5%. The only worse unemployment rate in Canada is Newfoundland. So we're trying to make the case and be propositional in this, that housing, which is an economic stabilizer, should be fast-tracked in Ontario. Would you agree with that?

Ms. Julie Kwiecinski: Well, the province agrees with you, too. The government agrees with you—

Ms. Catherine Fife: Except we have 1955—

Ms. Julie Kwiecinski: All the red tape reduction bills—

Ms. Catherine Fife: Julie, we have 1955 rates of housing being built right now in Ontario. We're not going in the right direction, but we hope that the government will accelerate some of those housing projects in Ontario.

Please go ahead.

Mr. Dominic Roszak: If I may add, on the housing front: The big problem there is also skilled trades, the lack of sufficient skilled trades—

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

We'll now go to MPP Cerjanec.

Mr. Rob Cerjanec: Julie, I appreciate some of the remarks around independent businesses and support overall, I think, for the bill.

1330

Something that I know a little bit around small businesses is that it's a little bit harder sometimes to compete with larger firms. So I'm curious: What are your thoughts around that as it pertains to interprovincial trade and what you think might be needed in addition to this bill, or if you think this bill is fine as is, in order to help small businesses really take advantage of competing now across the country?

Ms. Julie Kwiecinski: I think that's a great question, and I'm going to stick to some principles. You can imagine a small business owner—say, they have five or 10 employees—compliance is a huge issue. They don't have a lawyer on speed-dial. They don't have a compliance officer that's hired to check every bill, what all the rules are, whether there's a threshold that they fall under so they don't have to comply. So I would say, definitely, compliance is always a big issue because it's easier for a big business, by far, to absorb higher labour costs or comply with any other rules.

What we constantly find through our membership: If you were to ask them what is the number one thing that they want as a tariff mitigation measure, you might be surprised to learn that tax changes and regulatory changes actually outpace free money—grants and loans.

Mr. Rob Cerjanec: Recently, Ontario Liberals put forward a proposal to cut the small business tax rate in half, from 3.2% to 1.6%. Would you agree, then, that would really help small and independent businesses start competing, not just here in Ontario but across the provinces?

Ms. Julie Kwiecinski: Actually, it would, and to help even more, if you lowered the small business tax rate—so that's Ontario's small business tax rate—from 3.2% to 2% and at the same time elevated the threshold from $500,000 to $700,000, that could result in annual savings per small business of up to $25,000.

I have to say, the WSIB surplus rebates are huge. I always talk about this issue because I find a lot of people don't really understand how it works. This is extra money that the WSIB has that is paid by employers because the WSIB is funded by employer-paid premiums. So no workers are being affected, no claims are not being addressed when you give these surplus funds and, as a matter of fact, workplaces are getting safer because of programs like the Health and Safety Excellence Program. So that is a huge win for CFIB. We fought for that.

For example, a business got, say, $100,000 in February and March; they're going to get another $100,000. And the beauty of that is—and it goes back to compliance—you don't have to do anything. A small business owner doesn't have time to go fill out applications or see if they can partner with somebody. If they're in good standing with the WSIB, if they're a safe employer, they will get the surplus rebate. So that's a huge help. That's the biggest one of all, the WSIB surplus rebates, right now, as far as helping small businesses.

Mr. Rob Cerjanec: I appreciate that, thank you.

Earlier in the committee today we were talking about the issue of housing and cost of living, and how workers here in Ontario are struggling right now to purchase a home or be able to rent a home. We have construction workers who aren't able to buy the units that they're building. So I'm curious from all three of you, but maybe I'll start with Canadian Centre for Policy Alternatives: (a) what are your thoughts around that and (b) do we actually risk losing some of these workers to other provinces that have lower costs of living?

Mr. Stuart Trew: Leaning on some of the work we've done on housing through our Ontario office, through Ricardo Tranjan, we talk often not just about building houses. Building houses is one thing; it's actually pretty easy to do, once you set your mind to it. You just build. It's the cost of rentals for a lot of people. That's a key cost that cannot be controlled simply by building more market housing.

The Chair (Mr. Ernie Hardeman): One minute

Mr. Stuart Trew: That's not going to bring prices down. You need to be ready to regulate rental price increases. I would just encourage the government and the community to keep that in mind as they think about building out more, obviously, purpose-built housing. Low-income, subsidized social housing: That would also bring costs down, probably across the whole housing market.

Mr. Rob Cerjanec: Go ahead.

Mr. Dominic Roszak: I think, certainly, it's an important issue but, from the broader productivity standpoint, that is the focus for the board. We're facing a productivity crisis here. Our workers—compared to American workers, there is a 20% gap there, which significantly impacts investment and also impacts our ability to compete.

I think that's the main focus for us in how we can actually address those challenges, and whether it's through investment tax credits and other initiatives to make us more competitive and therefore to make—

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

MPP Brady.

Ms. Bobbi Ann Brady: Thank you to all our presenters this afternoon. I'll be quick because I've only got two minutes.

We've heard from at least one presenter this afternoon that the mobility of health care professionals will be a game-changer. I guess my question is to Stuart: I've read in some of your communication that you actually feel that Bill 2 might exacerbate the privatization of health care. Is that true?

Mr. Stuart Trew: I don't know if that would be the case. I don't see anything in the bill that would increase privatization. It might, in some respects, have an effect on the qualifications of people coming to work in Ontario if they're not as high as they are in Ontario—say from other provinces. That could affect the quality of our services here, but I haven't seen anything with respect to increasing privatization. I could be wrong though.

Ms. Bobbi Ann Brady: Thank you.

Dominic, do you want to follow up on that and tell me what game-changer means with respect to health care professionals?

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

Mr. Dominic Roszak: I think, in particular, the as-of-right ability to start work right away if you've been qualified in another province, given the significant shortage of workers we have—nurses and doctors—would have a significant impact on our ability to recruit and to assist in the needs of more of those specialized professions. I think it's just clear as day as to what that would do, and given Ontario's well-built health care infrastructure, it would attract a fair number of specialists.

Ms. Bobbi Ann Brady: Great. Thank you.

The Chair (Mr. Ernie Hardeman): We'll now go to MPP Triantafilopoulos.

Ms. Effie J. Triantafilopoulos: Thank you to all the presenters for being here today. I believe we can agree that the internal trade barriers that we have here in Canada have really cost our economy billions of dollars each and every year. It is ironic that Canada has 15 international trade agreements that comprise over 50-plus different countries and yet we ourselves have not managed to sort that out in Canada. I appreciate the CFIB's comments when you talked about how this is a wake-up call for us, and that we do have a sense of urgency around what has to happen.

I guess I would pose this question to both of you presenters who are here today: What are the consequences if we do not take action now? Perhaps you might start first, Julie.

Ms. Julie Kwiecinski: I think I might have addressed it earlier in my presentation. We're at a crossroads right now. I know things are kind of quiet right now with the Trump administration, but they could heat up at any time. This isn't just about increasing productivity and growth, because we do have a productivity crisis in Canada. It's all over the media; most people would agree. It's also sending the signal that we are a united front in terms of what's happening in the States. These barriers have been up for far too long. It's actually quite shameful that we're so protectionist from coast to coast. It's sad that it took the catalyst of the United States to really get people moving.

But we have to proceed, and I caution about the patchwork of agreements. Unilateral is the better way to go with these agreements. You almost have to take a leap of faith—take a free fall. Do these agreements unilaterally and drop the protectionism already. This is what has got us to this point. As we move forward, we realize that we have the productivity crisis, we have growth issues and costs could go up as well. So there are a lot of negative factors.

Ms. Effie J. Triantafilopoulos: Thank you.

Dominic?

Mr. Dominic Roszak: Just an example: Not too long ago the Toronto Region Board of Trade met with the trade commissioners from various European Union countries and they said, "How come you guys can't figure it out if we are able to do it with almost 30 different countries with very different formats?" They did mention that it was an obstacle to investments from European countries in Canada, because if they come to Ontario they also have to have completely separate processes in other provinces. That's a disadvantage for us.

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Again, fast action on this is key to our economic success, especially in the context of the situation with the United States. I think there is no question that this is doable and that it will allow us to compete globally.

Ms. Effie J. Triantafilopoulos: Just another quick question: This issue around productivity, can you dig in a little deeper on that and explain to us why it is that the Americans have a 20% advantage to us here in Canada?

Mr. Dominic Roszak: A lot of it is investment in technology, particularly manufacturing. Because of the size of our companies and the challenges to scaling those companies, they are not able to invest as well in the newer technologies that make the output more efficient. So productivity of our manufacturing sector is significantly lower, as an example, compared to the United States. We really need to focus on how we can support business investment and technology to be able to scale to be able to compete at that level.

Ms. Effie J. Triantafilopoulos: Thank you.

The Chair (Mr. Ernie Hardeman): MPP Racinsky.

Mr. Joseph Racinsky: How much time do I have, Chair?

The Chair (Mr. Ernie Hardeman): You have one point four six.

Mr. Joseph Racinsky: Thank you to the presenters for your comments. My question is for the Canadian Federation of Independent Business. There seems to be a strong consensus among economists and experts that removing provincial trade barriers will help grow Canada's economy. When I went door to door in my community, I heard loud and clear from people that they want the government to get this done.

You mentioned a couple of times in your remarks about the MOUs that are being signed and the patchwork that this could create. If provinces continue to adopt legislation like Ontario's, like Bill 2, what kinds of economic benefits do you expect to see?

Ms. Julie Kwiecinski: I think with the walls going down between provinces you could see the $200 billion that is lost every year coming back eventually into the economy—that's a number that is cited by many people. Also, the fact that internal trade barriers are actually seen as tariffs; it's another form of a tariff. I've seen different numbers for this. I've seen StatsCan say that it's a 7% tariff. I've seen the number used as high as 21%. That in itself is something to be very concerned about.

Provinces have really got to move quickly on this. Again, we would prefer unilaterally that you take that leap of faith, but we've got to move on this. Like I said in my presentation, nine in 10 small businesses believe government should move faster to act on these things. It's great to have the agreements in place, but you've got to move on them and put them into operational and implementation phases. It's very important. Thanks for the question.

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

We'll now go to the NDP: MPP Begum.

Ms. Doly Begum: Thank you very much, Chair—good afternoon to all three of you—and to Julie, Dominic and Stuart for being here.

I have a bunch of questions, but one of the things I wanted to get an understanding of—Dominic, you mentioned the 20% productivity gap between the US and Canada. I was wondering if you would elaborate a little bit on that and the source as well.

Mr. Dominic Roszak: I'm happy to, although I think I covered most of that in the context of the previous answer. But I'm happy to go into that a little bit more to the extent that I am able. Again, we have not been investing significantly in our own manufacturing capacity as much as the United States has. Various states offer significant incentives, and especially now, we're seeing that pressure increase. We're seeing pressure from the United States because of the trade war for companies to move down south, and we need to do everything we can to keep those jobs here.

Part of that is addressing this productivity gap that makes our output less efficient. When we're comparing on price, when we manufacture something and it takes that much more time or labour to produce, then we are automatically at a disadvantage with the United States. What we need to do is invest in our capacity, in our manufacturing ability, our technology, to be able to really close that gap.

Ms. Doly Begum: I'm actually really intrigued by that. That's why I wanted to understand in terms of where the board of trade got that number. Because I think it's a big number, having a 20% gap.

Mr. Dominic Roszak: I'd be happy to circulate our Complacency to Competitiveness report that we published. It has a significant amount of research on this. I'm sorry I don't have it memorized, but I'm happy to share that after the committee.

Ms. Doly Begum: Thank you very much. I appreciate that.

I want to go to Julie next and ask—you mentioned quite a few things. One of the things—I love going to the businesses in my community in Scarborough Southwest, and I know, post-COVID especially, a lot of small businesses are suffering. They're struggling.

I believe the vice-president of the CFIB actually spoke some time ago about some of the struggles and talked about the tax burden. Just paying back CEBA, for example, has been enormous. A lot of the businesses closed down post-COVID because they didn't get enough support from both levels of government—both provincial and federal governments.

You mentioned a few things that governments can do to support small businesses. One of the things you mentioned was having skilled workers. At the same time, we're facing that we're right now the second province in the country with the highest unemployment rate. What would you recommend, or what would the CFIB recommend, in terms of looking at skilled labour? What kind of skilled labour are we looking at specifically in order to address that?

Ms. Julie Kwiecinski: There are a couple of issues at play here. With the economy being what it is, small businesses' hiring plans have been curtailed. While there is a lack of skilled labour, it's still being outpaced by other factors.

As I mentioned before, lack of demand, both domestic and foreign, is the number one inhibitor to small business growth. That means people aren't buying businesses' stuff, pure and simple. Think of a truck in the mud with the wheels spinning. You might still have CEBA debt—maybe $60,000 or $80,000—and now, nobody is buying your stuff. It's a wicked cycle.

That's why things like the WSIB surplus rebates—number one, huge help—and lowering the small business tax rate would be helpful.

Ms. Doly Begum: Sorry, I just wanted to understand—do you think that having WSIB funding go back to businesses would allow consumers to buy more goods from small businesses? I'm just—

Ms. Julie Kwiecinski: No. What I'm saying is that in a situation where a business needs more money, whether it's to pay off the loan or for expansion plans, for growth, for rehiring plans, giving them back their own money through the WSIB surplus funds—

Ms. Doly Begum: Isn't that better, to not then pay back the CEBA loan instead of having a different type of loan, or giving—

Ms. Julie Kwiecinski: Well, the CEBA loan is federal.

Ms. Doly Begum: I understand, but—

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

Ms. Julie Kwiecinski: I have to make the point here that the Ontario government gave free money—no strings attached. It was all grants, and several rounds of grants—

Ms. Doly Begum: It's not really free money. It's the employers'—the employment's money, right?

Ms. Julie Kwiecinski: I think it's important to make the distinction that CEBA is federal. I know at the federal level we fought for one extension. We were not able to get the second one. That's why a lot of businesses now—once burned, twice shy. They don't want loans as an option—

Ms. Doly Begum: So a business, for example—

Ms. Julie Kwiecinski: That's why the WSIB surplus funds—

Ms. Doly Begum: I understand—

Ms. Julie Kwiecinski: —are beneficial, because you don't have to do anything.

Ms. Doly Begum: I just want to claim my time back, Chair.

What I'm concerned about is, a small business with, let's say, two employees—they're not really getting that much WSIB money—

Ms. Julie Kwiecinski: Not as much, that's correct.

Ms. Doly Begum: —whereas they might have a $50,000 loan, or they might need some support in terms of some of the tax burdens they're facing. So equating the WSIB to all the overwhelming problems small businesses are facing, especially when we're trying to address—

Ms. Julie Kwiecinski: No, but you asked—

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

We'll now go to MPP Cerjanec.

Mr. Rob Cerjanec: I just want to wrap up, on housing, some of the previous thoughts that we're talking about. I appreciate the previous comments around the need for innovation, of course, and our productivity crisis. I know the Toronto Region Board of Trade has spoken quite extensively about housing, especially in the GTA area, because it's impacting your members and the people who work for your members.

I'm curious, from your perspective, what you would like to see happen as it pertains to making it easier for someone to buy a home, and then will that, in my view, help keep some of those workers here and attract folks? What things do you think should be able to happen in that area?

1350

Mr. Dominic Roszak: Thanks for the question. Unfortunately, I'm not our housing policy expert, so I can't get into too much detail, but certainly we've done a lot of work on housing and land use issues. It's not just housing, it's also employment lands—a big challenge as well, because they need to work where they live, and especially in the city of Toronto, that's a challenge. We need to look. And I did mention innovation—we did have a conference recently where we talked about new innovations that are making the construction of housing a lot cheaper: automation, certain things that can really improve the pace of that construction.

Certainly, I would love to give you a more thorough answer, but I am happy to follow up with my policy colleague.

Mr. Rob Cerjanec: Thanks.

Stuart, earlier you were talking about how there is no new industrial capacity or investments being made in that area. I am curious, from your perspective, applying an innovation lens as well, what you think might need to be partnered with this bill. I think this bill is going to pass, and I think it's going to pass with a pretty large vote in the Legislature. What do you think that might need to be paired with this, or shortly thereafter, to help enhance our industrial capacity?

Mr. Stuart Trew: That's a really big question, and I don't know if I have all the answers. My focus is on trade policy at the CPA. Obviously, the tariffs are currently the major impediment to investment in Ontario, otherwise Ontario has a lot going for it. It has affordable energy. It has proximity to markets like the US. Ontario is a large market into itself. In the sense of attracting innovative products here, we have to deal with tariffs, obviously—I think that's a priority—but we also have to think about conditions.

We could use procurement, for example, to test drive a lot of Ontario goods and services, innovative goods and services. That is something that, normally, you would expect to be able to do as a province. I think removing some of the exceptions for procurement in the CFTA makes that more difficult, because as a government you're required to go with the lowest bid, in that case, and you can't really give preferences to Ontario firms.

I would also consider state involvement in productive capacity. If the private sector is not going to invest in things like electric vehicles, maybe there is a role for the state to step in, as they're doing in Mexico with public-private partnerships to build their own Mexican-made electric car that's going to be about 5,000 bucks to buy. We have to be thinking outside the market, thinking in terms of, how does the state come in and provide its spending power in areas where we know there will be a ton of spin-off benefits in terms of innovation in the future?

Mr. Rob Cerjanec: Do you folks have any other thoughts around what might need to be paired with this, thinking more from a trade standpoint. Go ahead.

Ms. Julie Kwiecinski: What was the question—getting paired with what?

Mr. Rob Cerjanec: It was around what investments or what do we need around our industrial capacity or around innovation in order to help us get ahead of the curve here. Because yes, we're dealing with interprovincial trade, but we're dealing with a larger issue as well.

Ms. Julie Kwiecinski: For our members, innovation is not necessarily—we don't have a lot of people in the manufacturing sector, just to be quite honest. It wouldn't be really a big issue. Other than if it gets to the point where we are seeing automation happening, where there is a lot of automation, where wages are becoming difficult for small businesses to handle and they are considering automation options.

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

Mr. Dominic Roszak: I would add that in the context of, particularly, right now, the situation with the United States, we really need to focus on retaining that investment that's already here and expanding that because businesses are facing a real pressure from the United States. They're worried about where to make their long-term investments. I think governments need to put a special focus on how to keep them here and then how to grow them here.

Mr. Rob Cerjanec: Maybe just one last follow-up based on what you mentioned earlier, Dominic, around the federal government and what might need to happen across the country. Do you mind expanding on that as it pertains to interprovincial trade?

Mr. Dominic Roszak: Yes, I think I'll just use one interesting example that our president and CEO, Giles Gherson, often talks about: the trucking sector. You have different tire pressure regulations in every province. It seems like a small thing, but it really affects the sector's competitiveness. They need different first aid kits for each province. These areas where the federal government can quickly help resolve, and that would already have a significant impact on our competitiveness.

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

We'll now go to MPP Brady.

Ms. Bobbi Ann Brady: Julie, you touched on this briefly in your remarks, and it's something I asked the minister this morning, and that's the idea that from province to province, things like tax, workers' compensation and employment standards differ. So how is CFIB going to support the employers who might grapple with some of those differences, because we can't just—poof—make them disappear, right?

Ms. Julie Kwiecinski: I think we have to stay the course. Are you talking about how, for example, if I register a WSIB employee in another province, the rules are different?

Ms. Bobbi Ann Brady: Right.

Ms. Julie Kwiecinski: Yes, it is a challenge, and our business owners are just putting up with it right now where necessary. But I think we have to keep putting up the good fight, and that's why I addressed it in my comments as "next steps with the government." It's definitely something—I go back to earlier comments: Protectionism is what got us in this spot in the first place and we've got to stop being so protectionist. We've got to break down these invisible walls, for sure.

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

Ms. Bobbi Ann Brady: Thank you.

Dominic or Julie, is there anything that businesses should consider implementing right now so they can be proactive with respect to the passage of Bill 2?

Mr. Dominic Roszak: I think the things the businesses need most is predictability and clarity. I think this bill delivers that; it's very clear what it does. I think that is an important first step.

Of course, it's a more complex problem that will require additional regulations and regulatory reform, but I think clarity and predictability are the number one issues for businesses.

Ms. Julie Kwiecinski: And education, too: actually telling people this is what this now means: this application of the as-of-right rules to other sectors, like skilled trades. You're going to get your electricians faster—

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

We'll go to the government side. MPP Rosenberg.

MPP Bill Rosenberg: Hi, Julie. My question is directed towards you. A CFIB study said, "Nearly 90% of small businesses say that removing internal trade barriers should be a priority for governments."

Being from the north, where all our businesses are small businesses, we have that challenge—it's even probably multiplied—to get skilled labour, to be able to afford skilled labour. Breaking down these barriers would definitely open up the market for the small businesses. We might have cheaper housing in the north, but the wages—why do you think there is such overwhelming support for the government to break down these barriers?

Ms. Julie Kwiecinski: Well, I think a lot of our business owners want to do business with other provinces, or they want to get employees from other provinces to come to Ontario, but there are just too many challenges, too many hurdles. So by breaking down all these walls, you would hopefully have labour mobility from coast to coast.

Essentially, we really believe that it all squares in the end because—I think some of the other presenters mentioned that people are moving from Ontario to other provinces. I think, in the end, it will all square. You can't force someone to move to Algoma–Manitoulin, for example, to your constituency. But we have seen—and I know my Alberta counterparts tease me; they were driving me nuts with their advertising for, "Come to Alberta," which was very, very successful. A lot of people went to Alberta because of the advertising. But I think, in the end, just breaking down these barriers, people will move to different provinces and it will all square in the end and sort itself out.

But it is obviously—it goes without saying—more of a challenge to get workers to move to rural Ontario, even if you have lower-cost housing and wages. But this will certainly help, especially on the skilled trades side, once the as-of-right rules are applied to the other sectors.

The Chair (Mr. Ernie Hardeman): MPP Saunderson.

Mr. Brian Saunderson: Thank you very much, Mr. Chair. How much time do I have?

The Chair (Mr. Ernie Hardeman): You have three point one.

Mr. Brian Saunderson: Perfect, thank you very much.

I'm going to start off with you, Julie.

1400

Thank you very much to all our presenters today for taking the time and sharing your opinions and expertise with us.

In my riding of Simcoe–Grey, in Collingwood, where I was formerly mayor, coming from the municipal sector, we had a large shipping industry that drove our economy for over a hundred years. In 1987, it shut down, and we had a number of bumpy years as we redeveloped ourselves. We've now got a very diversified economy.

The CFIB has been a strong supporter of our area. We have a very strong entrepreneurial undercurrent. I think over the last seven or eight years, we've been ranked in the top five or seven communities across Canada of any size for our entrepreneurial activity.

So my question is going a bit to resilience here—because when we get threats, we evolve, we move, we make changes and, in many cases, we come out stronger.

Julie, I'm wondering if you can tell me what you think the longer-term impacts of this bill will be in terms of making us a much stronger, more resilient economy and how it's going to assist small businesses in Ontario, moving forward.

Ms. Julie Kwiecinski: I think I'd go back to the skilled trades aspect. It will help get skilled trades workers here.

As I said, a lot of our members tell us, "We can't be brothered trying to get skilled workers from other provinces. It's just too much of a challenge with the timelines."

You can lose business. Let's say you need six more electricians and you don't have them in Ontario. You could actually have to forfeit bidding on a contract and lose money. So that's huge.

I do have to say, MPP Saunderson, I know, because I have been at CFIB now for almost nine years, we did an Entrepreneurial Communities report where Collingwood ranked—I think they might have been either the top or right near the top. I have good news for you: We are going to be doing another one of those reports in the near future, so you can look out for it.

I'm very familiar with your riding.

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

Ms. Julie Kwiecinski: I know you have Alliston there. The auto industry, the Alliston thing, is obviously going to be an issue. Protecting those jobs will have to be number one.

Mr. Dominic Roszak: If I may add, one of the biggest tragedies is that for so long it was easier to do trade with the United States than it was between provinces. That has led to strange situations, like we discovered during the pandemic. We couldn't produce certain things—masks, tin cans. We have to procure those from the United States in order to be able to ship our products.

These are significant shifts that I think will, over the long term, benefit our resilience and allow for more innovation in our economy. So I think it's a significant step, for sure.

The Chair (Mr. Ernie Hardeman): That concludes the time for that presentation. It also concludes the time for this panel.

I want to thank all the presenters, those at the table and virtually. Thank you very much for taking the time to prepare and talk to us. I'm sure it will help us as we do the clause-by-clause for this bill. So thank you very much for the information.

ONTARIO CHAMBER OF COMMERCE
ONTARIO FEDERATION OF LABOUR
CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Mr. Ernie Hardeman): The next panel is the Ontario Chamber of Commerce, the Ontario Federation of Labour and the Canadian Manufacturers and Exporters.

As a reminder to the next panel, you will have seven minutes for your presentation. After we've heard from all three presenters, the remaining 39 minutes will be split between the panellists going forward. We will start the first round of questions, after the presentations, with the third party.

We also need unanimous consent to change the rules. We have two people from the Ontario Chamber of Commerce, so we have to have unanimous consent to allow the second person to sit at the table. Do we have—

Ms. Catherine Fife: Unanimous consent.

The Chair (Mr. Ernie Hardeman): Thank you.

With that, we now see the panellists all seated. We thank you all for being here.

We will start the first presentation with the Ontario Chamber of Commerce. We ask that you make sure you introduce yourselves so we know we can attribute those great comments to the right person.

Ms. Julie Martini: Good morning, Chair and members of the committee. My name is Julie Martini. I'm the vice-president of public affairs at the Ontario Chamber of Commerce, and today, I'm joined by my colleague Ali Nasser Virji, our director of policy.

We are Canada's largest and most influential provincial chamber, representing over 60,000 business of all sizes, in all sectors and across all regions of the province.

Let me begin by commending the government of Ontario for its leadership in introducing Bill 2, Protect Ontario Through Free Trade Within Canada Act. This is a bold step toward building a more unified, competitive and resilient Canadian economy.

For too long, our country has tolerated a patchwork of outdated regulations that restrict the movement of people, goods and services across provincial borders. These internal barriers act as hidden costs, adding an invisible tax on businesses, workers and consumers alike.

Ontario has now become the first province to legislate the removal of all party-specific exceptions under the Canadian Free Trade Agreement. This sets a foundational precedent for others and positions us to speak with far greater credibility when we advocate for free trade abroad because we are now finally practising it here at home.

This moment is the result of years of advocacy, not just from our chamber, but also from business leaders and our counterparts from across Canada who have pushed for practical pro-growth reforms. It's also the product of unprecedented collaboration between the public and private sectors, and we are proud to have played a role in shaping it. But now comes the harder part: turning bold policy into effective implementation.

Let's take a moment to consider what's truly at stake. During a wildfire catastrophe in western Canada, a national insurance company needed to deploy experienced staff from across the country to respond to the overwhelming volume of insurance claims. These were professionals ready to help Canadians get back on their feet. However, due to regulatory restrictions, they were unable to do so. Instead, they were forced to contract these services out to an American company. This sent money and opportunity across the border. That story is not an outlier. It's a clear example of how fragmented regulations slow down business, prevent timely service delivery, undermine our domestic workforce and divert economic activity away from Canada.

Bill 2 rightly affirms Ontario's commitment to mutual recognition of goods, services and professional credentials with any province or territory that reciprocates. It aligns with the Free Trade and Mobility within Canada Act, introduced earlier this year by Nova Scotia, which sends a clear signal that the momentum is real and growing.

We are also encouraged to see Ontario prioritizing labour mobility. The credential recognition challenges that nurses, doctors, engineers and technologists face are well known, but these issues extend far beyond regulated professions. Entrepreneurs, tradespeople and small businesses across all sectors all suffer from duplicative rules and administrative barriers.

Mr. Ali Nasser Virji: As we all know, the most challenging part of sound policy-making is rarely the announcement, it's the implementation. If removing internal trade barriers were easy, it would have been done decades ago. That is why, as this bill advances through the legislative process, and should government move towards implementation, we urge you to consider three critical elements to support its success.

Firstly, consult with the business community: Effective implementation begins with the right voices in the room. The business community is on the front lines of interprovincial trade barriers and is uniquely positioned to identify friction points and propose practical solutions. We would recommend formally consulting with business during the regulatory development phase and consistently engaging with employers, chambers and sector associations and identifying short-term quick wins through direct input from affected industries.

Second, smart implementation: Even the best laws can fail without thoughtful execution. Ontario should prioritize a deliberate and transparent approach informed by lessons from Nova Scotia and other jurisdictions. Implementation should include: safeguards for safety-related professions, with clear criteria to prevent safety from becoming a pretext to protectionism; explicit provisions for emergency scenarios, such as disaster response, to ensure that credentialed professionals can work interprovincially without delay; legislative backstops to prevent regulatory bodies from using excessive fees or prohibitive red tape to undermine the intent of this legislation; as well, timelines, KPIs and public reporting mechanisms should be used to track progress on mutual recognition agreements and standards alignment.

Third, interprovincial collaboration and national leadership: Ontario, here and now, has a chance to lead by example by collaborating with other governments, enabling regulatory partnerships and building a modern, mobile workforce.

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We urge the province to empower regulators to act as cross-jurisdictional partners—not gatekeepers—and to leverage national bodies, such as the Canadian standards authority, to take a leadership role in supporting alignment on standards. This will help mitigate the risk of jurisdiction shopping by businesses or credentialed workers.

We would urge the province to continue working to forge early agreements with willing provinces, as it has done with Nova Scotia, New Brunswick and Manitoba, to build momentum and encourage larger jurisdictions to follow suit; to invest in talent development, especially in post-secondary and skills training, to improve the resilience of Ontario's talent pipeline and to reduce possible concerns from other provinces about internal talent flight; and to prioritize implementation, recognizing the breadth of work that will be needed to undertake and dismantle decades of barriers here in Ontario. Ontario should start with sectors with the most economic and social return, such as in health care. We applaud the reforms that were proposed in this bill with respect to as-of-right rules.

The Chair (Mr. Ernie Hardeman): One minute

Ms. Julie Martini: We urge you to proceed with courage, but also with care. This legislation is a milestone, but it is not the finish line. Continuous attention, thoughtful coordination and ongoing business engagement will be key to realizing the full benefits. Let's not allow this moment to pass without delivering real change for the people and businesses of Ontario.

The Chair (Mr. Ernie Hardeman): Thank you very much. I apologize for not mentioning it properly at the start of the presentation: Each person that presents should introduce themselves before they start speaking—I think we missed one.

Mr. Ali Nasser Virji: My mistake. I'm Ali Nasser Virji. I am the director of policy at the Ontario chamber.

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

The next presentation is the Ontario Federation of Labour.

Ms. Laura Walton: Thank you for the opportunity to speak today. My name is Laura Walton, and I'm the president of the Ontario Federation of Labour, representing over one million workers in our 54 affiliated unions.

This may be a new bill, but the pattern is painfully familiar: a government that claims to be protecting workers in Ontario while quietly dismantling the very protections that keep our workers safe and our communities strong. The Ford government says this bill is about cutting red tape, boosting trade and improving mobility, but beneath the talking points, it's a Trojan Horse for deregulation—a direct threat to workers' rights, public oversight and the health and safety standards that save lives. We understand the need to strengthen Ontario's economy, but that cannot come at the expense of working people. You don't build a stronger province by handing more power to corporations and weakening the rules that hold them accountable.

Let's talk about mutual recognition—a core feature of this legislation: It would force Ontario to automatically accept goods, services and inferior health and safety standards from other provinces, even if they fall below the bar that we have set here—no questions asked; no public scrutiny; no ability to say no. That's not progress; that is deregulation by stealth. We cannot allow Ontario to lower the bar and adopt weaker standards that carry a devastating cost to workers and communities.

In Alberta, looser safety requirements have contributed to some of the highest workplace fatality rates in the country, particularly in construction and oil and gas. Last year, 203 workers lost their lives on the job, the highest number in over a decade, in a province one third of Ontario's size. That's not a model that Ontario should emulate.

Here in Ontario, we've learned hard lessons. We introduced working-at-heights training after the 2009 Metron swing stage collapse, where four workers were killed on Christmas Eve day. Today, that training is mandatory for construction workers exposed to fall hazards. In eight other provinces, they don't meet this same standard. That training isn't red tape; it's a life-saving safeguard born from tragedy, and we're not willing to go backwards.

We are not willing to allow this government, or any government, to gut the protections that workers literally bled for, just to align with jurisdictions that leave too much to the discretion of employers and where enforcement is weak or non-existent.

While the government claims that this bill will improve labour mobility, it refuses to confront the real reasons why workers are leaving this province. Since 2020, over 400,000 Ontarians have left. That's not about protectionist policies or interprovincial trade barriers, it's about survival. It's about skyrocketing housing costs. It's about child care that's unaffordable and unavailable. It's about crumbling public services, underfunded transit and a care economy in crisis. If a government truly cared about mobility, it would invest in what people actually need to work and move, not hand corporations more shortcuts.

This bill also proposes to eliminate all 23 Ontario-specific exceptions under the Canadian Free Trade Agreement. That includes safeguards, like requiring that hunting instructors and vehicle dealers be Ontario residents. These aren't outdated technicalities. These are tools for local accountability. Stripping them away without consultation is reckless, legally risky and opens the door to the erosion of local control.

These changes put corporate access ahead of public interests, and Ontarians are going to be left footing the bill. If this bill, as the minister claims, is the most ambitious interprovincial trade reform in Canadian history, then why weren't unions from all sectors, civil society or front-line experts and stakeholders even consulted prior to this introduction?

This government may be full of sound bites and bold announcements, but it lacks the courage to engage in public debate on policies that affect millions of working people. Let me be clear: We're not standing in the way of Ontario's economic prosperity, we're standing up for the very workers that make that prosperity possible, and we're ensuring its longevity. All unions—public, private and trades—want to be part of the solution. We want an economy that works for everyone, but that means that workers, through them, must have a seat at the table, especially when our rights, our wages and our safety are on the line. Even the expansion of direct-to-consumer alcohol sales—pitched as a win for trade—risks undermining provincial revenues which fund our very public services.

If Ontario truly wants to lead, it needs to lead with integrity. Mutual recognition must include adherence to the highest safety standard; defending Ontario's authority to set strong public interest regulations that reflect our values; reinvest in what enables real mobility—housing, care, transit and training—not cuts to post-secondary programs essential to train and reskill our workforce; and, above all, guarantee that workers and unions are part of every conversation about our future.

Ontario isn't working for working people right now. This bill pushes us further in the wrong direction. But the people of Ontario are paying attention, and they will remember who stood up for them and who handed this province over to private interests. It's time that we choose people over profits. It's time that we choose transparency over closed-door deals. It's actions over slogans. Let's protect what truly matters. Thank you.

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

The next one is from the Canadian Manufacturers and Exporters.

Mr. Vincent Caron: Thank you, Mr. Chair. It's good to see you again. It's good to see everyone again. My name is Vincent Caron, I'm vice-president, government relations and member advocacy at Canadian Manufacturers and Exporters.

We are a national business association, and we've advocated for the economic health of all manufacturers, in all provinces, in all subsectors, since 1871. I'm grateful for the opportunity to speak today about Bill 2, Protect Ontario Through Free Trade Within Canada Act. I'll focus my remarks on three things: The new Ontario Free Trade and Mobility Act, 2025, and how it will help workers and help employers get the workers they need; the Buy Ontario, Buy Canadian Day Act—and I'll urge you not to stop at this bill; and ensure that changes are brought in one specific area that relates to the mobility of manufacturing equipment.

First, I'll state that we strongly support the legislation. I don't need to spend a lot of time on why. Since President Trump was re-elected last fall, all Canadians have seen the attacks on Ontario manufacturing, which is the engine of Canada responsible for 45% of its manufacturing output and over 800,000 jobs.

Q1 employment numbers are a reminder of what is at stake: 33,000 Ontario manufacturing jobs were lost in April as factories slowed activities in response to the trade war. This is nothing short of a crisis. In crisis time, manufacturers expect all their elected officials in all levels of government to work together and fight for jobs. That includes removing barriers to doing business together; that's doing business east-west in a country that was founded on that very idea.

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We know we have to do more together across provinces. When it comes to Bill 2 specifically, we are pleased with the introduction of labour mobility provisions giving as-of-right access for skilled workers who choose to relocate to Ontario.

As we highlighted in our most recent workforce report, titled Keep Calm and Keep Training, we expect 22,000 manufacturing workers will retire every year between now and 2033. While the broader labour market is softening, there are still persistent needs for skilled workers, especially industrial mechanics, electricians and machinists.

In this context, it is hopeful to streamline the movement of skilled workers, allowing them to work while pursuing their certification—so there is process left here, it's important to state. This will make us more agile when pivoting to new opportunities, for example, when creating production lines to respond to new procurement opportunities.

But the real game-changer in this bill is the establishment of the Ontario Free Trade and Mobility Act. We welcome the broad scope of this framework, which can enable a lot beyond labour mobility. We should be ambitious, focused on long-term outcomes. Cutting barriers to trade won't be a one and done. We need an ongoing process.

Which brings me to my second point, our main request today. Successful competitive manufacturing is capital-intensive. Unfortunately, Ontario companies have significantly underinvested in machinery and equipment over the last few decades. When adjusting for inflation, Ontario's capital stock—that's the intellectual property, the machinery, the real estate—was lower in 2023 than it was in 1989, when the first free trade agreement with the United States was established, again, adjusting for inflation.

Meanwhile, our neighbours to the south have continued to invest and geopolitical competitors like China have leapfrogged us all. In that context, the free trade of manufacturing equipment with other advanced economies is critical. That means streamlining requirements to bring the new robots, the presses and the CNC machines our companies need to become more productive.

Free movement means removing duplicative standards and relying on internationally recognized standards, for example, the TÜV standard established in Germany, which is one of, if not the, safest advanced manufacturing jurisdictions in the world.

But businesses across Canada and Ontario are still dealing with costly regulatory silos, which slow down importation of machinery. In Ontario, those rules rest primarily with the Technical Standards and Safety Authority, or TSSA for short.

If the government does only one thing to reduce manufacturing costs, we ask that you look at the TSSA operating model and establish broad equivalencies—and I will stress here—with trusted jurisdictions. That means other provinces, of course, but we should go further, work with the federal government and establish equivalency deals with the European Union, Japan and South Korea in priority. This will ensure companies investing in Ontario don't have to wait weeks to bring safe, cutting-edge equipment because they can't get the original supplier, located miles away, to file the registration form with an unknown Ontario regulator.

My third and final point: I want to commend the initiative to enact the Buy Ontario, Buy Canadian Day Act. Almost exactly five years ago, we stood with Premier Ford and Minister Fedeli to announce the creation of the Ontario Made program. Since then, over 5,000 manufacturers have registered over 19,000 products made right here.

As we prepare for this anniversary to coincide with the first Buy Ontario, Buy Canadian Day on June 27, I ask you all to visit supportontariomade.ca.

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

Mr. Vincent Caron: Help us spread the word. We will continue using this resource to connect Ontario manufacturers with new buyers, both inside and outside of Ontario, and soon we will be able to connect it with similar databases in other provinces. But to do that we need continued government support and for companies to register themselves so they can be found, so please tell all your constituents when you meet them this summer. Together, we will bring an Ontario-made revolution, and we will get through these difficult times.

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

We'll now start the first round of questioning with the third party. MPP Cerjanec.

Mr. Rob Cerjanec: Thank you for all your presentations today.

Laura, I wanted to start with you, because you do raise, I think, some very important points around worker safety and regulations, and I do recognize that it will vary from province to province, and I think there really is a need to harmonize a lot of those regulations.

One point that you made, though, stood out to me the most: Workers must have a seat at the table. And I guess my assumption is then that didn't happen at the start of developing this bill with organized labour, correct?

Ms. Laura Walton: Absolutely, you're correct. In fact, prior to the election being called and when it was announced that this was coming we actually invited Premier Ford to call a table that included workers, that included our colleagues from industry because that's the only way we're going to move forward, if we collaboratively work.

Mr. Rob Cerjanec: In terms of dealing with some of the concerns that you have with this bill, my perspective is I think free trade between provinces is really important. I think we've got to get out of the old way that we're thinking of things, but what approach do you think labour believes should happen when it comes to dealing with the interprovincial trade barriers that we have between provinces?

Ms. Laura Walton: I think that there is a need, definitely, and we're not here to stand in the way of economic growth—and I want to be very clear—but it doesn't need to be the race to the bottom. Harmonizing doesn't mean taking the lowest common denominator; we should be holding it at this rate. And I think we also need to be cognizant of what is actually out there. I'm hearing a lot of people talk about skilled trades and this interprovincial mobility. That's called the Red Seal Program. It already exists. It allows for skilled trade workers who have achieved their Red Seal—which means that they reached a competency on the exam—can work anywhere in this country already. It's like we've decided to celebrate the year we were born and pretend we discovered birthdays. It already exists, and we just actually need to lean in and celebrate and bring it forward.

The other thing that I would suggest is when we're talking about mobility, we've got to talk about what actually will keep us competitive. And what we know is that our coterminous provinces where people are leaving to have invested far more than we have in public services. That's why people are leaving—because if I go to Manitoba, I actually will get child care; I actually will be able to afford a house; I will actually be able to get health care. And that's because those governments have invested in public services.

Ontario needs to build, serve and protect, and we won't be able to do any of that if we focus on just one element or another.

Mr. Rob Cerjanec: I appreciate that. Thank you.

Vincent, very intriguing ideas and thoughts that you've brought forward around manufacturing machines, essentially, in other countries and here. Is that something that you think Ontario should be leading—or should that work really be happening a lot more at the federal level?

Mr. Vincent Caron: I think primarily it needs to be led here, and I'll explain why: because the regulatory authority is really in the provinces, right? So the federal government can be a convenor, but they don't have the levers over there, and when it comes to machinery too often we've heard instances of investment being slowed down. We think that actually hurts the workers.

Mr. Rob Cerjanec: I agree with you. I do think it's important, when businesses are making those investments, that they're able to move that capital quickly and be able to invest it quickly. I know there are going to be other issues in terms of what does the future of work look like, what does the future of manufacturing look like. I think we're already there. I think we're already kind of grappling and dealing with that.

For the Ontario Chamber of Commerce—and I do appreciate the leadership in talking about interprovincial trade barriers. What approach, or how do you think breaking down these barriers from province to province, harmonizing standards—and I'll leave this in for the rest of us—what does that look like to you? How does that work and cover—do you think it's just the federal government bringing people together or, more specifically, is there anything that you folks think should be happening across provinces?

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

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Mr. Ali Nasser Virji: I think the first step—and I know we talk a lot about the movement of goods and services, but a lot of it has to do with people, and recognizing what my colleague here at the table has been speaking about with respect to engagement with labour—it's about making sure that you have the right talent that's able to support industries of today, as well as the industries of tomorrow.

So we talk a lot about the investments that need to happen in our industrial capacity, in the ability to have more productive businesses in the province. It's about making sure we have the right talent that can come across borders into Ontario, but it's also making sure that alongside that, we are investing in the talent we have within Ontario to support those industries.

Mr. Rob Cerjanec: Any other thoughts?

Mr. Vincent Caron: Just to add to your point, it can't be a race to the bottom. I think we have to look at those trusted jurisdictions, and I think we have to see where there is alignment.

That's why I also mentioned that some of the most advanced manufacturing economies actually concurrently happen to be some of the economies where you see lesser rates of workplace incidents. We need to think about both at the same time, but there are a lot of safeguards in Ontario. We've got the Ontario health and safety act. Employers also want to protect workers. In factory environments, we need them on the job happy and productive.

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

MPP Smith.

Mr. Dave Smith: Vincent, it's good to see you, first off, and I'm going to throw a couple at you to start off with. You talked a little bit about the Ontario Made program. It's the fifth year for it. It's something that really came out of COVID. There are a couple of things that jump to mind as a result of it.

The 3M plant in Brockville that started producing the N95 masks—we weren't doing them anywhere in Canada. I think that that was one of the things that really helped the uptake of that.

Locally, in my own riding, I have an arms manufacturer, Savage Arms. They make rimfire rifles. They applied for it, so they proudly put the Ontario Made logo that you guys have on all of their products that they ship all over the world. They have said to me that it really has been a differentiator for them. People recognize that it's high-quality products that come out of Ontario.

With that as the backdrop, can you speak a little bit more about the success of that program? How you think something like that, getting more manufacturers on board—because you told us to go out to our constituents who are manufacturing and get them to sign on to that. How do you think that is actually going to help as we break down the interprovincial trade barriers to promote Ontario products that way and to promote Ontario jobs that way?

Mr. Vincent Caron: I'm so glad you asked because there is a conversation right now, because we have a program that's called Ontario Made, and we're all talking about, really, having one economy.

What we need to do here is, first, we need to be sure people can be found. I find that such a problem right now in procurement. We don't put that as a first step for anyone in the municipalities, in the provinces or in the federal government when they buy something to just survey what is made here—so having that conversation before you get to kind of specifications and RFPs and all that. To me, being found is a massive thing.

I was just downtown. Éric Martel from Bombardier made a speech, and he was talking about our defence procurement strategy and really having those conversations early. I thought, "I think we need to do that across the board, and we need to do that at all scales." It's also people trying to find things in their immediate region and supplies.

What we're doing right now is, obviously, working as a national business association with other provinces. I don't want to scoop anyone, so I'm not going to say who is working on what, but some other provinces are building on similar problems. Ontario has really led the way.

What we really need to do is connect this data everywhere so that people can be empowered to look at those alternatives, what is made here. "How can I support jobs with my dollars?"—I think that's the primary benefit. We've seen over 100 direct business connections as well where companies have found new suppliers through the Ontario Made program, and we want to do a whole lot more of that.

Mr. Dave Smith: So it's not just, then, direct-to-consumer sales. It is business-to-business, and it's allowing then those Ontario businesses to connect to other Ontario businesses so that we have that integrated supply chain here and we're not looking at bringing in aluminum cans from Pennsylvania, just as an example.

Mr. Vincent Caron: That is exactly it.

Mr. Dave Smith: Thank you.

I'll defer my time to one of my colleagues.

The Chair (Mr. Ernie Hardeman): MPP Racinsky.

Mr. Joseph Racinsky: Thank you to the presenters for coming in this afternoon. My question is to the Ontario Chamber of Commerce.

I was at a Halton Hills Chamber of Commerce event prior to the election with the previous member, Ted Arnott. A number of the businesses asked him about free trade between the provinces, asking, "When is the government going to get on with this and make it happen?" That was prior to the election. Ted's response was accurate: that this would be an election issue and the future government would be dealing with that; he had already made his announcement that he wasn't running again.

So my question is very simple: How does this bill accomplish that goal that the businesses were asking about at that event in Halton Hills, in my riding? How does this bill help Ontario businesses grow and unleash new market opportunities across the country for our businesses?

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

Mr. Ali Nasser Virji: We were quite pleased to see the introduction of this bill. It's long been what we at the

Ontario chamber have been calling for. Like I mentioned during my remarks earlier—and Julie as well—if this was something that was easy to do, it would have been done decades ago. We've had agreements on the books for internal trade since 1995. We've had multiple durations to go and break down those barriers, but this really expands access to opportunities for businesses across Ontario, makes it easier to potentially access new markets for the goods that they produce, to bring in talent to support their operations if they're coming from other provinces.

But at its baseline, it breaks down admin burden for them. It allows them to spend less time filling out paperwork and dealing with bureaucratic process and more time spent with their customers.

Mr. Joseph Racinsky: Thank you.

The Chair (Mr. Ernie Hardeman): We'll now go to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all the presenters. It was interesting because there is a thread of commonality here amongst all of you, which is really good to see. It's not all or nothing.

Locally, the chamber and K-W have been huge advocates for the social infrastructure. You've shifted your conversation around access to health care and education and housing as an economic driver. I really appreciate that perspective.

But I wanted to give you a quick chance to talk about this jurisdictional shopping so that we all have a good understanding of it, please. Please go ahead.

Mr. Ali Nasser Virji: Yes, absolutely. I think part of the barriers to moving forward with internal trade in the past has been this anxiety around the prospect of potentially having the race to the bottom, as my colleague mentioned. That shouldn't dissuade us from taking courageous action now, as Vincent mentioned.

We're in a bit of a crisis here with what's happening with the United States and it's important that we take foundational steps to break down barriers to trade. There is the potential, of course, that you could have some jurisdictions that have lower barriers to operating than others by virtue of how this rolls out, but that is why, in our remarks, we focused on implementation as being of primary importance as this moves forward.

We need to make sure that, as government considers regulatory pathways coming out of this bill—and there's a lot of opportunity within the drafting of this legislation to do so—that we think about harmonization to the greatest extent possible. That starts with engagement with businesses to make sure that we are aligning on what those tenets could look like into the future.

Ms. Catherine Fife: That's a really good point. Businesses and workers, right?

Mr. Ali Nasser Virji: Correct.

Ms. Catherine Fife: Everybody has to be at the table if we want to get it right.

It's interesting because Ontario, last year, lost 24,000 skilled workers to, ironically, Alberta. But my colleague and I were saying that they may have some regrets about that, given that Premier and how she's conducting herself.

It's really powerful, actually, that you've all raised that we want to harmonize up and not do this race to the bottom. Because, as Laura had mentioned, and for us certainly, I think our workers' safety is our strength in Ontario. Keeping workers safe should be our primary concern. I also like, Laura, what you said: that Ontario needs to build, serve and protect. It doesn't have to be an either/or situation in this instance.

I would also say, I think all of us around this table, on this bill, we understand that Ontarians want us to work together and they want us to problem-solve and be propositional in this.

I think that, Vincent—I really want to say thank you to you and the CME for meeting with the advisory council on the tariff response and economic security. We look forward to meeting more of your members. But our tenor there was to keep calm and keep training, because we do have to keep investing in people, right?

But, also, on the machinery piece—because I think that this is an opportunity for Ontario to set a new industrial strategy around targeted investment and especially around the equipment piece. Laura will know: We actually have workers standing in front of trucks in Windsor right now. Taxpayers paid for the equipment for some of this auto manufacturing, and that equipment is just going across the border—we're just letting it go. We need to hold those jobs here, those workers here and that equipment.

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Vincent, can you just please talk a little bit more about having these internationally recognized safety standards? You cited Germany around manufacturing equipment. Can you just expand on that, please?

Mr. Vincent Caron: I think the main call here is to first do a bit of a jurisdictional scan on those things. Just because we have, among provinces, really highly specific regulatory bodies that operate at some national level doesn't mean it is done that way everywhere.

The TÜV standard in Germany is really a widely recognized norm. They have an equivalent that operates in North America, so in terms of exchange between Europe and the United States, there is actual collaboration there. But what we ran into here in Canada is I found that sometimes, we're kind of stuck in the middle. Companies who used to work with the United States—equipment can go back and forth; we have equipment-makers here that sell to United States manufacturers. So we also need to protect these jobs.

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

Mr. Vincent Caron: But I have one particular company—I won't name them—saying to me, "We want to pivot. We want to be able to do equipment that we used to send to the US—we want to find customers in Europe."

Ms. Catherine Fife: Or here.

Mr. Vincent Caron: Or here, but we can't do that, because those standards really get in the way.

Ms. Catherine Fife: Yes, that's a really good point.

I wish I had more time to talk about procurement because we also see procurement as part of the solution. We should be buying our own innovation, skills and products here, but you do have to have the education piece. We did see a $1.2-billion cut to post-secondary education. We're going to be trying to work with the government to walk that back because the commercialization of research from our institutions into the private sector and that whole pipeline to have new export partners, I think, is really key.

Last word on this, anybody?

Ms. Laura Walton: I will definitely jump in when we're talking about education. A well-trained—

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

We will now go to MPP Cerjanec.

Mr. Rob Cerjanec: I have a question for all three of you, and it's a pretty simple one: Do you think more workers will come to Ontario or leave Ontario due to eliminating interprovincial trade regulations in its current form, as proposed? Whoever wants to start first.

Mr. Vincent Caron: I'll go very quickly. I think it's up to us to make sure that we're the net benefiter here. We saw what happened in northern Alberta with resource development. In terms of developing that potential we have around Sudbury—for example, adding more value added, more refining, more manufacturing around mining—we could have the same thing happen here, but obviously, we have to make sure that it's well done.

Ms. Laura Walton: I would say right now, in its current form—I don't have a crystal ball—I think you might be at net zero. You might have people who are leaving for greener pastures because there is better housing, better services and better child care, especially in coterminous Manitoba and Quebec.

But then I think there is opportunity here to actually recognize in this space what is missing that is forcing people out. I think that's the real question: What is forcing people out of Ontario right now? It's because they can't afford a home. It's because they can't get a doctor. It's because they don't have access to child care. These are all public services, and one of the things that we keep talking about is that there are things that need to wrap around workers. Those are the public services, and we need to invest in both in order for all of us sitting here at this table to be able to walk away and say, "Yes, we did the best thing possible."

I think in this current reiteration, there is a significant chunk missing when we talk about those public services and where the investment is going to come in order to make that happen. If we want to be somewhere that is attracting, let's make this the best province possible. Let's make sure that people have houses when they get here, that they have doctors when we get here, that there is child care when they get here, that there are schools when we get there and that there is machinery. All of those things need to come together. You're not going to be able to do it in its current shape.

Mr. Ali Nasser Virji: Yes, there's no silver bullet here. It's going to take coordinated action across different interventions and government. I think we recognize that. But we have an important opportunity in front of us with this legislation to take foundational steps to improve the predictability of our business climate and make Ontario a more attractive destination for investment. With these types of changes, the workers could follow.

Mr. Rob Cerjanec: I think this is an excellent group that we have here, because I really do feel as though there is agreement, as my colleague was talking about, that we need workers at the table, that we need business at the table. All of you have been saying the same thing. It's unfortunate that, with this bill, with this legislation, that hasn't happened. I do think it's an opportunity for the government. I know within certain sectors or groups or organizations, it may not necessarily be as collaborative, but the conversations still need to be happening and taking place.

During the election campaign and after, I hear the government talk a lot about unions, for example—private sector unions, but unions that are just focused on one area; for example, in the construction and skilled trades. It's very important, but I think that needs to be broadened, especially when we're talking about things like this that are going to be impacting all workers across the province. I think it's important that we have people at the table bringing forward issues and concerns but also solutions and ideas to the problems that we're facing.

I want to switch gears a little bit and talk about procurement and gauge what you folks think about if we should be controlling our procurement more to focus on Ontario or even Canadian, I guess, in this sense, because we are seeing what's happening south of the border—and that's not just nationally, but subnational jurisdictions, states, that are putting forward policies and ways to ensure that the public dollars that they're spending remain in their states.

I'm very curious to hear all of your thoughts around that. Do we need to go more in that direction around procurement? Should it be Ontario? Should it be Canadian?

Mr. Vincent Caron: I can speak to this. Absolutely, I think a major pillar of an industrial strategy is to be more deliberate about this. I think one of the temptations can be to, like, have a purity test in terms of which companies we support. We have been very active with the government as early as 2022 when the Building Ontario Businesses Initiative was being developed to say, "Protect the jobs." So look at the companies who actually have footprints here.

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

Mr. Vincent Caron: One example: We did very good engagement in Thunder Bay, where we did workforce round tables, including in Alstom. We had labour people at the table and management and local stakeholders. I think everyone was really aligned and unified that decisions on transit procurement—in Toronto for Line 2, for example—they need to support jobs and the construction of those trains in Thunder Bay.

Ms. Laura Walton: I would also say that procurement needs to go beyond just tangible things. Let's also talk about procurement from a service perspective. Ontario has a huge service market, and when we're hearing about even government services being sent out and out of—WSIB; we were just hearing about how there is a contract with an American provider. That can be done here. So when we're thinking about procurement, one of the things that we're looking at is, it's not just about something—

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

We'll now go over to the government. MPP Kanapathi.

Mr. Logan Kanapathi: Thank you to all the presenters for coming out and making your points and bringing your voice. I really appreciate it.

My question is for Julie Martini and Ali Nasser. Thank you for your fight. Thank you for your leadership. I know you have been advocating for this change for some time. Thank you. Also, you are representing over 60,000 businesses in Ontario. That would be commendable, really commendable.

My question to you is—Ontario businesses are the foundation to economic growth in our province. I'm very curious what specific part of this legislation you have been hearing your members are encouraged by and that will foster growth within their sectors. What are the positive things you are hearing from your sectors about this bill?

Mr. Ali Nasser Virji: I think the biggest opportunity here is the prospect of reducing costs. We've heard earlier at this table in the previous presentation about how internal trade today represents an invisible tax or a tariff on goods that move across the country, so there's great opportunity here to reduce costs for businesses across Ontario, not constrained to any particular region. That's on the first point.

On the second point, as I mentioned before, there's great opportunity to help facilitate the movement of labour and to support different sectors across the province. I'm glad that Laura mentioned wraparound services because a big opportunity with this bill has to do with the expansion of as-of-right rules for health care. We've commended the steps the government has taken with respect to physicians, but there's great opportunity to expand those rules for other health care allied professionals. If we're able to bring that type of talent into Ontario to support those types of services, that has knock-on effects on businesses and the communities within they operate.

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Mr. Logan Kanapathi: Could you elaborate on the health care field? I know even some doctors coming from other provinces to move to Ontario, primary caregivers, they had to write the exam for the CCFP, the Canadian council of family physicians, which is not an easy exam to pass. They're trying to get into the Ontario system—even in COVID times, we weren't even able to bring nurses and doctors from other provinces to help voluntarily to save lives. These are serious things we are doing.

I am not bragging about our government record, Mr. Chair; these are the facts. Our government is standing up to bring the walls down, the big interprovincial barriers down. Can you elaborate on the health care sector, how this bill would impact on health care?

Mr. Ali Nasser Virji: Yes. Great progress has been made to support physicians and surgeons and registered nurses coming into Ontario, but there's opportunity here to expand this to other allied health professionals, such as pharmacists, psychologists, physiotherapists, medical radiation technologists, social workers, medical and lab technicians, dental hygienists and assistants, chiropractors—the idea being that it can be difficult to be able to move into this province and have credentials, when you face those types of credential barriers. We have an opportunity here to help shorten that amount of time and support the movement of these types of talented professionals into Ontario to support our communities.

Mr. Logan Kanapathi: Credential barriers—it's a good thing you mentioned that. One of my cousins moved from London; I'm talking about 15 years back. He was a surgeon from the UK, and he moved to PEI. I asked him to move to Ontario, and Ontario asked him to do the residency all over again. He went to the bank, he borrowed the money and he did the residency in Ottawa to get into the Ontario system. I could tell hundreds and hundreds of stories like that, how the internationally trained doctors or IMGs, the international medical graduates—going to Ontario, going back and doing their medical degree and coming back, and they had to start all over again. So this bill is a game-changer. If you want, if you have any thoughts on that?

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

Mr. Ali Nasser Virji: Yes, I think one of the important components of this has to do with mutual recognition. I think it's important that we're starting with jurisdictions with whom we're able to sign these agreements. I hope that, following in the footsteps that we've seen with Nova Scotia and New Brunswick and Manitoba, we'll have larger jurisdictions in Canada that enable more of this movement to occur. There are good parameters within the legislation to provide clear timelines and guidance so that folks that are coming here from other provinces have some certainty around how long it will take for them to be able to get the credentials they need to practise in the way that they would have practised in the communities they are coming from.

Mr. Logan Kanapathi: Thank you.

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

We'll now go to MPP Begum.

Ms. Doly Begum: Good afternoon to you all. I don't want to give you a big preamble because I feel like we've already talked about a bunch of things that we agree on. There's a fine line. I really liked what Ali was saying in terms of—since 1995, we've been trying to do this, and it's not a one-size-fits-all approach. There are some barriers to getting there. There are some vague schedules within the bill as well that I think you all are sharing some frustrations, and obviously we want to get it right. We want to make sure that there are no barriers there. Like you said, we're at a critical time right now where we need to address this crisis, but at the same time, we have to make sure that we get it right so that we are protecting workers, we're protecting our businesses, we're protecting our industries and we're making sure that we create more jobs and we create opportunities that align us with other provinces and territories.

If you were to advise the government on a few regulation aspects of it because once this bill passes—and I'm sure it will—if there are specific things that we need to address. What are some of those things that you think the government needs to highlight? I would like all three organizations to address this.

Ms. Laura Walton: I can jump in. I think one of the pieces is, first and foremost, ensuring that we're not racing to the bottom. There needs to be a very high standard. I make a joke with my colleague from the Alberta Federation of Labour that the Alberta Occupational Health and Safety Act is written on a coaster whereas ours is a significant bible that was written in blood. These are some of the things we want to be clear about.

I also think we need to pay attention when we're talking about attracting—this isn't just about attracting talent; it's also about the ability to retain. Bringing folks into Ontario is great, but part of the reason why people are leaving is because of underinvestment. Why are nurses leaving? Because we had Bill 124 that capped their wages. Why are education workers—there are 40,000 teachers currently capable of teaching but they're not, and that's because of working conditions.

This alone—and I'm going to use your term: There is no silver bullet contained in this. In order to be able to look at this—yes, there are regulations that need to be done. Safety is one that we will be constantly talking about. But, also, what are the other pieces that, collectively, as government, you folks are going to put in place so that this bill is not just a piece, but that other bills following and other budgets following, investments come into place so that those people who come here from other provinces actually can make a living here because we're investing in the services that they provide as well? That would be one thing that we would really be lifting up.

We want—no, we need; this isn't a want, this is a need in Ontario—to invest in a wide variety, both private and public, in order to make it a success and in order to be able to truly tariff-proof Ontario.

Mr. Vincent Caron: Obviously, I talked about the TSSA business model. To us, certainly, there's a component to look at here. But other things we've heard: In terms of red tape, Ontario has challenges too. We did a survey last year and most of our manufacturers told us, "Yes, the federal government has the biggest red tape generator." But we also had about a third that said it's gotten a little worse as well in some areas of provincial policy. One of these areas is employment standards.

There are a lot of new requirements constantly pushed out to employers. I know, sometimes, it comes from a desire to protect workers, but there's just a very frequent pace of legislation here that doesn't help the employers and, frankly, I don't think it helps the workers very well if the changes are so frequent that we can't absorb and really socialize and really implement what the government wants to do there. New policies on monitoring—there are a few. Primarily the Working for Workers bills: I think it's been about seven times that the employment standards have been changed in three years.

We've got to look at that a little bit. I think, frankly, it's an issue of pace—also, bring employers to the table.

Ms. Doly Begum: Trust me, I would have made the Working for Workers Act all in one and fixed a few things in there from the get-go.

I want to give the other folks a chance: Julie and Ali.

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

Mr. Ali Nasser Virji: As I was mentioning earlier during our remarks, I think it comes down to making sure that we're effectively consulting. There are a lot of sectors that will be affected, potentially, by the introduction of this bill. And just to be clear, having this foundational legislation is important to advance momentum in that regard, but there's going to need to be a lot of consultation with different sectors, with employers, with workers and with chamber associations to make sure that we are doing this properly.

There's going to be a degree of prioritization that has to happen. We can't do everything at once. We do recommend that we start with those that are most impactful to the economy.

Ms. Julie Martini: To echo a comment about this earlier, it really is going to be up to us, collectively, to make this province appealing to both attract and retain talent, but it's also really important that we don't take our eye off the ball on our own talent pipeline as well, and making sure that it's healthy and where we're producing—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for this presentation and for this panel.

We want to thank all the panellists for all the time they took to prepare for this presentation. I'm sure it will be helpful as we move forward. Again, thank you very much.

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RETAIL COUNCIL OF CANADA
ONTARIO PHYSIOTHERAPY ASSOCIATION
CARPENTERS' REGIONAL COUNCIL

The Chair (Mr. Ernie Hardeman): We'll start now with the next panel: Retail Council of Canada, Ontario Physiotherapy Association and Carpenters' Regional Council—and Carpenters' Regional Council will require unanimous consent to have two people at the table. Is the committee okay with that?

Interjections.

The Chair (Mr. Ernie Hardeman): There you go. All done.

With that, as you come forward, all the panellists, you will have seven minutes to make your presentation. At six minutes, I will say, "One minute." Don't stop; you have one more minute. And at the end of that minute I will say, "Thank you." Having done that, we ask also each person, not only the presenter, but if another person speaks during the presentation to introduce oneself before you speak so we can attribute the right person to the Hansard.

With that, the floor is first for the Retail Council of Canada.

Mr. Sebastian Prins: Sebastian Prins, for the Retail Council of Canada. Good afternoon, SCOFEA. It's always great to be testifying in committee to great bills like Bill 2.

Good afternoon, everyone. My name is Sebastian Prins. I'm the director of government relations for the Retail Council of Canada. The Retail Council of Canada proudly represents more than 54,000 storefronts of all retail formats: department stores, grocery stores, independent retailers, online merchants, quick-serve restaurants—you name it. Many of the banners that you likely shop at are our members. Folks like Best Buy, Canadian Tire, Walmart, Costco, Amazon, Tim Hortons—they're all part of the Retail Council of Canada.

By StatsCan sales, our members represent over 65% of the retail category. In some categories, it's even higher. Grocery, for example: We have 95% of sales represented by our membership base.

On behalf of the Retail Council of Canada, I'm really happy to be deputing before this bill, the Protect Ontario Through Free Trade Within Canada Act. It's a really fantastic start—a strong start—to a process that seeks to make a one Canada strong economy, and our retail members really, truly believe in that.

I wanted to start off by saying that we are very supportive of Bill 2. We think that this is the start of a process to break down interprovincial trade barriers. Research corroborated by information provided to us by our members indicates that removing all barriers between provinces—we do believe that number, that 4.4% to 7.9% that's been shared—can boost GDP by that amount, if we remove all barriers. So we wanted to kind of corroborate that and ground that figure in Ontario terms because that's a substantial number, a substantial increase to GDP and to Ontario jobs. That would mean just shy of a $40-billion increase to the Ontario economy, between $40 billion and $70 billion, and from a jobs perspective, based on StatsCan data, for average job pay and things like that, that's about 36,000 to 647,000 jobs. That's a massive impact if we see the full breakdown of those barriers. This comes, of course, against the backdrop of the States threatening our economy and putting up protectionist barriers that are harming the livelihood of Ontarians. We strongly believe that anything that's an economic boon that can help support our economy is of great benefit.

From a Retail Council of Canada perspective, there's three main pillars to Bill 2. There's the mutual recognition of standards of trade, there's interprovincial labour mobility and, of course, direct-to-consumer alcohol sales, and each of those is a significant part.

I want to initially talk to the mutual recognition of trade standards. From a small business perspective—and a medium -size business perspective—this is a massive gift that the Ontario government is giving us here through mutual recognition of different procedures and processes. It's a very challenging thing when you're a small business trying to go from one province to a second province. That's a very challenging step-up item for a business in terms of scaling the production and figuring out all the new labour laws that they need to comply with. Anything that can reduce that and simplify that by allowing the mutual recognition between provinces is a great boon to those small businesses.

We also wanted to highlight some interesting niche pieces that we've been working with members to identify. I wanted to raise—it's a peculiar category, but high-quality musical instruments is a category where, again, it will have an outsize impact on this category. When we look at comparator jurisdictions like New York and Quebec, we see that specialty musical instruments and speciality speakers represent 11% of the musical instrument category; it's significantly less in Ontario. When we questioned the major retailers about why this is the case, they basically identified to us that we have a very overactive regulator here in Ontario, and, when it comes to approving small niche and small quantity items, they have to pay per item, and that is very harmful to their business model. It's much cheaper for an Ontarian to order the same speaker through Amazon than it is to buy it in a bricks-and-mortar shop here in Ontario.

From a health and safety perspective, they're still complying to the very highest laws—it's the same product. Our members have basically said that this is an undue hardship that we could see lifted by this mutual recognition, and members have estimated that just in that niche space that would lead to $17-million more annually in sales. Now, I know it's a very specific example, but that's just one example of what this mutual recognition can unlock, and we want to hold that up for folks to point out that there are these specific instances all over that this bill teases through and helps out.

Looking internationally, we know that there's some great, sound research as well when it comes to unlocking trade barriers between jurisdictions. The European Union—of course, I know that's between countries—is an example of a massive trade zone where we've seen upwards of €687 billion of value created for that economic zone.

A smaller example, New Zealand—it's much more comparable to us. There's interprovincial trade—six jurisdictions there. Agreements between those economies has led to US$370 million in terms of growth and trade, pointing out here that these mutual recognition pieces really do matter.

The other piece that we'll inject here is which provinces you end up getting mutual agreements with matters a fair bit as well because Canada is a very large economy.

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

Mr. Sebastian Prins: Skipping through to some other items, we see this as one step forward on a path of many to unlock that full 4.4% to 7.9%. It would require all trade barriers being lifted, so we're keen to keep talking through how this can apply to broadening alcohol sales more generally or things like provincial marketing boards and how we can maybe get a more holistic federal structure for things like that. This is a great first step, but to unlock that full number that we hear researchers talking about there are some bigger-picture items that we're going to have to tackle, and we want to point that out as well.

But, in general, this is a great bill, and we're really happy to be here today in support of Bill 2.

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

The next presenter is the Ontario Physiotherapy Association.

Ms. Sarah Hutchison: Good afternoon. My name is Sarah Hutchison. I'm the CEO of the Ontario Physiotherapy Association, representing physiotherapists. I appreciate the opportunity to speak to you today. We support the intent of Bill 2.

The Ontario Physiotherapy Association is using the opportunity of these hearings on Bill 2 to reinforce with the Ontario Legislature the absolute necessity of modernizing and expanding scopes of practice to reflect a health profession's competencies if Bill 2 is to be effective in achieving its stated objectives.

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There was a time when Ontario was a leader in enabling—in fact, encouraging—health professions to practise to the maximum of their competencies, to the overall benefit of Ontario's health care system and Ontario's patients. That time has passed, and Ontario now lags behind most other provinces and international jurisdictions in scope of practice for physiotherapy. Without harmonization of the physiotherapy scope of practice with other provinces and international jurisdictions, there is a major risk that the liberalization of labour mobility will create an exodus of physiotherapists to other jurisdictions where they can practise to the full extent of their knowledge, skill and judgment.

Let me explain. There are over 8,500 physiotherapists currently practising in Ontario, two thirds of which are members of our association. We strongly support initiatives that aim to reduce interprovincial barriers to practise, enhance labour mobility and strengthen health human resources across the country.

In this submission, I will outline the implications of Bill 2 for physiotherapy practice, offer evidence-based commentary on the current HHR challenges and recommend practical measures that will support both labour mobility and workforce sustainability in Ontario.

Physiotherapists practise in hospitals, rehabilitation and surgical centres, primary care, home and community care, long-term care, publicly funded programs, academic settings and private practice. Each of these sectors is currently experiencing what has been characterized as a crisis in the recruitment and retention of physiotherapists as demand exceeds supply, and is further compounded by challenging labour market conditions related to compensation and benefits that are just not competitive.

There is clear evidence that Ontario and all areas of Canada face a significant HHR crisis, as confirmed by the recently published 2025 pan-Canadian study on Canada's future health force, prepared for the Canadian Deputy Ministers of Health. This report underscores the current and projected shortfalls in health care professionals, recognizing that this shortfall will primarily have to be addressed by adding net new resources through adding funded positions and facilitating the entry of internationally educated health care professionals who seek to relocate to Canada.

The inclusion of physiotherapists in the as-of-right Ontario legislation is an important opportunity to facilitate increased health labour mobility across the country and may be seen to harmonize expectations for registration in Ontario. The recognition of Canadian regulatory standards and licensure in physiotherapy as equivalent across provincial jurisdictions has not been identified as a barrier in our sector. The college of physiotherapists states that registration timelines are approximately 10 days for physiotherapists to move their practice from another province to a territory in Ontario. That is not the problem. The cautionary note is that while as-of-right may address a perceived administrative barrier, it is not a complete solution to the underlying HHR and resource problems. The critical concern, however, is that the labour market conditions that exist in Ontario, combined with the fact that other provincial jurisdictions enable physiotherapists to practise with an expanded scope, translate to the increasing likelihood that physiotherapists will in fact leave Ontario for other provinces or other countries, and principally the US. This, for professional physiotherapy and for our health system, is not where changes are needed to increase supply.

Ontario has fallen behind other jurisdictions in enabling physiotherapists to practise to their full scope. This, arguably, is the largest barrier to interjurisdictional mobility and works counter to the desired outcome of Bill 2. In fact, as other jurisdictions adopt reciprocal as-of-right rules in health care and remove barriers to mobility, there is a real risk that an exodus of physiotherapists to other provinces and territories will occur, prompted by the attraction of practising to the full scope of their competencies elsewhere. The Ontario Ministry of Health can quickly and effectively address this obstacle and threat by completing the regulations for the outstanding scope of practice changes to enable the authority for physiotherapists to order diagnostic imaging and laboratory tests. This was recommended by the Health Professions Regulatory Advisory Council, and the necessary statutory amendments were made and passed well over a decade ago, requiring only regulation changes for implementation.

Scope of practice expansion is a pillar of the ministry's 10-year capacity plan to address HHR challenges in Ontario. Dr. Velji, chief of nursing and ADM, Ministry of Health, has clearly articulated how working to the top of scope for all health professionals will increase our health system's capacity.

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

Ms. Sarah Hutchison: Enabling the regulations to implement the remaining authorities for physios to order diagnostic imaging and laboratory tests, as they may do in another jurisdictions, directly aligns to the pillars of Ontario's HHR strategy. The ability to work to full scope along with a streamlined approach to regulation will attract professionals to Ontario's health care workforce, ensuring this will complement the goals of Bill 2 to reduce barriers and to enhance labour mobility across Canada.

Thank you for the opportunity to address you.

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

We'll now hear from the Carpenters' Regional Council.

Mr. Finn Johnson: Thank you to the members of the committee for allowing us the opportunity to appear before you today. My name is Finn Johnson. I am the director of government relations and communications for the Carpenters' Regional Council. I'm here with my colleague Adam Bridgman, director of training for the Carpenters' Regional Council.

Our organization is the entity that oversees all of the local unions of the carpenters' union from Ontario to British Columbia. In Ontario alone, we have 17 local unions that represent nearly 50,000 members working across a wide range of sectors within the skilled trades, including carpenters, drywallers, scaffolders, concrete form workers, welders, piledrivers and many more professions within the construction industry, as well as industrial workers and health care workers. Our members are at the forefront of building and maintaining the critical infrastructure Ontario relies on, including energy projects, hospitals, schools, mining projects and homes. Our union also prides itself on delivering industry-leading training at our 16 training centres across Ontario.

Given our organization spans Ontario to British Columbia, we believe we are well positioned to speak to the impact on the labour mobility of workers within the construction industry resulting from Bill 2.

As you may know, Ontario is anticipated to face a severe labour shortage in construction over the next decade. Tackling this issue will require Ontario to invest in the recruitment of young Canadians into the skilled trades while also breaking down barriers for out-of-province workers and foreign nationals to access this work. This legislation specifically targets the labour mobility piece of this, which is a key component, so we'd like to applaud the Ontario government for taking national leadership on this important issue.

To speak more directly to the bill: When removing barriers to labour mobility in the construction industry, there are two types of standards to consider, apprenticeship and safety. Although the apprenticeship system is not yet harmonized across the country, it will not be impacted by this legislation. The Red Seal is harmonized, but only for those that have finished their apprenticeship.

For the purposes of our appearance today, we'll be focusing on safety certifications, which will be impacted as they differ between provinces. We believe it is critical that increased labour mobility not come at the expense of these standards.

I'll now pass it over to my colleague Adam Bridgman to speak further to this.

Mr. Adam Bridgman: Thanks, Finn.

Like Finn was saying, we're going to look at it on day one. That's what it really comes down to: day one for a construction worker going on site. Day one going to a construction site is vastly different than many other industries. It requires training. Ontario has a high level of training, which is great. Other provinces, without throwing any of them under the bus, don't require any training other than something that's provided by the employer or asked by the employer. Having said that, coming in from another province into Ontario or us going to another province, each and every one of us can be on a construction site literally tomorrow, which is kind of scary.

Historically, every province has its own regulations and its own rules. Individuals come in, they transfer in to us, and often they'll sit one, two, three, four or five days waiting to get safety training. That's lost time for that individual coming in. They're not able to migrate in and literally pick up a hammer the next day. It's costing them hundreds of dollars in lost wages, but often using third-party providers, it's costing them hundreds of dollars in just signing up for these courses. You're looking at roughly $300 a day.

Often, what happens is, these individuals come in and they already have—we'll use, for example, working at heights. They already have a fall protection, working-at-heights card from, let's say, BC. When they come to Ontario, they've got to sit and do another class that is very similar to but is to be registered with the province, and it is a higher standard—and vice versa when an individual transfers out. That's where we get these backlogs but also the difficulty there. Often, the curriculum's the exact same.

In many cases, Ontario does have one of the highest standards. We want to make sure that it will add to the mobility to bring individuals in here, which will be a huge impact for our workforce. But we also want to make sure that that standard is kept up throughout, as opposed to racing to the bottom in pursuit of reducing the red tape in that situation.

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The construction industry is full of bad actors, shady contractors that, in the past, have historically taken advantage of individuals with safety tickets: "Here's your card. Go to work." The danger there is obviously the health and safety side of it. So we want to make sure that we don't have those contractors coming in from out of province without the necessary credentials.

I thank you for your time. I'll pass it back to Finn.

Mr. Finn Johnson: Thank you very much.

On the bill specifically: The amendments and additions made to the Ontario mobility act under sections 11 and 16.1 are certainly steps in the right direction. To mitigate the risk, reporting and transparency are key. We need detailed tracking of standards to ensure safer job sites.

This database of certification and requests for recognition also creates a framework to build on as we continue to harmonize our certification requirements and share information across provinces. Under the act, the authority exists to designate other provinces as reciprocating jurisdictions to allow workers certified in one province to work in Ontario. We urge caution using this approach for the provinces with lower standards to work in the construction industry than Ontario has. Our recommendation is to only use this authority for provinces that meet or exceed Ontario's existing standards.

However, this caution should not take away from the bill and what it seeks to accomplish. With Bill 2, Ontario is taking national leadership to remove interprovincial barriers to labour mobility and we hope other provinces make similar commitments on this issue going forward, while maintaining high standards for safety and construction. Thank you very much.

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

We'll start with the questioning. We'll start with MPP Brady.

Ms. Bobbi Ann Brady: Thank you to all our presenters this afternoon.

I'll start with Finn and Adam, because, actually, you guys are touching on my questions to previous questions today, who really didn't display any concerns with respect to the safety issues, and it's one of the things that caught me in this bill.

I think, Finn, you were touching on it there at the end, and maybe it's just been a long day and I'm tired. It was quick. But how do you suggest the Ontario government ensure the level of safety that we're accustomed to in Ontario—how can we do that through Bill 2, but also be very streamlined and efficient in getting workers on the front lines?

Mr. Finn Johnson: I'll say, first and foremost, that Ontario has one of the highest safety standards in construction in the country. There are other provinces that do have similar high standards of safety. In particular, I think of the Atlantic provinces. I know Manitoba does have some similar standards. But in many of the other provinces, the level of training you're required to get is employer-specific.

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

Mr. Finn Johnson: One of the things that we do, which Adam does through our national training department, is to harmonize that standard for our membership, but, of course, we recognize this doesn't always apply to the non-union sector and other trades as well.

Our recommendation certainly would be to ensure that the reciprocal jurisdiction applies to those with equal or higher standards. Newfoundland is one that comes to mind. I know in Ontario, there's actually quite a high proportion of individuals that come from Newfoundland to work, especially on remote camp job sites, turnaround projects.

I don't know if you have anything else you want to add to that, Adam.

Mr. Adam Bridgman: Just the registry of it. Ontario has registered individuals with working at heights since 2015, so at any point, the Ministry of Labour can be on site, scan a card, and it's not a fake card, not a fraudulent card; it's registered with the province. That there has probably got to be our best indicator to make sure that everyone is following the appropriate channels.

Ms. Bobbi Ann Brady: Thank you.

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

MPP Smith.

Mr. Dave Smith: Thanks, Chair. I appreciate that.

I'm going to start with the Retail Council of Canada. Sebastian, good to see you again. We're probably not going to spend very much time talking about alcohol today. The opposition members seem to think of it as a sin, and not the fact that we've got 20,000 people in Ontario right now who are working in that industry. I know we've done a lot of work with the Retail Council of Canada in the modernization of getting it into grocery stores and convenience stores.

What I really want to find out from you and flesh out is, you represent retail stores, outlets—however you want to call it—across the entire country. With the breaking-down of those trade barriers, it's going to be easier to get product into each of those stores. Can you talk a little bit about the differences in pricing, then, that we have across the country on basically identical products.

You mentioned the niche market of high-end sound speakers and music equipment, and truly I was floored by the fact that it was $17 million that we have the potential for additional sales in Ontario alone.

What other products then are we talking about that could make a difference that will see a reduction in cost here in Ontario if we break down some of these barriers?

Mr. Sebastian Prins: Just because you mentioned alcohol at the top, I've got to mention it briefly.

The direct-to-consumer piece that you're doing actually also unlocks an awful lot of money, potentially. It depends on how these exact agreements are negotiated. But in a scenario where folks are able to use third-party fulfillment centres—just as an example, we represent Amazon—an entity is able to ship from BC and use a third-party distribution centre of Amazon to have that same-day fulfillment. A lot of our grocers do sell and produce their own products, so if they're able to do something similar with stores, those fulfillment centres—our members have estimated that some $289 million in investments could be seen nationwide just in alcohol and growing that category. I just wanted to touch on that off the top since you brought it up.

But, yes, there's a lot of extra trade that we've been looking into, and I mentioned some of the other studies around how much breaking down economic zones has meant for New Zealand and for the European Union. We've been looking at, in particular, a lot of the products in Quebec because some of the research that we've been reviewing has suggested that the distance between economies matters a great bit. As a takeaway, when you're negotiating mutual trade agreements, Quebec is probably one of the most important jurisdictions you can land a deal with. We've estimated that that can, because of how close it is, help lower-cost goods flow across the border for certain products that they make cheaper than we do here in Ontario.

Those have been some of the items we've been looking at and focusing on as things that are of value to members. Of course, depending on what your next steps are, we can go a lot further to unlocking even more of that 4.4% to 7.9%. Agricultural goods—there's a lot of potential value that our members have pointed to that's held behind provincial marketing boards. If that is nationalized, there can be a lot of investment in harmonizing and building out some facilities there. Those are the kinds of things our members have been pointing to so far.

Mr. Dave Smith: You brought up Amazon being able to ship something from British Columbia to Ontario in a day, which leads me to the next part of it.

Some of the regulations that we have across the country don't always make a great deal of sense, specifically on the trucking or shipping side of it. Just as an example, each province has a different requirement for what needs to be in a first aid kit in a truck. For some, it is 12—hypothetical numbers—Band-Aids. Someone else will say, "No, you only need to have 10." Another one will say that you have to have three of these specific types of gauze, and someone else will say, "No, you have to have five of that specific type of gauze."

It's a barrier to getting products from one province to another, and I'm thinking specifically of manufacturers in my own riding. They have one that produces ice cream, and they do ship it across all of the country.

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

Mr. Dave Smith: Air pressures in the tires on the trailer are different across different provinces. By harmonizing this, we have an opportunity to reduce the shipping cost. How is that going to be reflected, then, when it comes to the retail side of it?

Mr. Sebastian Prins: Some of these supply chains are more efficient than others, so to speak. You've certainly highlighted several points where tire pressure rules—or there's the classic example of the truck that can't go from BC to Alberta. There are certainly a lot of efficiencies and pieces that can be garnered there.

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Some of our retailers do have more efficient supply chains than others. We've been layering it like—grocery tends to be a very efficient supply chain. I don't want to downplay the importance of some of that harmonization piece, but our members do have some of that—

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

We will now go to MPP Begum.

Ms. Doly Begum: Thank you to all of you for being here. I actually had a chance to visit your training facility about a year ago, and it's wonderful seeing young people getting trained. I'm just fascinated by how excited they were about what they were learning, and they were showing us what they were learning. So I just want to say thank you for the work that you do. It's incredible.

I did listen carefully to all three of the presentations. I'll start with the Carpenters' Regional Council. There are a few things that you mentioned. Throughout the day we're hearing about getting it right the first time, because it's very important that we do this, but at the same time we don't want to have a race to the bottom. We talked about safety. We talked about workers rights and protection—the higher standards. You talked about harmonization of the certification process.

I wanted to see if you could elaborate a little bit in terms of what we can do, because there are a few tweaks that we can make to the bill right now, as is, that I think actually will have that impact. If there are certain things that you would recommend and highlight for us?

Mr. Finn Johnson: I think we would say that Ontario's standard for—I guess I'll take a step back before answering that part of the question.

There are a few key elements that you need to start work on a construction site in Ontario before you get on to site. We call it work-ready requirements. You need to have your working at heights. In other provinces it's called different things—fall protection and others. You need to have your four steps—which is essentially a general worker orientation—it's not specific to construction—and you need to have your WHMIS certificate.

In Ontario, for example, our working at heights has one of the highest standards in the country. That's a good thing. It keeps our job sites safe. Other provinces do have higher standards, but we believe Ontario's is attainable for other provinces to meet, so diluting those standards for working at heights—it's only an eight-hour course; it's one day. Every other province, with the exception of Newfoundland and Labrador, has one day or less for that course. Ontario just covers the most in its curriculum. We would certainly recommend that maintaining that standard would be both fair and it would make sense to do, given that many other provinces already come pretty close to it, those that do have mandatory health and safety training.

As far as the four steps program and WHMIS, WHMIS is obviously already a globally recognized standard. As far as our four steps, there are specifics to provincial legislation that are within that course because it's a general workforce orientation, but I wouldn't think it would be difficult to have other provinces meet those same standards across the board.

Really, I would encourage the province to be cautious when implementing this. This is something that the industry has been calling out for for quite some time. This is a welcome step, but, to your point, getting it right the first time is key to maintaining the standards that we have in Ontario. The risk in allowing other provinces to have workers come here at those standards which are less makes our industry less competitive, it makes our job sites less safe and it makes our contractors less competitive because contractors are shipping in out-of-province workers and it harms those who are already here who are looking for jobs in our industry. So we would just urge caution in implementing those standards.

Mr. Adam Bridgman: I think pre-emptively too we are already delivering Ontario's working at heights within our union out in Atlantic Canada as well as all the way out to BC to allow our labour force to be mobile like that. There's your case study right there. It works. It's one day in our class. It just covers more.

Ms. Doly Begum: Thank you. You can bet that one of our recommendations is going to be to scale up, make sure that the standards are higher so that other provinces can follow us rather than the other way around.

I want to move to Sarah. Thank you for your presentation. Recognition of a lot of credentials, especially when they come from different provinces or from different parts of the world, has been something that I've worked on over the past seven years in the House here, and I know some of my colleagues feel very strongly about it as well.

We have talked about how other provinces have made it easier to remove some of the barriers for health care professionals to be recognized, but it's been much more difficult in Ontario. We just talked about the reverse problem here, in terms of health and safety standards.

There are a few things that you mentioned. One of the things that you talked about was making sure that we invest in it. What would you recommend that the government do for Bill 2?

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

Ms. Sarah Hutchison: I think to make Ontario a desirable location for the mobility of, for example, physiotherapists to come to Ontario, it's really easy. It's to ensure that we harmonize scope of practice to the highest possible standard, to serve not only the profession but the Ontarians, the patients that are here. To really expand access to physiotherapy makes a huge difference in terms of all aspects of care. Thinking about all of the pressures on our primary care, expanding scope for physiotherapists would make a meaningful difference tomorrow.

All of the building blocks are in place and have been since 2009. We are merely awaiting regulations.

Ms. Doly Begum: Thank you. I know my colleague MPP France Gélinas has been working and has worked with your group as well, in terms of making sure that we focus on that.

I'll just thank Sebastian for being here. I wanted to talk a little bit about removing some of those barriers—

The Chair (Mr. Ernie Hardeman): Thank you. That's it for that.

We'll now go to MPP Cerjanec.

Mr. Rob Cerjanec: Thank you all for your presentation. I have a bit more specific questions at first and maybe, depending on timing or maybe the second round, we'll change it up.

For Sarah, I'm really curious from your perspective, because you're generally good with the bill—all of that. Your remarks were more focused around diagnostic imaging and lab tests and being able to order them, and this is going back to 2009. Why do you think that's the case that this hasn't happened?

Ms. Sarah Hutchison: I think it's been a change in legislative priority as the bill was passed and the regulations needed to be implemented. The government has changed several times since 2009 when this originally was passed and enabled.

I think scope of practice has been complicated to navigate for health care professionals, just in terms of competitiveness. I think that environment has changed substantially in 2025, and interprofessional care, collaboration, our response to the needs in primary care are really changing the conversation, so I think the time is now.

In 2009, we were leaders in the conversation. In 2025, we are followers. There are four other provinces that have enabled scope, and we are not one of them.

Mr. Rob Cerjanec: Thank you. I appreciate that.

Sebastian, I'm very curious; there's a topic that came up in the morning session with the minister—and for the record, I do like to have an occasional drink or two on certain days, to my friend opposite.

Mr. Dave Smith: You've been bashing the whole thing in the chamber recently.

Mr. Rob Cerjanec: Not at all, actually. And I'm more than happy to have a drink afterwards with my friend opposite there.

The Retail Council of Canada, does it believe that the LCBO should remain the sole distributor of beer, wine and liquor in the province?

Mr. Sebastian Prins: So the best way, according to us, to drive down prices is to have the most competitive market possible. When we look to jurisdictions like Quebec, there are very open, competitive methodologies to retail alcohol, and that's not—the wholesaler model doesn't fully allow us to do that in Ontario for alcohol. There are even indirect ways. Private label right now is restricted. We see that the direct-to-consumer alcohol piece could be a potential boon in that it can allow retailers, potentially, if they're selling private label direct to consumers, to add some price competitiveness.

But, yes, if you were to further allow private label, if you were to move away from the wholesaler model, those would drive down prices and, yes, lead to more grocers more closely participating.

Mr. Rob Cerjanec: Do we get to a buck-a-beer, then?

Mr. Sebastian Prins: Do we get to a buck-a-beer? I mean, there already some beers that are a dollar, but very possibly. Our proposals have never been that the government should lose money on alcohol, so it depends on the tax structure.

Mr. Rob Cerjanec: But in countering the health costs afterwards as well? You don't have to—I'm just playing.

Mr. Sebastian Prins: Again, our pitch has always been that the LCBO dividend should be kept whole, it's just more how we do that in a more free-market way if we move away from that wholesaler model.

Mr. Rob Cerjanec: I appreciate that, thank you. Thank you for that—very helpful.

Finn and Adam, I really appreciate your presentation. I agree with you 110%. Has the government given you folks at the Carpenters' Regional Council right now any indication that they would only do those deals with reciprocating jurisdictions of an equal or higher standard?

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Mr. Finn Johnson: When we've spoken to the government about this challenge, it's not that we're just speaking to Ontario about it, we're speaking to governments across the country about it. Obviously, the entity that we work for, Carpenters' Regional Council, runs from Ontario to British Columbia, but our union does span the entire country and the United States as well.

This is a conversation we've had with all governments because we recognize that Ontario—if you were to look at it as a problem, it's a pretty good problem to have, having some of the highest standards of safety and some of the best skilled workers in the country. Our main concern with the reciprocating jurisdictions, should Ontario decide to look at provinces that don't have mandatory safety standards to get on the job site, is that our workforce becomes less competitive and our contractors become less competitive.

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

Mr. Finn Johnson: In speaking with the province, they have expressed that they understand this, and they're actively looking, in their conversations with other provinces—just as we are—to ensure that we have consistency in the guidelines. I believe that will continue to be part of the process as we move forward with harmonizing safety, apprenticeship and other standards across the country.

Mr. Rob Cerjanec: I appreciate that. Thank you.

Just from the federal level, as well, have there been any indications with them of any leadership role that they're going to be playing in helping to facilitate this? Yes, I know it's a new government, but I'm just curious.

Mr. Finn Johnson: Certainly. We have heard some good things from the federal government coming in. I believe this is a large priority of theirs as its within the mandate. I'm certain that they will consider continuing to push this in meetings over the next few weeks, and we'll certainly be part of those conversations as much as we can.

The Chair (Mr. Ernie Hardeman): We'll now move to the second round. We'll start with the independent, MPP Brady.

Ms. Bobbi Ann Brady: Sarah, I think this is more a comment than it is a question, but I really appreciate your points on expanding scope of practice. It's something that I talk about quite frequently in my work, and I think we should be doing that across a number of health care practitioners. So thank you very much for that, and you're right: We should be a leader, not a follower, with respect to that issue.

Sebastian, maybe you could just elaborate. You talked about this as a good start to a process, and there are some bigger-picture items that we should maybe be looking at. Can you elaborate on what those bigger-picture items are, please?

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

Mr. Sebastian Prins: Yes, for sure. We've seen a lot. There's that 4.4% to 7.9% figure that's been echoed around. We strongly believe that that is what's up for grabs here, but that's if we unlock all interprovincial trade barriers.

Just as an example, there are a lot of restrictions on provincial marketing boards when it comes to retailing agricultural goods. We would see people making large investments, and it's an area where instead of it just being supply management with prices and quota decided in Ontario—if that was expanded nationwide.

Or another example: We've talked a bit about some of the money unlocked by direct-to-consumer alcohol. There's even more in a scenario where you break down those barriers further. Even with something as simple as private label, that drastically sees a lot of grocers come to the table to invest in local wineries.

Anything that continues to set up a one-stop-shop approach for reporting is always very good. Just as an example, when it comes to recycling, there's a lot Ontario can do to align and harmonize with some of the other provinces. If that were to happen, it would really help producers finish off a one-step or -window reporting system that they have been trying to work on with some the other provinces, if tweaks were made there—

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

We'll now go to the government. MPP Saunderson.

Mr. Brian Saunderson: I want to thank all of the members of our panel today. We've had some very interesting panels, very diverse. This is a complex situation that's been brought forward because of what's going on south of the border. We're moving forward in a bold way that, unfortunately, has not happened before, in the circumstances, and there's a lot to think through, the implications, as we move forward.

I'm going to try to ask questions of each of you. I'm going to start off with a few short questions for each of you.

Sarah, I'm going to start with you. My understanding is when you're talking about mutual recognition in the physiotherapy world, it's a national certification, so that's not so much a concern. Am I right on that?

Ms. Sarah Hutchison: They're moving to a single national licensure, but the jurisdictions have similar competencies in each of the provinces. The variation between provinces is very minimal, and it's easy for physiotherapists that are Canadian-trained or already registered to move between provinces.

Mr. Brian Saunderson: Okay. My understanding is part of your concern is, while this would be helpful to unlock the market and allow physiotherapists to move across the province and hopefully come to Ontario, the concern is there are different scopes of practice across Canada, and in Ontario, while we've had the legislation in place since 2009, I think you said—

Ms. Sarah Hutchison: That's correct.

Mr. Brian Saunderson: —we haven't brought the regs forward to open that up so that there would be parity across the nation.

Ms. Sarah Hutchison: Those provinces are Alberta, Quebec, PEI and Nova Scotia, where physiotherapists can order diagnostics and provide that care and treatment to their patients. It's hard to imagine, in harmonization, if you have that scope of practice, coming to Ontario to bring your skills, knowledge and judgment and not being able to practise at your full scope in this jurisdiction. I really meaningfully think that is a barrier to coming to Ontario.

Mr. Brian Saunderson: I think that's an excellent point, and you've seen how this government—I know you're familiar with how we've been expanding scopes of practice for pharmacists and others to try to get more access to immediate care for our citizens.

Just, then, as an ancillary question, with that disparity, have we seen a leakage of physiotherapists from Ontario to some of those jurisdictions that have expanded scope of practice?

Ms. Sarah Hutchison: We don't have great exodus data. We can tell from the research that was recently published that there still remains a significant shortfall in physiotherapists in Ontario, and that shortfall is being addressed by new grads coming into the profession through our schools across Canada, of which Ontario has five schools and, primarily, actually, internationally educated physiotherapists, internationally educated health care professionals coming into Canada through a variety of different pathways.

So it's not the migration of currently licensed physiotherapists; it's those two channels, primarily.

Mr. Brian Saunderson: Okay. So if I get your submission today, what you're saying is we need to look at getting those regs in place, expanded scope of practice, so that we're not going to see that exodus, that if we open up that boundaries we're going to retain—because retention is a huge piece. It's not just attracting; it's retaining those that you've trained, particularly when you've invested dollars in training them locally, right?

Ms. Sarah Hutchison: Absolutely. And if they have that scope of practice, not only will they come here, they will stay here, they will thrive here and we can fully leverage what we've trained our health care professionals to do.

Mr. Brian Saunderson: Great. Thank you. You've done a great job today.

I want to turn now to the carpenters. My son is just in the process of trying to get an apprenticeship for his Red Seal as a precision machinist. Certainly, I know how important skilled trades are, and it's been a big focus for our government. I appreciate you guys coming today.

I want to make sure I understand: We have, if not the highest, very high standards in Ontario, and there are some other provinces that meet that. With these training sessions like—I have to make sure I get the right name for it—the high-working certification, it's an eight-hour course. Who generally pays for that for the apprentice?

Mr. Adam Bridgman: If they're a union member, it's covered by their union dues; if it's not, third-party providers across Ontario and across Canada typically charge anywhere between $250 and $300 for that session, and that's out of pocket.

Mr. Brian Saunderson: Okay. And you told us that to get on a construction site in Ontario you have to have a bunch of minimum standards to get on there, the high-working certification being one. What are the others that would be different from some of the other provinces?

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

Mr. Adam Bridgman: Ontario, like Finn had mentioned, it's WHMIS and a four step, which is an online module base. There's a program in Saskatchewan called SCOT, which is construction orientation training. It's 14 modules; it takes roughly a day to do. That one there we've looked at across a lot of our provinces, at least in our areas, to introduce that, because it really does cover off a lot. It covers WHMIS, as well. So, between that, as well as the Ontario working at heights, we would probably be able to check off the boxes at that high standard, not just rubber-stamping everyone coming through.

Mr. Brian Saunderson: So if I'm understanding you correctly, it's not a huge amount. These are critical courses, but they don't take a ton of time and, relatively, the expense is not huge compared to what they've already gone through to get their Red Seal.

Mr. Adam Bridgman: No. And this is day one; a Red Seal for carpentry is four-plus years, like most trades. That's a great thing at the end of an apprenticeship, but day one to get on site, if you're waiting a week or two or three weeks to get that, it becomes very difficult, and this isn't something that's just—

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

We'll now go the official opposition. MPP Begum.

Ms. Doly Begum: Actually, I want to give Adam a chance to finish his response. I know it's very important.

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Mr. Adam Bridgman: Thank you. This isn't something that has come up overnight, over the last couple of years. I've dealt with it in training for over 15 years.

Individuals will chase money and go out to Fort McMurray and sit for a week so that they get all their safety training so that they can be dispatched. Well, if you're sitting for a week and you're only there for two, you've lost half of what you were going to make.

Coincidentally, when they come to Ontario to work, either in Toronto or the gold mines north of Sudbury, it's the same thing: They're coming in, and it's two, three days of waiting to get their training—and that's if it's all queued up and scheduled. So it becomes very ornery in that sense.

Construction is extremely migrant, and it has been since day one. Everyone bounces around because the main part of your job is to finish the build and move on. It's just the nature of the beast here. So I think it's awesome that we're going in this direction.

Ms. Doly Begum: I think you want people to be safe from day one.

I want to go back to Sebastian. I think you and the Retail Council of Canada have been advocating for the removal of interprovincial barriers from a very long time ago, before this was a hot button issue for the government or for any of us, with the trade war, the economic war we're facing right now with the US.

The instrument example, I think, was fantastic. It really gave us a picture of what we are looking at. My question is simple: How do we get it right?

Mr. Sebastian Prins: Thankfully, the approach that the government currently is taking involves mutual reciprocal deals that have to be negotiated. That's a positive step, in our opinion. There is always going to be nuance in things. We've seen from folks at this table here—Finn and Adam have been pointing out some of the nuances in their space. There are always going to be nuances, and if you're negotiating deals, that always helps tease out and address some of those nuances. From our perspective, this is a useful approach because it can take that deliberate view.

Then, as we're thinking through the next piece—because this, from our perspective, is a first step—conversation and consultation, as we're considering, do we want a more nation approach to things like supply management boards? How do we want to treat some of these other categories that are blocked behind provincial regulation? Again, there are going to be multiple sides to this, so we've always suggested that there be consultation and conversation.

From our grocery perspective and our retail perspective, the more they're able to experience a free market in selling things, the better. That has been proven to drive down consumer prices and have positive impact. But there's always another side to the coin. We recognize that as additional conversations are being had, there should be a moment for both of those things to be valued.

But particularly in light of trade wars and things like that, we think this is a positive approach—that we're trying to break down interprovincial trade barriers and go after that 4.4% to 7.9% GDP increase.

Ms. Doly Begum: Your response really hints at one of the most important issues we're facing in this province, which is the crisis in terms of affordability and housing and retaining a lot of the workers. That, I think, goes for everyone sitting at this table, as well—making sure that Ontario provides all the opportunities in the best way possible.

So if we're talking about health care workers—making sure that they stay in this province, having those opportunities, but also being able to afford a roof over their head, to be able to afford food in this province.

Are there recommendations you would make, so that while this bill on its own plays that part, with some of the tweaks that are necessary—but also the government's actions needed to make sure that we build houses that people can afford in this province and make sure that we're making the province more affordable for workers across the province as well?

That's for anyone who wants to respond.

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

Mr. Sebastian Prins: I'll start. Like I said, this is, from our perspective, the first step. This is tackling a piece of that GDP figure that's up for grabs. If you want food prices to go down, a big, meaningful way to do that is by looking at how we do supply management across Canada. Is it by a province-by-province approach? Do we have 13 different economies, or are we approaching this in a more holistic way, which will create winners and losers and will create businesses that will aggregate in scale and some that will shrink? But that competition does encourage investment and does encourage to drive down prices. So when we're talking about some of that, that's why we're saying—those stats that you hear are for free trade without any barriers between provinces. This is a fantastic first step, but there are multiple additional items if we want to see that full impact.

I don't know if others want to jump in from your perspective.

Ms. Sarah Hutchison: No, other than just to say that optimizing supply management in health care is a scope of practice conversation. Imagine if you went to your hospital emergency department and your physiotherapist could assess and diagnose an MSK issue that you presented with and order the appropriate diagnostic.

The Chair (Mr. Ernie Hardeman): Thank you.

Now we'll go to the third party. MPP Cerjanec.

Mr. Rob Cerjanec: Just on the topic of supply management, because I want to talk about this more now that it's come up: Do we think that touching supply management across the country—for example, as we're talking about a new trade deal with the United States, would we see products from the States here?

Mr. Sebastian Prins: I'm assuming that's to me.

Mr. Rob Cerjanec: Yes.

Mr. Sebastian Prins: We've weighed in less from a federal perspective, so that's something that we haven't consulted our members to see if they want to touch on. It's more: Let's assume supply management is fixed; what is a better way to do it? It would be to break down interprovincial trade and have a quota system and a price-setting system that's national in scope, instead of by each different province.

Mr. Rob Cerjanec: It's kind of the third rail of some of it sometimes—credit to talk about it.

I'm curious as well, Sebastian, just around different provinces and some of the food processing standards or packaging standards: How wide are those differences from province to province, or not? I'm very curious on that.

Mr. Sebastian Prins: Quebec has a very different regime there because of its language laws, and we wouldn't imagine that—even in a world where we're breaking down interprovincial barriers, I find it unlikely that they're going to want to touch that. Politically, we get that.

Between the other provinces? Less than you might think. There are still packaging differences that our members put on shelves province to province, but it's a more harmonized process when it comes to packaging between the other provinces than Quebec and Ontario, for example.

Mr. Rob Cerjanec: Okay, thank you. I appreciate hearing from you on that.

I guess one last question, Sebastian, is, what strategy do you think that the province might need to do, then, to try and maintain that LCBO dividend to the province? Because it's been declining the last three years.

Mr. Sebastian Prins: I would have never thought I'd get so many LCBO questions.

Mr. Rob Cerjanec: I know, right? Sorry.

Mr. Sebastian Prins: I guess our members' pitch has been to make it more free market. That would be the ideal, that we can buy and sell alcohol, and set a taxation rate on our retailers that will keep that dividend whole. We know that there is market share that's moving from the LCBO to others. Our goal has never been to see health care funding decline as a result of this—keep that dividend whole—but by having a more free market, you will see beer prices go down because there's more competition, there are less artificial barriers and a lot of our members are very good at price negotiation.

Maybe I'll also address—we often hear that the LCBO is the largest purchaser of alcohol in the world. I don't know where folks get that notion from. We have public reports that that's certainly not the case. We have several members that buy more, but there could be elements that get that down.

Mr. Rob Cerjanec: Who is the largest, then?

Mr. Sebastian Prins: Who is the largest? I'm not sure I can say. It's been shared in confidence with us. We have some data from members. We know that there are—some of our members are also multinational, right? So we've got members that have very large purchasing power and, if you look at other jurisdictions, are top sellers for their private label in the region. I'll leave it at that.

Mr. Rob Cerjanec: Fair enough.

Finn and Adam, just curious around carpenters and labour needs for your members right now: Are you finding that you need more folks coming into your skilled trades section?

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Mr. Finn Johnson: With the residential construction markets specifically in the GTA, it's on a bit of a downturn right now, unfortunately. I think it will be that way for quite some time.

That doesn't take away from the fact that many other parts of the province are booming right now, and when you look at the numbers that we are anticipated to meet, 20% of the workforce in the construction industry is going to retire in the next decade. That's a really daunting statistic and we're going to be needing hundreds of thousands of workers in the skilled trades to replace those individuals that are retiring.

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

Mr. Finn Johnson: But, also, we've seen over the last few years nationally, within Ontario we're investing in unprecedented levels of infrastructure, and in order to meet those increased infrastructure needs, we will need more workers on top of that. Where there's a shortage in one area and one particular trade, there's a boom in another area and another trade. We can't take our foot off the gas in terms of recruitment and upskilling.

Mr. Rob Cerjanec: I appreciate that.

And just around the country, do you think there will be an inflow or an outflow of your members in Ontario?

Mr. Finn Johnson: I would say that our members in Ontario are highly in demand, and I would say that the percentage of individuals that will be retiring in the next decade is consistent across the provinces. So each province does need more workers, and every province wants to have the most skilled workers.

Mr. Rob Cerjanec: How are your members dealing with the cost-of-living crisis right now in housing, especially your younger members? I'm very curious for your perspective on that.

Mr. Finn Johnson: Sure. It's a challenge—

The Chair (Mr. Ernie Hardeman): We will never know, because the time is up.

Laughter.

Mr. Rob Cerjanec: That's it. I think that's the answer.

The Chair (Mr. Ernie Hardeman): With that, the time is up for that question, but it's also up for this panel.

We want to thank everybody for the time they took to prepare and to so ably present it to us. We sure appreciate it, and it will help us as we move along in referring this bill back for further consideration.

MR. RYAN MANUCHA

ONTARIO SOCIETY OF PROFESSIONAL ENGINEERS

ONTARIO REAL ESTATE ASSOCIATION

The Chair (Mr. Ernie Hardeman): The next panel is Ryan Manucha, Ontario Society of Professional Engineers and the Ontario Real Estate Association.

With that, as we said, the panels each will have seven minutes to make their presentation. At six minutes, I will say, "One minute." You will then have a minute to wrap it up and we will go on to the next presenter.

We start with Ryan Manucha.

Mr. Ryan Manucha: Excellent. Thank you so much, Mr. Chair.

How poetic it is that today we are having this convention while the King came and addressed our Parliament with his speech from the throne, speaking exactly about internal trade. I am proud to say he cited a figure from my research I co-authored with Professor Trevor Tombe—very, very thrilling. And that's a trifecta: him, Pierre and Mark Carney all cited it in their platforms.

My name is Ryan Manucha. I'm a research fellow at the CD Howe Institute. My speciality is interprovincial trade. I'm absolutely thrilled to be alive at this truly once-in-a-generation moment on the internal trade file.

I'd like to take us back to February 1867, when the Earl of Carnarvon stood up in the British House of Lords on this cold day and introduced the British North America Act. He described a Canada none of us would recognize: one with hostile custom houses guarding intercolonial frontiers, different postage and weight systems and different currencies. And here we are today, an integrated state.

I think more poignant here—Sir John A. Macdonald, 1864, to the delegates of the Charlottetown Conference in Halifax, said, "I have been dragging myself through the dreary waste of colonial politics.... I have finally found a reason for this, that being building an internal union."

Yes, the CPR was the quintessential example of breaking down internal trade barriers, and today its less sexy cousin is regulatory disharmony—I apologize; you guys don't get that one. To bring forth to the nation, this is something that's going to go down into the history books. I've been impressed sitting here with your engaged questions and comments and also with those contributions by the speakers.

What is mutual recognition? If the good, service or labour is certified in another province, it's good enough for us. It's that simple. It's a culture; it's not necessarily a policy. It inculcates inter-regulator dialogue and information exchange. We heard on the last panel—and I'm sure you guys have heard today and will continue to hear—arguments about the race to the bottom and worry about the standards. A couple of things on that front: I think it's actually a march to the top. We've seen this internationally. You see the best practices, the know-how, the technology being able to flow across borders and regulators communicating with one another on a far more routine basis.

Mutual recognition is not denying that there are differences, it is saying. "Okay, incoming labour from Manitoba, we didn't see this, this and this. These are the legitimate reasons why we do need to see this coming from inbound labour. I'm going to add a compensatory requirement." But it's got to be grounded in legitimate objectives and justification—reason giving, notification giving.

This is what we saw in Australia 30 years ago, what Europe gave us 40 years ago. We are not the first ones to the table on this one. That's the beautiful part about it. The sky is not going to fall. I can promise that to this committee here.

In my paper I delivered to this committee, I identified four areas of improvement for this bill. I think it's an excellent, excellent start. The bill is very bold and ambitious—again, generational. But we already had the agreement on internal trade in 1995. We already had the Canadian Free Trade Agreement in 2017. Why are we here? Because we're going even further than all of that, which is why, on things like the 10-day standard for deemed automatic recognition, it is just not ambitious enough. Ontario has already departed from its other provincial neighbours on bifurcating between "temporary" and "permanent" in this Bill 2. That is definitely well within mutual recognition literature to do so.

But Australia reversed the burden on its people and said, "Okay, you're a security guard licensed to practise in Queensland. You're moving over to New South Wales. That's fine. Come and notify the local regulatory authority. Deposit the documents and the requirements at the regulatory authority"—I'm not getting rid of that obligation. "Deposit it at the regulatory authority, and we now have 30 days to tell you that we're trimming your requirements, that we're adding compensatory requirements and we're going to give you a reason as to why we're having to do so."

What's been interesting engaging with regulatory authorities across the country is, there seems to be this level of unknown about, "Oh, well, I've got to review. I don't really know how they do it in X province and Y province." That is the whole thing about mutual recognition: It's, again, that culture. It's, "Okay, that's fine. Today, in 2025, we're introducing the obligation that you go and engage with that regulator and understand how it is that that they regulate bricklayers and dental hygienists and doctors, and where there is a gap, let's discuss it."

In Australia—just some figures, first of all—in the first two years of them kicking off their mutual recognition scheme, 15,000 Australians engaged in that scheme to get to the other side of an Australian border. That's remarkable. Within five years, we saw 20 occupations escalate to a national standard of licence in order to just trim the immense transaction costs they were already incurring. They said, "We get it. Let's get to a single playing field."

I've never been to Australia. Ontario is the New South Wales of Australia. Without New South Wales, mutual recognition in Australia would never have happened. Not only because Ontario is the largest economy, but because Ontario—and I'll say the counterpart legislation has introduced no causative active provisions in the legislation, meaning that no one can enforce and get clarity on what terms mean. That's why, in my submission, we need clarity as to what "equivalent" means. I propose a definition of "equivalent."

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

Mr. Ryan Manucha: Anyway, you can read my submissions. It's four surgical improvements, the big one being: Let's actually make this worthwhile and drop that 10-day service standard for temporary workers down to zero. Maybe there are creative ways to get that, but let's make that the bar.

With that, I thank you guys. I will pause there. Just to say, thank you so much for bringing this legislation forward. I'm really excited for the fact that Ontario is thinking in decades and centuries, not months and years.

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

The next presenter will be the Ontario Society of Professional Engineers.

Mr. Sandro Perruzza: I don't know how I follow that.

The Chair (Mr. Ernie Hardeman): Just be just as enthusiastic.

Laughter.

Mr. Sandro Perruzza: Good afternoon. My name is Sandro Perruzza. I'm the chief executive officer of the Ontario Society of Professional Engineers, or OSPE for short. I want to thank Chair Hardeman and the members of the Standing Committee on Finance and Economic Affairs for the opportunity to be before you today to represent the almost 300,000 Ontario professional engineers and other licensed engineering practitioners, engineering graduates and students to express their enthusiastic support for Bill 2 and to share exciting opportunities to maximize its transformative potential.

Although Bill 2 represents a practical step forward to reducing interprovincial trade barriers and enhancing labour mobility, I believe more can be done in order to be truly visionary. This legislation could position Ontario as a leader in a Canadian economic integration. By building on the strong foundation and addressing current licensing processes, we can unlock unprecedented opportunities for Ontario's engineering sector right across Canada.

Ontario is well positioned to become a model for professional mobility in Canada. Our engineering community sees tremendous potential to enhance Bill 2's impact through strategic improvements to the licensing framework. As it stands now, the bill, as presented, will only have a small impact on labour mobility in the engineering sector. Engineering licences can be easily acquired within two to three weeks in one province if you're already licensed and in good standing in another province. What is causing issues is the prohibitive fees engineering firms have to pay to send their engineers temporarily from one province to another to work on a project for a few weeks, or to sell their engineering equipment from one province to another. These fees can add up to thousands of dollars for a single project.

Additionally, if a global engineering firm here in Canada has an employee in one country and wants to transfer them to Ontario, Bill 2 does little to address the time delays and additional requirements for internationally licensed engineers from a recognized country in the International Engineering Alliance to easily transfer their licence here in Ontario.

Let me be clear: It is harder for an internationally trained engineer and those coming from other associated degrees in Canada to get licensed here in Ontario than it is in any other province in Canada; thus, they decide to go get licensed in those provinces. This has caused Ontario to lose out on some of the top global engineering talent that we so desperately need here.

Let me highlight three key opportunities. First, expanding academic credential recognition: We have a chance to lead Canada by creating a more inclusive system that recognizes diverse educational pathways while maintaining high standards. This forward-thinking approach will attract global talent and strengthen Ontario's competitive advantage.

Second, modernized experience verification: We can pioneer innovative approaches to validating professional experience, creating efficient pathways that respect international expertise while ensuring competency. This positions Ontario as the destination of choice for world-class engineers.

Third, enhanced interprovincial collaboration: We're uniquely positioned to eliminate financial barriers for temporary interprovincial work, fostering the seamless collaboration that major infrastructure projects demand.

We truly believe this bill can be a vision for excellence; thus, I'm excited to share four innovative opportunities that can make Bill 2 a resounding success:

(1) Expand credential recognition by creating a novel recognized programs list that welcomes diverse educational excellence while maintaining rigorous standards, showcasing Ontario's commitment to global talent;

(2) Eliminate assessment redundancy by recognizing proven competencies demonstrated through professional experience and international licensure, creating efficiency without compromising quality;

(3) Lead interprovincial mobility by removing financial barriers for temporary work assignments, making Ontario the champion of Canadian professional engineering collaboration; and

(4) Champion a national engineering licence. Ontario has the opportunity to spearhead this groundbreaking initiative, creating a licence that is issued provincially but recognized nationally, truly revolutionizing professional mobility right across Canada.

These enhancements will generate remarkable outcomes. You will have the opportunity to create unprecedented access for qualified professionals, while elevating standards of fairness and transparency. Ontario will become a magnet for top engineering talent, attracting the brilliant minds who will drive our province's economic growth. We will pioneer a seamless interprovincial collaboration that will establish Ontario as a gold standard for professional mobility.

Trust me: There is a global fight right now for engineering talent, and these changes will solidify Ontario as a premier destination for the brilliant engineers and technology innovators that we need to modernize our manufacturing plants, to upgrade and revolutionize our energy sector, to realize just how we extract and refine our critical minerals in an environmentally viable manner and to design and build sustainable infrastructure that will serve future generations. Quite simply, with these enhancements, we can ensure that the most talented engineers contribute wherever their expertise is needed, whenever it's needed most, right across this great province.

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

Mr. Sandro Perruzza: In conclusion, Bill 2 provides an outstanding foundation for transformative change. By embracing these enhancements, we're not just improving the system, we're pioneering the future of professional practice for all regulated professions in Canada.

The engineering profession is eager to partner with this government to be the first in line to create a world-class regulatory framework. We're excited to help Ontario lead Canada towards unprecedented professional mobility. Together, we have the opportunity to make Bill 2 a model that other provinces will aspire to emulate.

Ontario engineers are ready to build an extraordinary future: Let's ensure our regulatory framework empowers them to achieve it.

Thank you for this opportunity to share our vision. I'm excited to answer questions at the end of this.

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

Next, we will hear from the Ontario Real Estate Association.

Ms. Cathy Polan: Thank you, Chair, and members of the committee. Thank you for allowing me to appear here today. My name is Cathy Polan. I am the president of the Ontario Real Estate Association. We're one of the largest professional associations in Ontario, representing just under 100,000 realtors.

Let me begin by saying that OREA was pleased to see the recent introduction of Bill 2, Protect Ontario Through Free Trade Within Canada Act. This legislation is a positive step forward in eliminating Canada's interprovincial trade barriers, an issue OREA has championed for a long time. As Ontario looks to build at least 1.5 million homes by 2031, easing those barriers to interprovincial mobility will ensure that Ontario can match labour supply with our housing needs, accelerating construction and reducing project delays.

While we are encouraged by this aspect of Bill 2, we have questions about the impact the bill could potentially have on service-based regulated professions such as real estate. For over seven years, OREA has been proud to work with the government to modernize the real estate regulations, particularly with the Trust in Real Estate Services Act, or TRESA, which was unanimously passed and implemented in 2020. TRESA isn't just legislation, it's a framework for trust.

Together, we introduced reforms that have raised the bar for professionalism in our industry and helped make Ontario a leader in North America when it comes to professional standards, education, consumer protection and access to modern business tools. These tools, some unique to Ontario, came into effect on December 1, 2023, requiring an enormous amount of training and adaptation spanning several months. Ontario realtors want to keep building on this progress, but we worry that Bill 2 could diminish the hard work invested in ensuring families are protected when making the largest financial transaction of their lives. Currently, that's $860,000 per purchase.

OREA, along with our member boards, brokerages and brands, invested heavily to ensure Ontario realtors understood the new rules and could uphold them. But we're not done yet. Ontario's real estate services are still in a transitional period, with the third and final phase of TRESA regulations yet to come. That's why, with Bill 2, we urge you to consider how this legislation will impact TRESA and the real estate industry more broadly.

OREA also has questions, particularly when it comes to transactions during the six-month as-of-right period. For example, Bill 2 could inadvertently allow realtors from outside the province to practise in Ontario on a short-term or deal-by-deal basis, something that is a concern to Ontario realtors working in border communities.

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As Bill 2 currently stands, realtors licensed in other provinces would be allowed to work in Ontario for up to six months, as-of-right, while completing their labour mobility application. Some potential concerning scenarios would include agents who submit an application to complete a deal with no intention of practising in Ontario beyond that transaction or completing a deal within the six-month as-of-right period despite their denied registration. What protections are in place for the consumer? These are scenarios that must be considered as part of the committee's discussions around Bill 2.

OREA believes the eligibility requirements ought to be brought in place prior to submitting a labour mobility application, ensuring agents applying to work here are not in violation of local laws or under investigation by their regulator. We also want to ensure no unintended loopholes arise from the changes proposed by Bill 2.

Unlike other professions captured by Bill 2, realtors do not need to be in Ontario to complete their work. The inclusion of real estate services in Bill 2 could introduce a loophole that would allow agents to transact real estate without physically being present in Ontario, weakening the consumer protections included in TRESA.

As previously stated, OREA strongly supports labour mobility and red tape reduction. This is important and historic legislation, and this provincial government, once again, is leading the way. At the same time, we must ensure that these efforts do not undermine the strong consumer protections and professional standards we've put in place, the recent results of the decade of hard work by OREA, the Real Estate Council of Ontario and the Ontario government.

Ultimately, this is about trust. It's about ensuring that Ontarians continue to have confidence in their real estate agent, the market, the regulator and the government's commitment to consumer protection.

One of the greatest privileges I have as a realtor is helping people find a place to call home. I don't take that responsibility lightly, and neither do the other realtors. We are proud of the progress Ontario has made to raise the bar for our profession.

We look forward to continuing our work with the provincial government, supporting labour mobility and economic growth, while ensuring the gold standard of consumer protection and professionalism that we've built under TRESA is not only preserved but strengthened.

Thank you for your time.

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

We'll start the first round with the government. MPP Racinsky.

Mr. Joseph Racinsky: Thank you to all the presenters. I've got a couple of questions.

I'll start with OREA. As an advocate for Ontario's real estate professionals, what are you hearing from your members regarding Bill 2, and what do they expect will be the impacts of Bill 2 to the real estate services sector across Ontario?

Ms. Cathy Polan: I'll be honest: I don't think a lot of people are as aware of Bill 2 as maybe the administration and the board of directors. So can I speak from a personal level?

Mr. Joseph Racinsky: Absolutely.

Ms. Cathy Polan: I'm not in a border community. I'm just going to put that out there. I'm from a small city, Belleville, Ontario.

What I would say is that I'm worried that somebody can do a deal outside. They will send their client to me, I'm going to go show them the house, and then that person from an outside province can write the deal up without ever stepping inside the home. They don't smell it. They don't look at it; they look at pictures. It's not good enough. It's not good for our consumer protection.

When I go through a home with a couple or with a buyer of any sort, I'm looking for all those negative things because they're all looking for the good things. It's emotional. They like to see and feel and only look for good things. They don't look for the small things that might be a sign that they need to step back and have a second look.

I think that's probably our largest concern, consumer protection. We're excited about this bill. We've championed for it for a long time, but we just think there just needs to be a little bit more thought process with respect to the profession.

Mr. Joseph Racinsky: Then on the labour mobility side, what's the main benefit you see from that for your industry?

Ms. Cathy Polan: I'm not sure how many people are actually going to do that. I don't plan on ever going to another province to sell a house, personally. That's not what I want to do. But I do think there are some younger people out there—I know of a gentleman; I'm not going to say his name. He's a really good friend. He's in Saskatchewan. He's a young kid. He's from Ontario. He thinks this is lovely. He thinks this is a great thing for him—to be able to come back home, help his friends and his family, maybe get a network going for four to six months, and then go back home. So he thinks it will be a lovely transaction. I believe he would do a good job. But I don't think the uptake is going to be as large as we thought, maybe, in the end.

Mr. Joseph Racinsky: Thank you for that.

My next question is to Ryan Manucha. I just wanted to thank him for the reminder. As we get down into the weeds of this bill, it's important to have that reminder that Ontario is part of a country called Canada, and so is Alberta, and so is Quebec, and that nation of Canada faces an existential threat to its sovereignty right now, and it's a time to take action, to do big things, and this bill represents one of those big things.

I just wanted to give Ryan an opportunity to speak a bit more about why this bill is important.

Mr. Ryan Manucha: I think the past four months have posed a question to us: Are we an appendage of the United States or are we a sovereign state—a signal of that being whether or not you can trade internally and move internally and give services internally, or are we just a north-south?

It will be decades before we have, quite frankly, the cover to be able to suggest that it's time to put internal trade at the top of the agenda; usually, it falls right down to the bottom, and with reason. There are 340 million people south of the border and 40 million people here. As much as I think we're entrepreneurial, there's a limit to that. So this is really it. And I won't let the great be the enemy of the good.

This is a really great opportunity, and it's a really great bill.

Mr. Joseph Racinsky: Thank you. I'll cede to my colleague.

The Chair (Mr. Ernie Hardeman): We go to MPP Triantafilopoulos.

Ms. Effie J. Triantafilopoulos: Thank you very much to the panel. I found all of your presentations very, very informative.

I'll start with Ryan. I have to admit that I really like your enthusiasm. Obviously, you've been researching internal trade barriers amongst provinces for a long, long time. How many years have you been frustrated?

Mr. Ryan Manucha: Oh, boy. I have to say, it has been remarkable, again, having studied it, pre-Confederation to the present—even the years I wasn't alive—knowing how unique this window is, absolutely.

Ms. Effie J. Triantafilopoulos: You're quite right. It is an important, pivotal time—and then to take advantage of the opportunity that presents itself.

Could you speak to what you think the true economic benefits of dropping the interprovincial trade barriers are going to be—and over what course of time, before we actually see the tangible results?

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

Mr. Ryan Manucha: Back to the CPR: If we had a bunch of economists in 1871 and we asked them what are the economic benefits of the CPR, I guarantee they would never have figured that one out correctly. I am proud to have co-authored the paper that suggests that it's up to a 7.9% boost to GDP, $200 billion to the economy. Ontario—I didn't co-author this paper, the one that Trevor Tombe did—up to a 5% boost to Ontario's GDP. These are really big numbers, but I think that understates it, for reasons we've talked about. It doesn't capture the knowledge, know-how, the dynamic effects, the knock-on effects—that's the lower-bound, I'll put it.

Ms. Effie J. Triantafilopoulos: How much time do I have, Chair?

The Chair (Mr. Ernie Hardeman): You have 26 seconds.

Ms. Effie J. Triantafilopoulos: I'll forgo my time. Thank you so much.

The Chair (Mr. Ernie Hardeman): We'll now go to the official opposition. MPP Fife.

Ms. Catherine Fife: I'm going to start with Sandro. It's nice to see you.

My goodness, Ontario does need more engineers, without question, especially if we're going to be tunnelling under the 401, or funnelling—I'm not sure what the appropriate word is.

Sandro, can you unpack your specific concerns a little bit? The fees are pretty self-explanatory. Do you see a government role to play in easing or streamlining the engineers moving from province to province?

Mr. Sandro Perruzza: With respect to engineers moving from province to province, the bill is not going to make a difference. Within two weeks, you can transfer your licence, if you're in good standing. So that's not really the big concern.

I'll give you some numbers: 80% of those who were licensed in Ontario last year were internationally trained.

Ms. Catherine Fife: Wow.

Mr. Sandro Perruzza: Yes. Canadian engineering graduates are getting jobs in banks, in financial management institutions, in logistics firms and all these other companies that want engineers. They're paying them more, they don't have to work weekends—engineers are exempt from overtime under the Employment Standards Act—so they have a better quality of life. So that's where they go.

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Again, we need tens of thousands of engineers. It's great to have these internationally trained engineers come here, but when FARPACTA came into play, it shut the door on a number of engineering professionals. Because in order to meet the timelines, Professional Engineers Ontario, instead of hiring more staff to deal with this, what they did is they said, "Well, we've got to issue licences within six months, so here's our parameters." There's this International Engineering Alliance and if you have a recognized degree in this international database—which is not transparent; it's kept secret by Engineers Canada—if your degree is in there, then you can get a licence. If your degree is not in there, we no longer will issue a licence.

In the past—for example, the chair of my board right now has a bachelor of science in chemistry, he has a master's in chemistry and he has a PhD in chemical engineering. But because his undergraduate degree is not in engineering, in the past, there was a pathway for him to get his professional engineering degree. He is one of the best-known practitioners in his area. Now, under the new rules, he's no longer eligible to get a professional engineering degree because his undergraduate degree wasn't in engineering.

Ms. Catherine Fife: We're working against ourselves, then, in that regard.

Mr. Sandro Perruzza: Yes, and I don't blame FARPACTA for that; I blame the priorities of Professional Engineers Ontario.

Ms. Catherine Fife: Okay. But we need to reduce some of these barriers for engineers to come to Ontario. That's a shocking stat, 80% internationally trained, because we do have good schools in Waterloo—of course I say Waterloo because it's my riding. But the competition internationally for engineers is profound.

Bill 2, right now, as it's drafted, will not succeed in drawing more engineers into Ontario because the rules are such that it creates another barrier for them. Is that right?

Mr. Sandro Perruzza: It doesn't create another barrier. No barrier exists for an engineer from one province to come into Ontario—that can happen very quickly—except for the economic one.

One of our former board members has a firm and they've developed special equipment for mining. Her firm is based in Sudbury. They have a client in Saskatchewan and they wanted some work done. So she had to send her staff to Sudbury to look at the mine, go and take some specs, then come back and then develop the equipment. For her to send her engineering staff there, her engineering staff now had to get licensed in Sudbury. They had to fill out the paperwork and pay the $500 fee. And now the other thing is, if you are offering engineering services, you also need a certificate of acceptance, which means that I actually have to also register my business with the engineering regulator, which is additional paperwork and additional costs.

Ms. Catherine Fife: That sounds like red tape, Sandro.

Mr. Sandro Perruzza: A lot of red tape.

Ms. Catherine Fife: Yes. Well, thank you for explaining that. There's still room to fix Bill 2.

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

Ms. Catherine Fife: My last comment, I guess, would be for Ryan. I thought at one point you were going to say: "Ask not what your country can do for you but what you can do for your country." I also want to know what coffee you drink.

But you're quite right: Today the King of England said in his speech that we need one economy, not 13. We're all supportive of reducing these barriers.

But one thing you did say—and maybe we'll get to this in a bit—you said that if it's good enough for them, it's good enough for us. I do have some concerns about that statement, because we want to harmonize up, not harmonize down, on health and safety. We've heard this from CME, the chamber, OFL. They were all on a panel together. They actually agreed on this.

That's the work that is set up for us. Perhaps we'll get to that in the next round.

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

We'll now go to the third party. Mr. Cerjanec.

Mr. Rob Cerjanec: Ryan, just a question: I think you were here for a little bit, or maybe all of it, when the Carpenters' Regional Council was here and they were talking a little bit about their concerns around folks coming from other provinces that don't have working-at-heights training, for example, that don't have really essential health and safety training that saves lives.

I think earlier as well there was someone talking about quite a large number—a shocking number to me, actually—of fatalities in the province of Alberta. So I'm just curious: From your perspective, should we be putting those concerns aside for the purpose of allowing anyone to work anywhere in the country?

Mr. Ryan Manucha: I am not dogmatic about this. I care about safety. I care about health. My concern is about legitimate justifications. This is a federal trade barrier, not a provincial one, so I won't blame Ontario, but you could have meat inspected at federal-licensed abattoirs or at provincial-licensed ones. But when I go to Manitoba, I don't ask where my beef patty came from; I just kind of assume it's good.

If there is a good reason—and this is where I point out that we need some clarity on what "equivalent" means—absolutely, we should not be sacrificing. But mutual recognition doesn't mean you sacrifice.

Mr. Rob Cerjanec: I appreciate hearing that, because I do think there can be massive economic benefits from free trade across the country. I just want to make sure, as well—and I think the carpenters said it very well—around health and safety. People's lives are at stake, so I appreciate hearing that from you.

Cathy, I think that you've made very good points. I think real estate agents fall in a very interesting section of this, because you're right: It's the biggest financial transaction, probably, that somebody is going to be making in their lives. I hear you; I think there's a lot of risks associated with that.

Are you suggesting that real estate agents be removed from this bill right now for further consultation, or how do we square this? Because I can absolutely see the risk of someone in another province—maybe they were newly licensed in another province; maybe they've never done a transaction before, and the rules are different from province to province. I know that here in Ontario we have some reasonably strong accountability mechanisms for—there are some realtors that don't necessarily follow the rules. So how do we square this? Because I think you raise a really important concern.

Ms. Cathy Polan: I think we're really concerned about realtors with open investigations in other provinces who automatically come over here and get a right to transact in that six-month as-of-right period, waiting for our regulator to do the process. Meanwhile, they might have broken laws or other things. That's our number one concern.

But I would like to pass it over to Lauren Souch—she's our head of policy and research—if she would like to add more to this. Lauren?

Ms. Lauren Souch: Thank you very much, Madam President, and to the committee there.

I think our concerns around this come down to not just what happens during that six-month as-of-right period, but what kind of enforcement mechanisms—

The Chair (Mr. Ernie Hardeman): Could we ask the speaker to identify herself before she starts to speak.

Ms. Lauren Souch: Oh, I'm sorry. I'm Lauren Souch, from the Ontario Real Estate Association.

I think our concern is also around enforcement and how that will happen in instances where, perhaps, a realtor completes a deal during that six-month period and is not registered by RECO or never submits that application—what kind of enforcement or way RECO will have to deal with that.

Another example would be some of the powers and consumer protections we put into place under our work with TRESA. For instance, the regulator now has the power to proactively investigate bad behaviour without a formal complaint being filed. That was stemming from some of the issues that we worked very hard with the Ontario government to address through TRESA. We would have concerns that not all provinces have the power to proactively investigate. That's something we're very proud of here, that that is a consumer protection that is in place. To borrow a phrase from someone just a moment ago, we just want to make sure that we're harmonizing our regulations up when we're doing this.

Mr. Rob Cerjanec: Thank you for that. How many realtors are there in Ontario? You guys know better than me.

Ms. Cathy Polan: It's about 97,000.

Mr. Rob Cerjanec: That's a lot. And around the country, do we know roughly what that looks like?

Ms. Cathy Polan: It's 163,000.

Mr. Rob Cerjanec: Okay, so we've got more than half.

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

Mr. Rob Cerjanec: I just want to understand potentially what we could be looking at because I do think there are some concerns.

Sandro, I might have to pick this up the next time: What has been the government's response so far to your call for making it easier to be an engineer in Ontario?

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Mr. Sandro Perruzza: They're listening. They're looking for solutions, so I think they're actively positive. They understand the need for more engineers, but it's going to require opening up the Professional Engineers Act. I think there's been some hesitancy around that because it's something we've been calling for for about eight years now.

Mr. Rob Cerjanec: Thank you.

The Chair (Mr. Ernie Hardeman): Thank you.

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

Ms. Bobbi Ann Brady: My first question is for Ryan. I agree with you that we need a clear definition for "equivalent." You said you have a definition, but I don't think you actually articulated that definition.

Mr. Ryan Manucha: It's where the legitimate objectives of the measures differ—I realize that's probably not helpful. I don't want to get too technical.

Again, I don't want it to be, "Oh, yours is 300 hours and ours is 305 hours. You had to take this course, and we have to take this course." That is not it. Europe told us that's not it. It's about, "What was the objective of your measure? What's the objective of ours? Do we match?"

If there's a substantial difference, we add room for compensatory measures. Do you come in under a conditional licence? Do you have to apprentice or be observed by a local practitioner?

The most extreme version is when you make people take an extra exam. I really don't like seeing that option. That's really destructive.

Again, it's reasoning-giving. It's fine. And to the question—long-winded—just write out why the gap exists and—

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

Mr. Ryan Manucha: Yes.

Ms. Bobbi Ann Brady: That's okay. You can finish that thought.

Mr. Ryan Manucha: If we can write out the gap and Ontario has to notify Manitoba as to why their dental hygienist is inadequate to practise under a full licence—that's all I'm asking for. What is the reason? Maybe Manitoba bridges upwards. I think that's what we saw in Europe. They bridge up; they don't march down, because they want their people to move.

Ms. Bobbi Ann Brady: Common sense. Thank you.

I'll wait until the next round, then.

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

We'll now go to the government. MPP Kanapathi.

Mr. Logan Kanapathi: Thank you to the panel for coming out and bringing your voice and thank you for your presentation.

My questions start with Ryan. Thank you for your passion and your enthusiasm about this bill. I really appreciate it. You brought a good perspective to this panel, to this bill. You have been doing this research and working on this topic for so long. You've written about this topic for years and have long advocated for the removal of interprovincial trade barriers.

Are you optimistic that, given what seems like a consensus around the interprovincial trade barriers across the country, Canada can finally get those barriers removed? Are you optimistic about this?

Mr. Ryan Manucha: Short of hockey and maple syrup, there's little that rallies Canadians better than internal trade barrier resolution.

I'm very optimistic, but I'll also be watching to make sure everything keeps going at this pace. I'll keep folks accountable.

Mr. Logan Kanapathi: I like your intellectual curiosity. Thank you.

My next question is to Sandro. Sandro, you brought some staggering numbers about provincial engineers, especially internationally trained engineers coming to Ontario and carrying credentials.

But I heard the story the other way around. Being in politics for 20 years, so many engineers coming from other parts of the world, especially developing countries, couldn't even get into the system. I know I could speak for hours and hours. People have come from south Asia, most of them civil engineers. We don't have any industrial opportunity. I'm talking 20, 15 years back. They couldn't get licensed. I'm talking about hundreds and hundreds of engineers.

They went into real estate—they threw out their degrees and they went into real estate, actually. So you tell me.

In your presentation, you were mentioning about the majority of engineers getting into the system, internationally trained. Could you elaborate on that, please?

Mr. Sandro Perruzza: The number of internationally trained engineers that are applying is going up. You have a big supply coming in, but your supply of Canadian-trained engineers applying for licensure has dropped significantly. Another number—I'm not an engineer; I'm a stats major—less than 25% of Canadian engineering grads apply for licensure—less than 25%. So the Canadian number is dropping, which, when that happens, then your international number goes up, right? That's why it's 80%. There are still a lot of internationally trained—it's still a huge barrier—who cannot get their licence here in Ontario, and so they go get licensed in another province.

I'll give you another example. It's not from just Third World countries or developing countries. You look at MIT. You have an MIT engineering grad. For them to get their licence in Ontario, they have to write four exams. It makes no sense.

Mr. Logan Kanapathi: Thank you.

The Chair (Mr. Ernie Hardeman): MPP Saunderson.

Mr. Brian Saunderson: Thank you, Mr. Chair. How much time do I have?

The Chair (Mr. Ernie Hardeman): One point five.

Mr. Brian Saunderson: I want to thank all on the panel today. We've had a very interesting day, and I thank you for sharing your expertise and enthusiasm.

Ryan, so you're talking elbows up, are you, on this stuff—and I asked some questions of some earlier panellists, and you'd mentioned the economic impacts of the CPR and if an economist in the 1880s would have really been able to quantify that. So I'm looking at the resiliency. This whole situation is largely being pushed forward by the idea that we need to be resilient, respond and protect our economy with our elbows up.

I'm wondering if you can give us, quickly, your thoughts on what the longer-term implications of this bill might be as we open up trade?

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

Mr. Ryan Manucha: Absolutely. Longer-term implications for Canada: We're looking at up to 7.9% growth to the GDP, up to $200 billion a year. For Ontario, longer-term, if all of the provinces get on board, we're talking about 5% of Ontario's GDP.

The numbers are real and they're the best we've got. I think that they're strong numbers, but, again, for the reasons I said, I think, if anything, they understate the benefits on offer.

Mr. Brian Saunderson: Okay. I'll open it up to the other two panellists because you've been talking optimistically, both of you, about the opportunities. How do you see this—first, I'm going to start with Cathy on the real estate front, because I want to understand how this is going to benefit open market mobility. How's that going to benefit your 97,000 members in Ontario?

Ms. Cathy Polan: I don't see a huge benefit to it off the hop, I'll say that, as my personal opinion. But I'm going to refer to Lauren Souch, my head of research, if she could answer.

The Chair (Mr. Ernie Hardeman): Well, that will have to be left to another time. We're at the end of the clock here.

We will now go to the official opposition. MPP Fife.

Ms. Catherine Fife: I'm just going to come back to Ryan, just for a second. Our economy right now in—over the last two years, we've seen a steady decline, right? We're over at 7% unemployment, our GDP is only growing by 1.2%, Ontario's export-oriented industries right now are almost paralyzed because of this threat. I mean, we all agree that this is a very serious situation.

There has been this call-out for nation-building projects, so there is an opportunity here for Ontarians to meet this moment. But, I mean, these projects aren't super glossy; sometimes they need to be really—around housing, for instance. If we want people to come to Ontario, they're going to have to have affordable housing options.

Did you want to give us some examples? You were asked earlier on a longer-term, but there's actually the immediacy and the urgency right now to draw investment into Ontario. I wanted to give you an opportunity, and I'm then going to ask Sandro and also Cathy as well.

Mr. Ryan Manucha: I'll be brief. Yes, the trucking deal that we're trying to get through, it's adding 8.3% to the cost of freight rates. That translates to the cost of goods—I co-authored that paper with Trevor Tombe—on our shelves, right? We're talking about things like construction codes. Ontario was very much a leader back in 2019 reconciling on them. Ontario and its counterparts can do the same thing with electrical codes.

I agree that there are things we can mutually recognize; there are things that we should probably get to a national standard. It's not like one size fits all, but if we get people moving in, it's the cost of goods—no one cares about internal trade barriers. People care about them as a means to an end—I completely agree with you—cost of housing, cost of goods, cost of living.

We're one leg on that stool, again. I'm in the internal trade barrier front, and I'm one leg. You guys have objectives—there are other panels that are going to come in here and talk about things. So you're absolutely right: It's one piece of the bigger puzzle.

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Ms. Catherine Fife: Okay. Cathy, do want to weigh in?

Ms. Cathy Polan: Well, right now, I don't believe we have affordable housing for other people to come over to the province. We're not close to the 1.5 million by 2031. We're not on the mark. The government, thankfully, introduced the $50 million to the build more, build smarter act, in which we can bring prefab homes to the market. We believe that's going to help. It was a made-in-Ontario solution in which we have the jobs, the people to do the jobs, we have the manufacturing settings, and we have the resources, the timber and the steel to make these homes. In order to bring these people into our province, we need to be able to house them, and at this time, we're in trouble.

Ms. Catherine Fife: Okay. Sandro, do you want to weigh in?

Mr. Sandro Perruzza: I do see the opportunity, again, if we can remove some of the red tape, to allow the mobility to happen. I'll refer to the mining sector. Ontario engineering is a mass exporter of talent. We have talent that goes to other countries to work on a contract basis. It's easier to send an engineer to Bolivia or Ecuador or to Germany to do some temporary work than it is to send them to BC.

Ms. Catherine Fife: That's a good point.

Cathy, also, I want to thank you for anchoring this conversation in housing. Housing is an economic stabilizer and these regional projects around creating affordable, sometimes non-market, housing—you can't outsource these jobs. There are good local skilled workers working in communities contributing to those communities.

I'm just wondering: A real estate agent, say, in Manitoba, if they found out that Toronto right now has 3.5 years worth of condo stock sitting empty because of the financialization of the market—I mean, they have no one to sell those condos to. Right now, I'm looking for a rental. It's a smorgasbord, quite honestly. It's not affordable, I can tell you that, but it's out there.

Ontario realtors, you're allowed to incorporate, just like other provinces. We did that—it was all-party support—around five years ago, I think. Was that a game-changer for realtors, or did that just level the playing field? I'm trying to get a sense of the importance and the weight of that decision.

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

Ms. Cathy Polan: Well, we had 10,000 realtors take advantage of incorporating in the first 12 months. So, yes, I would say it was a game-changer for real estate agents because it lowered our taxes and allowed us to reinvest that money into organizations such as—we sponsor sports teams. I hired an assistant. It allowed us to invest more money back into the economy.

Ms. Catherine Fife: Because you're a small business.

Ms. Cathy Polan: I'm a small business.

Ms. Catherine Fife: I just want to say that I really appreciated what you said, that this is not just legislation, it's a framework for trust around professional standards. And I think this actually ties in to some of your advocacy as well, Sandro.

I just wanted to let you know that all of you made an impact today on us. I want to thank you for taking time to come here to Queen's Park.

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

We'll now go to the third party. Mr. Cerjanec.

Mr. Rob Cerjanec: Ryan, from your research and experience, can you give a little bit of an outline on what happened in Europe once free trade opened up?

Mr. Ryan Manucha: Yes, absolutely. Dependent on mutual recognition alone, I think is what you're looking for. Hard to solely attribute it, but we're talking on the order of almost a trillion euros the benefit of being an integrated market. Projections on income per capita: It would have declined about 7% had there not been that cohesion.

Another example is actually from New Zealand, where you had six mutual recognition agreements kicked off between foreign counterparts and that boosted consumer welfare by about $450 million a year. The numbers from abroad are big.

Mr. Rob Cerjanec: When Europe did that, though, it wasn't a system of mutual recognition, it was just—

Mr. Ryan Manucha: Mutual recognition was definitely a key underbelly, but I cannot say here that it was the only thing.

Mr. Rob Cerjanec: How long did that process take?

Mr. Ryan Manucha: Good question. The study of mutual recognition shows that the benefits of mutual recognition are there in year 1, but they really start to ramp up in year 2, year 3. This is, again—the numbers will come out in time.

Mr. Rob Cerjanec: Got it. Essentially, you're saying that we've got to do it now, and hopefully down the road we will see the benefits and kind of deal with what comes out of it.

Looking at the bill, what else do you think the government needs to do—and now I'm applying an Ontario lens to this, so I'm thinking about maybe smaller manufacturers; I might be thinking of smaller breweries, for example, or smaller wineries. I've been to one winery not too long ago. I'll mention it in the next group.

Mr. Brian Saunderson: You can't avoid it.

Mr. Rob Cerjanec: No, I can't.

I'm thinking about some of maybe the smaller ones trying to be able to compete across the country. What do you think we need to do in Ontario to help those succeed, or are we just winners and losers, essentially?

Mr. Ryan Manucha: You're going to call me ungrateful because I'm going to push this bill to go even further. This is the story of small and medium-sized businesses trying to fight against entrenched incumbents who benefit from the regulatory apparatus.

I think Ontario should meet Nova Scotia on the ambition of a 10-day service standard for permanence and go to zero—when you think about a small business that won a deal to do a half-day's worth of work, and you're saying, "Okay, wait a second. What is the burden to launch into this?" I totally understand the regulatory—notifying and being there and having a paper trail and being able to know when things went wrong. But what I'm trying to get at is, small and medium-sized businesses don't have the resources to fight the 10-plus, the 30-plus service day standards.

Mr. Rob Cerjanec: So around engineering, it seems like we've got a pretty big problem on our hands moving forward if we really want to be competitive, not in the country but in the world. It's interesting, I guess, that the conversation is going to this. Do you think in the next—let's say during this term of governance, in the next four years, how much headway can we make into that?

Mr. Sandro Perruzza: I think there's a huge opportunity to move towards a national framework for licensing. There is a body called Engineers Canada, which is the service body for the 13 provincial and territorial regulatory bodies. They can provide a service-level agreement where they can actually do the licensing aspect, develop a national licensing standard. Everyone who wants to get licensed in Canada, they can sit through the licensing. Wherever their residence is—so if your residence is Ontario—the provincial regulatory body will take care of the enforcement and discipline part of it.

Developing national standards—the laws of physics aren't different in BC or Nova Scotia than they are here in Ontario. Pick which province has the best standard or the highest standard and we'll move up to that level. It can happen within a year.

Mr. Rob Cerjanec: I appreciate that. Hopefully that's something that we'll be able to bring federally as well for maybe a push there because it makes sense to me.

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

Mr. Rob Cerjanec: We're not that big of a country, comparative to the world, so I appreciate hearing that from you.

I'll give back the time.

The Chair (Mr. Ernie Hardeman): MPP Brady.

Ms. Bobbi Ann Brady: Thank you, Ryan, and thank you, Sandro, for coming today. I don't have any questions of you, but I concur with everything that you've said.

Cathy, real estate is really an area of local specialization, and I know how hard OREA has worked over the past dozen or so years to raise the bar with respect to consumer protection and also the protection of realtors. But I think when someone's spending, on average, $860,000 of hard-earned money, or their hard-earned money in the future, on a home, we could probably do more.

I'm wondering, now that we're looking at Bill 2, should we have further conversation of making real estate education more demanding, both pre-registration and continuing education?

Ms. Cathy Polan: I would say absolutely. My son's taking the course right now; technically, he could go to Nova Scotia and get his licence in two or four weeks and come back, with this bill, and practise in Ontario.

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

Ms. Cathy Polan: In Ontario, we are raising the bar by asking the education to be tougher. We are getting there, but we're not quite to the point that we need to be. The regulator has opened up three more colleges, making it four. I think we're taking a step in the right direction, but we still have a ways to go.

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Ms. Bobbi Ann Brady: Correct me if I'm wrong. Does RECO have an ombudsman?

Ms. Cathy Polan: No.

Ms. Bobbi Ann Brady: Would an ombudsman at RECO also help?

Ms. Cathy Polan: Yes.

The Chair (Mr. Ernie Hardeman): That concludes the time for the questions and for this panel.

I thank all the panellists for a great job, both virtually and at the table. We thank you very much for taking to time to prepare for this presentation. I'm sure it will be of great assistance as we move forward on the passing of this bill. Thank you again.

SLEEMAN BREWERIES
WINE GROWERS ONTARIO
DESJARDINS GROUP

The Chair (Mr. Ernie Hardeman): The next panel consists of Sleeman Breweries, Wine Growers Ontario and Desjardins Group. We very much appreciate you being here.

The presenters will have seven minutes to make a presentation. At six minutes, I will say, "One minute." Don't stop. You'll have time for the punchline—the only part of the whole speech, so to speak. When the one minute is up, I will stop it.

I do ask that everybody introduce themselves, when they start their presentation, to make sure we get the right person attributed to the comments made.

Sleeman Breweries is online. Sleeman Breweries is also the first presenter. So we will turn it over to you, sir.

Mr. Matthew Pelton: Thank you for the introduction.

My name is Matthew Pelton. I'm the director of industry and government affairs at Sleeman Breweries. Thank you to the members of the Standing Committee on Finance and Economic Affairs for allowing me a few moments to speak about the proposed Bill 2.

Since John Sleeman reopened his family brewery in 1988, we have grown to become the third-largest brewer in Canada. We are headquartered in Guelph, where we have the largest of our four breweries across the country. We employ over 1,100 people across the country, with over 400 employees right here in Ontario.

While we're proud to source many of our raw materials domestically, here in Canada, including practically all of our grains for brewing, the current US tariffs on aluminum and other materials pose a significant threat to our business. We appreciate the government for recognizing these threats to our industry and taking action to reduce domestic trade barriers.

I would like to first acknowledge the current Progressive Conservative administration for their ongoing commitment not to impose new taxes on our industry. Since 2018, this government has frozen the automatic increases on the beer basic tax, which has been a big help in providing financial stability to our industry, which in turn has helped keep consumer beer prices from burdensome increases. We are hopeful that the current review of markups, fees and taxes ahead of all-new wholesale models starting in 2026 will result in a lower tax burden for all brewers, to support consumer affordability, similar to what was recently announced for small brewers and many other Ontario beverage alcohol manufacturers in the recent budget.

Overall, we are supportive of the proposals within Bill 2 as they pertain to the beverage alcohol industry and our business. This a good step forward, following Ontario's precedent-setting waiving of its protective exceptions under the Canadian Free Trade Agreement in the Protect Ontario Through Free Trade Within Canada Act. In this bill, we see no imminent harm to our business—and, actually, the potential for upside to the industry as Ontario looks to sign reciprocal agreements with other provinces.

Schedule 3 of the proposed bill addresses direct-to-consumer sales, which would allow a manufacturer in one province or territory to sell products directly to a consumer in another province or territory. While we are generally supportive of this proposal, in the interests of increasing consumer access and providing manufacturers a larger potential marketplace, we cannot anticipate that this will have a significant impact on our business or the beer category. Sleeman currently sells products in every province, and we have set up our business operations to service each market as efficiently as we can. The only caution we have for this proposal is to ensure that loopholes aren't available that would allow any producer to utilize a low tax market to ship from and avoid markups, fees or taxes in the destination province.

For the overall beer category, the relative value of our products by weight is much lower than that of wine and spirits, and the expense of shipping a heavy product like beer will be prohibitive for consumers beyond occasional purchases across provincial borders. My co-panellist, Mr. Dobbin from Wine Growers Ontario, may see this as a greater benefit to the wine industry, but the committee should defer to their expertise on the matter.

Schedule 4, regarding interprovincial agreements, appears to support the regulatory intent of schedule 3. I would also suggest, on this topic of interprovincial agreements, that the scope of these agreements could be expanded to create a new logistics framework that would provide manufacturers greater delivery options than currently exist. For example, while we do have four brewing facilities across the country, some provinces in which we don't brew require us to use their own crown corporation warehouse facilities, treating our products the same as those imported from outside Canada. The ability to self-deliver or assign delivery rights of our products to a local carrier would help us manage our logistics costs through a competitive process. The government of Ontario could pursue this topic in its reciprocal agreements in support of consumer affordability.

Additionally, as a company with multiple brewery locations, we take part in inter-plant, interprovincial shipments of our own goods between our own facilities. Current interprovincial rules require that we physically land those products at our local warehouse facility before being redistributed to customers in that same province. This is a laborious task that contributes to greenhouse emissions and inefficient logistical routes. We would enjoy an opportunity to work with the Ontario government on systems that would allow us to virtually move those same shipments interprovincially between warehouses, but physically allow us to make deliveries direct to retail and restaurant customers interprovincially. This would allow us to increase our logistical efficiency while reducing greenhouse gas emissions, all while maintaining each province's rights to applicable markups, fees and taxes.

Lastly, schedule 5 looks to address mutual recognition and specifically identifies goods that meet applicable standards, including labelling, marketing, testing and certification. This is another opportunity for the beverage alcohol industry, specifically related to the LCBO's product testing processes. The LCBO currently tests products against marketing and label standards which are set by the CFIA and completes detailed chemical analysis to ensure products are safe for consumption. Several other jurisdictions implement similar or the same testing standards. If the LCBO were to recognize testing from those other jurisdictions in reciprocal agreement, this could reduce the product set-up timeline, which would encourage increased innovation and trend response in the industry. Nova Scotia's NSLC adopted a similar approach to this a few years ago and began accepting LCBO chemical certificates of analysis, as an existing example of how this could work.

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

Mr. Matthew Pelton: As I stated initially, we see no imminent harm to our business in the proposed bill, and even a potential upside in reducing logistical burdens in particular. This is a great step forward in reducing some of the interprovincial barriers for the beverage alcohol industry which have been built up over decades of provincial protectionist regulation. I would encourage the government to pursue a stakeholder engagement process to identify further opportunities to support our industry.

That concludes my presentation and thank you very much for your time.

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

Next, we will hear from Wine Growers Ontario.

Mr. Aaron Dobbin: Thank you for the opportunity to speak to you today. My name is Aaron Dobbin. I am the president and CEO of Wine Growers Ontario. My members make over 80% of wine produced in Ontario. They buy the vast majority of grapes grown by independent Ontario grape growers. They make over 50% of the VQA wine made in Ontario. They also operate the largest tourism wineries in the province. Our industry brings over 2.6 million visitors to wine country every year. Our industry supports over 22,300 jobs and our companies pay almost $1 billion in taxes and markups each year.

I am here today to express my support for Bill 2 and the Ontario government's efforts to break down interprovincial trade barriers. This is an issue my members have supported for decades. I'd like to illustrate the impact of these barriers using an all-too-common occurrence: a visitor from Quebec who has come in on a bus and is visiting wineries in Prince Edward county, or a family from Saskatoon that has flown to Toronto and is spending the day in Niagara. They visit a winery. They taste the great Ontario wines that we have. They discover one or two that they particularly like and they want to buy a case, or two cases, and send it home. Unfortunately, when they say to us—and it's a several-hundred-dollar purchase—when they turn to the owner and say, "Here's my mailing address, please send it to my home," we're not allowed to. Then the customer has the option of putting those two cases of wine in the back of the bus for the six-hour drive back to Montreal or to wherever in Quebec, or to try and put it on their plane back to Saskatoon. You can imagine what happens to many of those purchases.

1710

These changes would allow those sales to take place. And sales online from other provinces are almost always multiple bottles of higher-priced product. As was mentioned before, if you're going to ship a product across the country, the customer is not buying a $10 or $12 bottle of wine. They're buying a $25, $30 or $40 bottle of wine, and because of the transportation cost, they're usually buying a case, which is nine bottles, or buying usually a case or two. It only makes economic sense to do so. So it's really an excellent channel that would be available to our members.

This is especially impactful to smaller wineries that do not have the resources to fight for shelf space in other provinces' retailers and who tend to produce higher-priced Ontario wines. This channel would be especially impactful to them. Breaking these barriers will help us better serve our customers who visit our wineries.

It will also provide the opportunity for Canadians to more easily enjoy Ontario wines. They hear something, they read something, they see something on the Internet, on YouTube, they go onto the winery's website: "Oh, this looks really interesting. I'd really like to purchase this." They buy it, and then they discover that they like it.

One of the unique aspects of our industry is people end up developing close ties to the stories of the winery. So they try the winery; they want to come and visit the winery. So that family then takes their vacation dollars—they're not spending it in the United States; they're spending it in Ontario.

We also support the bilateral efforts to achieve this goal. We have expressed our preference to the government that there will be a simple, affordable approach to taxes on this, preferably simple to administer. A lot of our members are small mom-and-pop wineries, and to have a tax that is really difficult to calculate is just going to be another burden on somebody who is not just the winemaker but they're also the bottle-washer and they're working the cash register—so, simple, easy and affordable.

The other thing that we do not want to have happen is that this would get rid of this legislative regulatory barrier and it's replaced with a financial tax barrier. If the tax that's charged becomes a barrier, takes away the margin, then this no longer becomes a viable channel and all you've done is substitute one barrier for another.

Again, I would like to express my great appreciation to this government for the support of our industry and to the Premier's personal commitment to breaking down the interprovincial barriers. We believe that the bilateral approach the Premier has taken is the most effective one to move this forward. We've expressed directly to him our desire to prioritize a bilateral agreement with Quebec. Thank you very much.

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

We now have Desjardins Group.

Mr. Evan Stubbings: Good afternoon, everyone. My name is Evan Stubbings, I'm the director of government affairs with Desjardins Group. It's a pleasure to be before you today to speak in support of Bill 2.

Desjardins is the largest financial co-operative in North America, with a mandate to support the financial empowerment of our over 7.8 million members and clients. For over 125 years, we have provided Canadians with wealth management, life and health insurance, property and casualty insurance and a slew of personal, business and institutional financial services, such as payment processing.

There are over 6,000 people proudly representing the Desjardins brand across Ontario, including though well-known brands such as the Desjardins Ontario Credit Union, the fastest-growing credit union in the country, Desjardins Financial Security, the fifth-largest life and health insurer in the country, as well Desjardins General Insurance Group, or DGIG, a top-three property and casualty insurer in the country, as well as the second-largest auto insurer here in Ontario.

My comments today will be focused on schedule 5, the Ontario Free Trade and Mobility Act. Specifically, I will comment on how this important legislation could, if passed, help home insurers better serve our customers in their time of need by improving a regulatory landscape that currently inhibits labour mobility and credential recognition across Canada.

Much has been made of the economic benefits of liberalized east-west trade within Canada, particularly as we face a threat to establish trading relationships with the United States due to President Trump's tariffs. I'm sure many witnesses—I heard the panel before us—have testified to that effect here today, and for good reason. Studies have found that trade barriers within Canada are a self-imposed tax that will raise the cost of goods and services and contribute to Canada's persistent productivity gap, and they shave points off of provincial and federal GDP—not to mention my co-panellist over here mentioning the fact that there are excellent wines in Ontario that people in BC and Nova Scotia would like to benefit from and, truthfully, vice versa. So I think it's clear to those of us in the room why the economic case alone for action is sufficient, but I'm here today to speak to some of the non-economic benefits of eliminating interprovincial regulatory barriers to further justify the importance of this bill.

From Desjardins' perspective, the clearest example of how interprovincial trade barriers worsen outcomes for Ontarians is how they hamper claims adjusters from helping clients recover from damage to their properties following catastrophic natural disasters. Currently, each province has different credentialing requirements for claims adjusters, but despite some very minor particularities, they are greatly consistent from one province to another, ensuring consumer protection is maintained. Despite this consistency in requirements, regulators do not recognize out-of-province licences or credentials.

On a day-to-day basis, I'll be the first to tell you, this is not a major cause for concern. Where this does cause issues, however, is that it undermines our ability to serve Canadians when disaster strikes, which, unfortunately, as all of us know, is happening with greater frequency and severity. In 2024 alone, the Insurance Bureau of Canada reported over $9 billion in insured losses due to severe weather, making it the costliest year in Canadian history. These losses were largely generated from four major catastrophic events that occurred over the span of just 24 days last summer, resulting in over 228,000 claims across the industry.

While Jasper attracted most of the headlines, Ontario was not spared. There was severe flooding in southwestern Ontario. It impacted, including, I think, some of the ridings represented around this table here today. Nor has Ontario been immune from the trend of growing catastrophic losses, as over the past four decades, the average annual insured natural catastrophic losses in the province have risen sevenfold, frequently totalling over $1.5 billion per year. Given these recent trends, catastrophic weather incidents are likely to persist and intensify. Therefore, Canada's current licensing and mobility framework will require a more unified approach to ensure that insurers can help Canadians repair their homes more efficiently.

In exigent circumstances like last summer, our claims capacity is insufficient to meet our service levels to our clients. We currently have two options, which each present some limitations. So, first, we can apply to the regulator, FSRA, for temporary licences. While they are quite content to do so, the prior-approval approach means our staff still cannot assist clients until those temporary licences are in place. Once finalized, the temporary licences' durations do not typically reflect the standard life cycle of a property insurance claim. They are typically granted for between 30 to 90 days, but data from FSRA as recently as last year indicates the average cycle time for a property claim is closer to 150 days. This risks seeing the file bounce from adjuster to adjuster, creating friction at a time when the client has potentially lost everything, including their home, their valuables and their possessions.

Alternatively, the other option is that we can retain the services of independent adjusters. While we can tap into this capacity more quickly, our data internally does show that cycle times are longer and client satisfaction is much lower than when files are handled by staff adjusters.

Moreover, there have actually been some weather events where even an insurer as well-resourced as DGIG has been forced to tap into American independent adjusting capacity. In one particular incident in this province, we were forced to use over 1,000 American adjusters to meet the needs of our clients, and in the context of a trade war, relying on American capacity feels highly inappropriate.

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This is where Bill 2 comes in. Instead of looking outside of our organization or our country for capacity, people in good standing who hold equivalent authorizations issued by a body in a reciprocating jurisdiction would be able to act in a similar capacity here in Ontario.

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

Mr. Evan Stubbings: The result is that we can serve our clients more quickly by shrinking the delta between when disaster strikes and when aid, including ultimately insurance funds, flow. We can better protect claimants by tapping into highly trained and qualified staff from coast to coast, who are already familiar with Canadian insurance regulations. Ultimately, we can do these things while supporting strong, well-paying Canadian jobs.

Seeing as the principle of reciprocity is at the heart of knocking down internal barriers, the potential benefits grow with each partner deemed a reciprocating jurisdiction. The MOUs Ontario has signed to date with various provinces have signalled just how much support there is for these efforts. Now, it is important to continue advocating for these benefits of liberalized trades with other provinces and territories across the country.

In concluding, on behalf of Desjardins, I would like to congratulate the government for introducing this important bill and the members opposite for supporting the Team Ontario effort. Thank you very much for your time.

The Chair (Mr. Ernie Hardeman): That concludes the presentations.

We'll start with the official opposition. MPP Fife.

Ms. Catherine Fife: I had no idea, Evan, that there was such a shortage of insurance adjusters. So you see this Bill 2 reducing barriers between the provinces so that adjusters can come in and deal with emergencies as a key issue?

Mr. Evan Stubbings: It is a key issue, but I'll re-emphasize a point that I made, which is it doesn't impact us on a normal, day-to-day basis—

Ms. Catherine Fife: Just in a crisis.

Mr. Evan Stubbings: It impacts the industry and ultimately, clients, during crisis times.

As I mentioned, last year, in a succession of about three weeks, we had the Jasper wildfire, southern Ontario flooding, Hurricane Debby, as well as the Calgary hailstorm. At that point, insurers' claims departments are receiving months worth of claims in the span of potentially a week. Independent adjuster capacity then dries up quite quickly.

So I'll just come back to the point to stress that, during times of catastrophe, that's where the issue is seen. Unfortunately, that's growing to become a more frequent occurrence. We used to talk about a once-in-20- or a once-in-50-year storm. I think we're starting to need to adjust both the timeline for that, as well as the access in terms of total insured losses.

Ms. Catherine Fife: Okay. Just to confirm, you said it was a cost of $9 billion over 24 days?

Mr. Evan Stubbings: Yes, over $9 billion last year, during those 24 days. It's the largest year on record. I can't speak to the previous one. I would be happy to validate that and come back to the committee in writing. But, certainly, it didn't just eke out the record; it's blown the doors off it.

Ms. Catherine Fife: Okay. Thank you for that.

Aaron, you talked about the 2.6 million visitors that you are bringing in. I have frequented some of these beautiful wineries across Toronto—like my friend here. We are big supporters of the local economy.

I wanted to say, in every chance, in every moment in history—there's an opportunity here. Do you see an opportunity for increased tourism if we reduce some of these barriers? This is a moment in time when people have discovered their Canadian flag and really wrapped themselves around it. Do you see some opportunities and potential here?

Mr. Aaron Dobbin: Absolutely. On the interprovincial side, I mentioned that people try the wine and then they're attracted to come to the winery. If we're bringing those folks from New Brunswick, Prince Edward Island and Alberta, that's great. Everything I'm hearing and what we're starting to see in wine country is those individuals are looking to spend—where they may have spent those dollars in Arizona or South Carolina or Florida or Georgia, they're looking to spend them in Canada. So we want wine country to be part of that.

The other part of this is, if not now, when? In a previous life, I was a public servant in the Ministry of Intergovernmental Affairs. That was a long time ago. This issue has pre-dated me by decades. Like I said, if not now, we won't get to it.

Ms. Catherine Fife: You did mention, which was of interest for me, that you've already reached out. First of all, were you consulted at all as a sector on Bill 2?

Mr. Aaron Dobbin: We were informed of it and we were walked through it. We had expressed our support for the past five years on this issue. With my counterpart in Ottawa, with Wine Growers Canada, we had developed a financial remedy for the provinces.

Ms. Catherine Fife: Actually, I remember seeing that.

In the last moments of your presentation, though, you said that you've reached out to the government, looking specifically for the bilateral agreement with Quebec. Quebec is one of the most protectionist-oriented provinces in the country. I think we all agree we want one economy, not 13 economies, so everyone's on board here. But Quebec still has 39 exceptions on the books. Why have you chosen Quebec?

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

Ms. Catherine Fife: Is it because they like wine as much as Ontarians do, or is there—

Mr. Aaron Dobbin: Even more so.

Ms. Catherine Fife: Even more so, yes.

There's a case that you've made to the minister to pursue a bilateral agreement?

Mr. Aaron Dobbin: And directly to the Premier.

Ms. Catherine Fife: That's good.

Mr. Aaron Dobbin: He texted the Premier of Quebec shortly thereafter.

Ms. Catherine Fife: I'm sure they call each other all the time.

Thank you very much. We will get Sleeman in the next round.

The Chair (Mr. Ernie Hardeman): We have the Liberals. MPP Cerjanec.

Mr. Rob Cerjanec: Thank you for the presentations today. We definitely learned a thing or two, especially around—actually, all industries. It's very interesting stuff.

For Sleeman, I think there are some really interesting points here around extensive shipping of beer. It's not going to really go all the way around the country. I think you've got some really good ideas—even the virtual warehousing, for example. It doesn't make sense that it should stop off somewhere else as it goes, maybe, to its final destination in another province somewhat close by.

The piece that I'm a little bit more curious about is the role of the LCBO as a distributor in the province. Should it remain as the sole distributor of wine, beer and liquor?

Mr. Aaron Dobbin: Who would you like to answer that?

Mr. Rob Cerjanec: I think Sleeman first.

Mr. Matthew Pelton: That's an interesting question. Thank you very much for that, MPP Cerjanec.

First of all, those current distribution rights are enshrined within the EIA. There's going to be a time frame until that expires and a new agreement is under consideration.

We're fortunate as a brewer that we do have distribution rights for beer and we can take our product to the Beer Store. We can deliver some products on our own direct to customers because we also have a by-the-glass licence. We've maintained a direct delivery licence as well.

It's an interesting question, especially in light of my encouragement to open up distribution avenues in other markets. LCBO does maintain that wholesaler of record for the time being, but we're already seeing them starting to sub out some of their distribution through other carriers. It's an interesting prompt, but not necessarily one that I can say definitively one way or the other, other than to suggest if there are more options out there, it does give companies better opportunities to put out RFPs and have a bidding process for their business and find partners that are the right sizes, capacities and values for their business partnerships as well.

I would suggest that maybe the wine folks have an opinion on this as well.

Mr. Rob Cerjanec: Sure, may as well.

Mr. Aaron Dobbin: I think the beautiful thing about the interprovincial—for us, it's direct-to-consumer, DTC. So what we're able to do is ship direct from the winery to the individual. We don't have to go through the liquor control board. So if we ship to Winnipeg, we don't have to go through the Manitoba liquor board. That creates increased margin, which then makes the channel more attractive and also allows us to absorb the transportation and the freight costs.

1730

One of the barriers that had existed significantly was financial concern amongst the receiving province and their liquor board. What we have proposed is a simple flat tax that would go to the receiving province. They never touch the product, but we recognize, in the order of trying to get the bilateral agreement and trying to get this in place, that it's so important we recognize that there probably needs to be some minimal tax that would be paid to compensate the receiving jurisdiction.

Mr. Rob Cerjanec: And that could vary, then, from jurisdiction to jurisdiction.

Mr. Aaron Dobbin: We would hope it would be common. Unfortunately, it probably will be different. But like I said, the simpler, the better, and so a common, simple one would be the best outcome for us.

Mr. Rob Cerjanec: I appreciate hearing that. I've thought about this issue for many years, and it does boggle my mind.

If you were to go to a winery in another province or, heck, a liquor store in another province and you see a bottle of something that you like that maybe isn't here in Ontario or hard to get in Ontario, to cross an artificial boundary within the country and have that technically be illegal just doesn't make sense to me. So I'm definitely in support of—

Interjection.

Mr. Rob Cerjanec: But I mean, you're getting a case, right? If it's something that's a different way, then it's a bigger problem. So I think that make a lot of sense.

How is Quebec's wine industry?

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

Mr. Aaron Dobbin: It's in its nascent time. What we do stress is that breaking down these barriers is for direct-to-consumer by domestic producers. One of the issues that concerns all of us is that this doesn't open up so that mass retailers in low-cost, low-tax jurisdictions are then able to ship Michelob to Ontario. That's one of the key things: making sure it stays to domestic producers.

Mr. Rob Cerjanec: I appreciate hearing that as well because you can definitely see dumping. When you're in Europe, for example, and you go the grocery store, you're like, "Holy crap. It's two euros for a bottle of wine." I know it's going to take a little bit to ship over here and all of that, but I hear you on that piece as well.

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

We now go to MPP Brady.

Ms. Bobbi Ann Brady: This might be following up on what was just being discussed, but, Matthew, you mentioned loopholes in this piece of legislation. Can you just explain to me what those loopholes look like again and an amendment that might actually close those loopholes for your industry?

Mr. Matthew Pelton: Yes. You know what? That's perhaps a boogeyman argument because this type of direct-to-consumer program doesn't exist outside of—I believe, currently, there is an agreement between British Columbia and Alberta with regard to BC wines and Alberta spirits.

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

Mr. Matthew Pelton: I wanted to flag it as a lookout to ensure that there aren't producers who choose to set up in a given market because there's a low-tax program there which would allow them to feed the rest of the market, the rest of the provinces, with a low-cost, market discrepancy sort of product. So whether it's taxes based on each jurisdiction or something flat rate, as Mr. Dobbin has proposed, it just needs to be accounted for. We can't have tax just disappearing off the board here. That's the lookout.

Ms. Bobbi Ann Brady: Thank you.

Mr. Matthew Pelton: No problem. Thank you.

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

We'll now go to the government. MPP Rosenberg.

MPP Bill Rosenberg: Hi Matthew. My question is directed towards you. Looking around the room—your presentation was great—there are some guys here looking a little thirsty, though.

I had an old friend from Czechoslovakia one time who told me why Czech beer was so good. He said, "We just make beer." So I want to congratulate Sleeman on just making beer.

Matthew, I'd like to ask you, as one of Canada's leading brewers, what kind of challenges has Sleeman faced due to interprovincial trade barriers and how would Bill 2 help those friction points?

Also, do you believe passing Bill 2 will send a strong signal to other provinces on modernization, internal trade and unlocking cross-border economies?

Mr. Matthew Pelton: Thank you for the question. I may need you to remind me on the second one in a second here.

As I focus much of my attention on the logistics, the back end of these operations—we're operating across the country—the easiest example that I can prepare would be beer that I put into kegs in Chambly, Quebec that I want to get to the Ottawa market, but it has to go to Guelph first before it can get a check mark and then be sent halfway back to Ottawa.

For traditional CPG—if we were selling rubber hosing or toilet paper—you could move it around all the borders all you want. But for us, everything has to stay within each of its provinces and it has to be moved around very carefully as well. As I said, it creates a lot of logistical inefficiencies. Provided that we have facilities in any given market, we would like to be able to service into that market from any bordering provinces as well.

To your second point—I did remember it—I do believe that this, in coordination with the waiving of the exceptions under the CFTA for Ontario, provides a really good combined signal to other provinces about Ontario's willingness to review and identify barriers that don't necessarily make sense. The brewing industry is as long as the history of Canada. We're now trying to undo a quilt-work of regulations and policies that, frankly, have been protectionist in nature, but don't necessarily make sense with today's challenges.

So I would hope that it sends a good signal. I do think that there is more work that can be revealed or uncovered in this process and we'd look forward to that engagement process, if possible.

MPP Bill Rosenberg: Thank you very much. And I can tell you: My Czech buddy, he drank some Sleeman.

Mr. Matthew Pelton: I appreciate his support. Thank you.

The Chair (Mr. Ernie Hardeman): Any more?

You have two point four, MPP Smith.

Mr. Dave Smith: Thanks, Chair. I appreciate that.

Matt, good to see you. I know it's just virtual. We've had some great conversations over the last year or so on this file. The alcohol file is really, really complicated. It's really, really complicated. If we were to open it up to not just direct-to-consumer—that's what we're talking about right now—but if we were to open it up blanket, one of the challenges on it is, every single province and territory treats alcohol very differently. The tax revenue that comes in in Ontario is significantly different than the tax revenue in Alberta. Alberta is almost non-existent on the tax revenue.

My good friend from Ajax has talked about maintaining the LCBO's dividend for the province of Ontario. If we were to open this up right off the bat to all consumers—not just direct-to-consumer but to grocery stores, to convenience stores, to the full retail market—without putting any of those safeguards in place, how would that affect the LCBO dividend back to the province of Ontario, using Alberta as the example of what their taxation is?

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

Mr. Matthew Pelton: It's a good question, MPP Smith—great to see you again. I hope things are okay up in my hometown of Peterborough there.

It's a good question. It's a difficult question, because obviously the LCBO is making part of that dividend cheque for in-store costs of service through their own retail network, but there are also costs of service associated with warehousing and delivery, which, I'm suggesting, could move elsewhere as well.

It needs to be reviewed in a holistic manner. In theory, could you rejig the provincial beer tax structure to try and make whole the absence of an LCBO dividend? That's possible. It's really difficult to compare with Alberta because theirs is a much simpler process that doesn't have as many lines on the ledger, so to speak. So, yes, it's complicated, but I don't think it needs to be as nearly complicated as it is.

1740

Mr. Dave Smith: So you have a value-added tax and you have a volumetric tax on beer, and it's very different than it is in other jurisdictions. Quebec is more similar to us in terms of—

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

We will now go to the official opposition. MPP Begum.

Ms. Doly Begum: Good afternoon, everyone. It's good to see you all. We've had a little bit of a long day, but a good discussion, I think, on Bill 2. For me, it's enlightening. I don't have the same experience as my two colleagues on this side, speaking of alcohol, but I do understand the policy framework of it and how complex that is. So I appreciate the intent of Bill 2, and we've talked a little bit about some of the tweaks that we need to make.

Actually, you all mentioned some of the challenges we've faced—you talked about—during the crisis point and how having this bill at that time could have improved that.

I think, Aaron, you also talked about some of the challenges. I think the travel example was excellent, because we hear that. This bill has a lot of emphasis in making sure that we create some of those efficiencies.

I do want to end—obviously, Matt as well—first, I'll start with Aaron. Tell me, does this bill address some of the challenges that you're facing? And if there is something that you think is missing, what would that be?

Mr. Aaron Dobbin: I think I agree with my colleague from Sleeman, that the real importance of this bill is the message it's sending to all the other provinces in terms of the exceptions and the Premier's doggedness in getting bilaterals. I think that's really the only way to get this done, based on my own personal experience.

So I think the bill sends the message of the very clear desire to get those bilaterals done, and it's through those bilaterals, I think, that the mechanism will come into place, especially on the wine side. That's where the rubber will hit the road, ensuring that mutual recognition so that we can ship DTC both ways.

Ms. Doly Begum: Are the standards—and I know my colleague from Waterloo talked about some of the standards, and sometimes some of the provinces are not as open as Ontario is. Does the bill address in terms of sort of standardizing upwards, or is it going to create any more barriers?

Mr. Aaron Dobbin: I think MPP Fife was correct in terms of her characterization of Quebec and traditional role when it comes to intergovernmental affairs.

I think the one single greatest hope that I had when the original announcements were being done by the Premier and the Premier of Nova Scotia was the follow-on that Quebec was on board and publicly stating that they were on board. That's a monumental breakthrough. We have to follow it up and get the bilaterals in place, but that was a seminal moment for me.

I may not, as the previous person who was here, who seemed to live and breathe intergovernmental—I did that for a couple of years and got the heck out, but, yes, it was a really, really important moment.

Ms. Doly Begum: Thanks.

Matt and Evan, I want to give you an opportunity to also address that—Matt, do you want to go next?

Mr. Matthew Pelton: Yes, sure. The Quebec piece is interesting. It is certainly the woolliest, but I think that there are some opportunities to find some mutual ground there as well.

There's an interesting perspective from the beverage alcohol space—there's a category called RTDs, which are traditional coolers. These are normally 5% ABV, in a can, oftentimes spirit-based. Quebec currently has protectionist rules in place whereby if you want to sell it in their market, it has to be produced in Quebec. So what the industry is doing as an alternative to that, or what they have in the past, was they produced in the US and then imported it to Quebec. I think there maybe is some realization coming from all of this that maybe they shouldn't force it to be Quebec-produced; maybe something that's Canadian-made would be more acceptable than US-made, because that's the alternative that they've forced industry into. So I would like to think that this is creating an opportunity for them to reconsider some of those positions as well.

Ms. Doly Begum: We started this morning talking about, I think, the crisis moment we are facing but it also seems like it's an opportunity for us to modernize in many ways as well.

Evan, you talked about some of the challenges that you faced. Do you want to elaborate a little bit more?

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

Mr. Evan Stubbings: Maybe just since Quebec is coming up and Desjardins is a large player in Quebec, founded 125 years ago in Lévis, I'll just mention that, obviously, there are particularities there. But I want to echo what I heard over from Aaron here. We have spoken with key stakeholders in Quebec and there is a clear demand for undertaking this hard work. That is quite encouraging.

I think it's important not to lose sight of the fact that, aside from their distinct legal system, when we talk about Quebec, it's important to ensure that customers can be served in their language of choice. My two co-panellists here are more in the business of goods. I'm more in the business of services. So I think that the importance of language and meeting people where they're at—be they Ontarians in English or French, or Quebecers in English or French—is absolutely paramount. I can't speak for my competitors but we at Desjardins are supremely well-positioned to do precisely that.

Ms. Doly Begum: Thank you so much.

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

We'll now go to MPP Cerjanec.

Mr. Rob Cerjanec: A bit more of a general question: What level of, I guess, tracking do you think the province needs to do with these changes once we are making agreements with other provinces? It can go to anyone first.

Mr. Aaron Dobbin: For me, it's pretty simple. Our products are tracked to the nth degree. Every bottle has a destination, and the government is fully aware of every destination of that bottle. We have significant reporting requirements. I like to say, us and the pharmaceutical industry are probably the most heavily regulated industries in the country. So the upside is that when it comes to auditing and making sure, there are very stringent reporting requirements already in place.

Mr. Evan Stubbings: I'm happy to jump in. I think what you're driving at here is consumer protection to an extent. I want to stress that Bill 2, as far as I'm concerned in the insurance context, doesn't undercut any consumer protection standards that are already in place. Just to read some language from the bill itself—and I don't have the exact provision in front of me—but "upon being issued an authorization ... the person or entity shall be subject to any laws applicable to providers of the service in Ontario."

To translate that into the insurance context, this means customers would be protected through the automatic adherence of various important consumer protection laws and regulations, be that the Ontario Insurance Act; regulations such as the prohibition on unfair and deceptive acts and practices, also known as UDAP; fair treatment of customers responsibilities, which FSRA oversees, as well as the insurance core principles; and many other things.

All to say, I think if we were to see the rubber meet the road on this, somebody who was given that equivalency here in Ontario but who undertook their formal certification, for lack of a better term, in a different jurisdiction, an Ontarian would still be receiving the service that they have come to know and expect.

Mr. Matthew Pelton: I'll just add a quick comment here, and I mentioned it earlier, but for the beverage alcohol industry, most of the regulations from a safety standpoint in terms of labelling and marketing standards are actually the provinces enforcing the federal standards that already exist. Those things are already in place at a federal level. It's the provinces that take it upon themselves to adhere or impose or check on those different processes to their own preference. But the standards are there, and they are consistent.

Mr. Rob Cerjanec: Aaron, you represent both larger producers and smaller producers. Is that correct?

Mr. Aaron Dobbin: Yes.

Mr. Rob Cerjanec: In terms of the smaller producers, what do you think they need out of this bill? What do you think the impact of this bill will be for those smaller producers competing across the country?

Mr. Aaron Dobbin: I think for them it opens up those provinces as a channel. Direct-to-consumer is a very powerful channel in the United States, and I think the smaller wineries—the nature of the wine that gets sold in DTC is right in the small-winery wheel space. The Jackson-Triggs 750-millilitre red is in every liquor board across the province, so you're not going on the computer and getting it sent. But if you're going to Cooper's Hawk down in Lake Erie North Shore and you've heard something great about their wine—you're never going to find it in the Saskatchewan liquor board, so being able to go online and order that—and then those small wineries can also start pushing, through social media and other venues, to get the attention of customers. It's a good margin and potentially solid volume for wineries that are making 5,000, 8,000 cases.

1750

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

Mr. Rob Cerjanec: Thank you for that.

I promised my friend from the other side that I would share a little story about this past weekend. This past weekend, I was at a wedding at a very nice winery, but the day before, we went to one that makes French-style, French-processed wine, using more traditional processes, in the Niagara region. It was phenomenal and a really great experience.

I was just curious to hear your perspective on that, so thank you for sharing that with me.

The Chair (Mr. Ernie Hardeman): We'll now go to MPP Brady.

Ms. Bobbi Ann Brady: Evan, just for clarification: Ontario adjusters—if they're going to deal with a catastrophic event in another province, they don't have to take an exam; they have to pay a licensing fee. Am I correct?

Mr. Evan Stubbings: It would depend on the jurisdiction we're talking about. I'm going to leave Quebec aside—a common-law province. They do require that licensing. There are three or four other provinces, predominantly in the Atlantic region, that do require licensing in order to operate there. But, yes, you would be paying a fee per adjuster.

Ms. Bobbi Ann Brady: But if an insurance adjuster comes from another province into Ontario, they don't need to take an exam.

Mr. Evan Stubbings: That is correct.

Ms. Bobbi Ann Brady: So maybe just eliminating all those fees would be a good start too.

Mr. Evan Stubbings: Oh, absolutely. We are all, I think, keen, as are your constituents, on ensuring that we can tackle the cost-of-living crisis.

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

Mr. Evan Stubbings: Ultimately, your insurance premiums are a part of that, so to the extent that we can deflate some of the upward pressure—be it expenses, be it claims costs—there are certainly—

Ms. Bobbi Ann Brady: Can I just get one more question in really quick? Can American adjusters come? You did mention that.

Mr. Evan Stubbings: The short answer is yes. They did not physically cross a border. They were phone adjusting claims. But, yes, they were still operating on behalf of Ontarians' claims.

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

Mr. Dave Smith: Matt, I'm going to come back to you for just a couple of minutes and then jump over to Aaron.

You've got breweries in Ontario, BC, Quebec and Alberta, so in those four provinces, you're seen as a domestic product. But if you want to sell your beer in Saskatchewan, Manitoba or the Atlantic provinces, you're considered an import, like Grolsch or Guinness or Royal Lion or any of those imported beers. With this change, you would be able to sell direct to the consumer.

Royal Lion stout is made in Trinidad and Tobago—excellent stout, by the way, if you like chocolate stouts.

What would this mean for you, as a change—being able to sell direct to consumer without it being considered an imported beer in those jurisdictions?

Mr. Matthew Pelton: It is a really good question. It does vary province by province.

To be frank, some of the Atlantic markets are more challenging in terms of their restrictions. We are required to use their crown corporation warehouses, and there's no bidding on that. They charge whatever they like to charge for that, so it's an expensive process. However, I'm not convinced that it would be cheaper for them to buy 12 or 24 beers by direct-to-consumer, for that same product to get shipped in a single box than it would still be for them to go to their local crown corporation store or retailer for that same purchase.

Frankly, it wouldn't have the same convenience factor either. Beer is generally a product that is purchased for near-immediate consumption. It's bought ahead of the weekend. It's bought ahead of your softball game, whatever it is. So I just don't see that it's going to play into that foresight piece from an ordering standpoint.

What it's going to cost, 10 or 20 bucks to ship those same 12, 15, 24 beers? All of a sudden, you're adding in 30% to 40% of additional cost on top of what we would retail it for here in Ontario.

So I like the idea in principle. I just don't see it as a big opportunity for us.

Mr. Dave Smith: There's obviously going to be some more work to be done to change it from direct-to-consumer to something else.

I'm going to pivot over to Aaron. Really, there are four, maybe five wine regions in Canada. We've got BC, Ontario, Quebec and a couple of the Atlantic provinces.

Mr. Aaron Dobbin: Nova Scotia.

Mr. Dave Smith: We're more of a mature winery area than Atlantic Canada and Quebec, maybe comparable to BC.

With the removal of the US product from the LCBO, we've seen a 40% increase in VQA wine sales. We're seeing that people in Ontario want to buy Ontario wines that way.

Opening up like this, do you think that we're going to see an increase in the higher-quality wines from Ontario into other provinces that may not be selling it through their liquor control boards?

Mr. Aaron Dobbin: Absolutely. I think, particularly for the small wineries, that's really where this comes into play.

Today, we have been talking a lot about, "If not now, when?" when it comes to breaking down the barriers. But we're also, right now, in our industry particularly, thinking, "If not now, when?" in finding those customers, getting them to try Ontario wine and getting them to realize how great Ontario wine is.

Quite honestly, it's not just folks in other provinces; it's folks in Ontario. We're greatly appreciative of what we've seen in the retail market in the last month, but we see it as an ideal opportunity to convert those wine drinkers back to Ontario.

Mr. Dave Smith: Arterra and Peller are probably the two largest in Ontario.

Mr. Aaron Dobbin: Yes, they are.

Mr. Dave Smith: So it's the other wineries that are part of your group that you think are going to see the biggest benefit on it? Magnotta's one that advertises a fair bit in Ontario. They're probably not in every province right now, but they have an excellent winery. They have a fantastic agri-tourism opportunity when people are going to it.

Do you see that as a benefit to bringing in potential tourist dollars into the Niagara region that way and being able to sell that case?

Mr. Aaron Dobbin: Yes.

Mr. Dave Smith: And have them shipped to that home location?

Mr. Aaron Dobbin: Yes.

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

Mr. Aaron Dobbin: I attended a wonderful conference that the Ministry of Agriculture put on in Guelph, and it was all about agri-tourism. Our industry is the poster child for agri-tourism.

As I said, it's the opportunity to have that person in Saskatoon or in Winnipeg try our wine and say, "I love this. I love the story. I want to go meet the winemaker." That's a real event in our industry. Those people will come. They will fly to Toronto, they will stay overnight in Toronto, they will go down to Niagara, and they will spend a couple of days in Niagara, in Prince Edward county or down in Lake Erie North Shore. They're then spending real dollars in Ontario as well as buying our wine.

Mr. Dave Smith: I don't want to sound like I'm being disrespectful to any product, but the IDB product is typically cheaper product than the higher-end VQA stuff. So you're bringing in people, then, who have that affluence, who are going to spend more than just on your product. They're going to be doing a lot of other things in the region—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for this question, it concludes the time for this panel, and it concludes the time for the public hearings of Bill 2.

I'd like to thank all the presenters for your presentations, this panel and all the panels for today; for taking the time to prepare; and for helping us with understanding what we need to do going forward.

As a reminder, the deadline for written submissions is now—6 p.m. I look at the clock, and that's where it is.

The deadline for filing amendments to the bill is 7 p.m. this evening.

The committee now stands adjourned until 9 a.m. on Thursday, May 29, 2025, when we will begin clause-by-clause consideration of Bill 2.

The committee adjourned at 1800.

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