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of Ontario



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de l'Ontario

**Official Report
of Debates
(Hansard)**

F-65

**Journal
des débats
(Hansard)**

F-65

**Standing Committee on
Finance and Economic Affairs**

Estimates

Ministry of Finance

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

Budget des dépenses

Ministère des Finances

1st Session
43rd Parliament

Thursday 19 September 2024

1^{re} session
43^e législature

Jeudi 19 septembre 2024

Chair: Ernie Hardeman
Clerk: Vanessa Kattar

Président : Ernie Hardeman
Greffière : Vanessa Kattar

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111, rue Wellesley ouest, Queen's Park
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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Thursday 19 September 2024

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Jeudi 19 septembre 2024

The committee met at 1101 in room 151.

ESTIMATES

MINISTRY OF FINANCE

The Chair (Mr. Ernie Hardeman): Good morning. The Standing Committee on Finance and Economic Affairs will now come to order. The committee will now begin consideration of estimates of the Ministry of Finance for three hours.

Are there any questions from the members of the committee before we start? Seeing none, I'm now required to call vote 1201, which sets the review process in motion. We will begin with a statement of not more than 20 minutes from the minister.

Welcome, Minister. The floor is yours.

Hon. Peter Bethlenfalvy: Merci beaucoup. Thank you, Chair, and good afternoon to—or good morning, I guess; we're still in the morning—all my colleagues and friends across the aisle. I'm pleased to be here to discuss the Ministry of Finance's 2024-25 expenditure estimates. I would like to extend a warm thank you to all members of the committee and a big thank you to you, Chair, for your hard work. I really do appreciate that.

Avant de commencer, je voudrais remercier les membres du comité et le Président—monsieur le Président—pour votre travail et leur travail acharné.

The mechanisms of parliamentary democracy which hold the executive of the people accountable are a vital part of our parliamentary process. Beyond the substance of the estimates itself, the process of parliamentary accountability is crucial for maintaining trust and confidence in our elected processes. Thank you to everyone involved in this work.

As Minister of Finance, my responsibility is to oversee the ministry's management of Ontario's finances in a responsible, accountable and sustainable manner. This means balancing the priorities of the people today as well as looking to the future and planning to meet the needs of generations and communities to come.

Speaking of communities to come, Ontario's population is now over 16 million people, with more than 275,000 people expected to move to the province annually. In fact, the last two years has been much greater than that: almost one million people over the last two years. With this growth, we are seeing communities expand and grow right across this great province.

While I'm as confident about Ontario's future as I have ever been, I want to be very clear: Success is neither automatic nor is it guaranteed. We will have to continue to work hard for it.

Like the rest of the world, Ontario continues to face economic uncertainty due to high interest rates and global instability. Governments of jurisdictions large and small must make plans and decisions in light of these challenges—challenges that are putting pressure on the province's finances as well as those of Ontario families. But despite ongoing pressures, we are continuing to deliver on our plan to build, because Ontarians are counting on us to make Ontario a top destination to live, to work, to do business and to raise a family.

This government remains on a path to build for the long term while keeping costs down. We're making investments now that are needed and will support our growing province in the short term and the long term.

Notre gouvernement continue de bâtir pour le long terme, tout en gardant les coûts bas maintenant. Nous faisons aujourd'hui les investissements qui sont nécessaires et qui soutiendront notre province en pleine croissance à court et à long terme.

Chair, our government is here to help this province and its people overcome any challenge. We are here to invest responsibly, and we are here to pave the way for a brighter future. We refuse to slow down our work to build this province, and cut costs and taxes on families, businesses and municipalities. This is not the time for us to stand idly by and leave our province's bright future up to chance. We must continue our prudent, responsible approach.

Dans un contexte de taux d'intérêt élevés et d'incertitude économique mondiale, nous sommes conscients qu'il est plus important que jamais de garder les coûts bas. Nous refusons de ralentir le travail que nous avons entrepris pour bâtir la province et refusons d'imposer aux familles, aux entreprises et aux municipalités des coûts, des taxes ou des impôts additionnels.

Ce n'est pas le temps de rester les bras croisés et de laisser l'avenir prometteur de notre province au hasard. Nous devons poursuivre notre approche prudente et responsable.

We must continue to build a better and a stronger Ontario. As I've said, a range of factors, from global conflict to growing trade protectionism and consumer price inflation, all impact Ontario's economic outlook. And while the Bank of Canada has finally started cutting interest

rates, people around the province are still making tough choices for themselves and for their families. Chair, that is why we will continue to put more money back into the people's pockets.

While Ontario is not immune to potential economic slowdown, our economy is proving resilient. My ministry colleagues and I work diligently to ensure we do not take this stability for granted. Chair, as forecasted in the projections, forecasted in the 2024 Ontario budget, we are in a strong economic position. As per the Ontario 2024-25 first-quarter finances report, which I released earlier this year, on August 13, Ontario's real GDP grew by 0.7% in the first quarter. This growth was supported by higher exports and household spending, and reflects stronger-than-expected results for the first quarter.

We've also made gains drumming up domestic and international investor confidence, including Ontario start-ups. Companies are putting down roots in the province and creating good-paying jobs for families and people. But that's not all. Many of you know that Ontario has an AA credit rating with three of the big four credit rating agencies. A clear sign of that confidence came earlier this year, in June, when Morningstar DBRS upgraded our credit rating—the first credit rating upgrade since 2006, almost two decades ago. This is a reflection of our government's work to ensure prudent, responsible fiscal management while helping to build a strong economy. And it demonstrates that Ontario is a stable, reliable place to invest.

Our 2023-24 revenues of \$205.7 billion, our program spending of \$200.6 billion and borrowing interest on debt of \$13.9 billion are all on track with forecasts from the Ontario 2024 budget. In fact, we just updated that in our public accounts this morning. The first-quarter finances project a deficit of \$9.8 billion in 2024-25—also unchanged from the 2024 Ontario budget.

As for our borrowing program, Ontario's bonds provide investors with exceptional liquidity in a wide range of bond offerings, including green bonds. We are the largest and most consistent issuer of Canadian-dollar green bonds, with \$19.25 billion issued since 2014-15, leadership we are continuing. This \$19.25 billion is more than the total amount of green bonds issued by all other provinces and the federal government combined.

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In June, we issued our first green bond of this fiscal year and the 16th green bond overall for \$1.25 billion. This was the second green bond issued under the government's new Sustainable Bond Framework, which allows for a broader range of potential bond offerings in the future, including zero-emission nuclear power.

Ontario will continue to finance most of its borrowing program in the long-term public markets in Canada as well as internationally. We completed long-term public borrowing of \$42.6 billion in 2023-24, which has allowed us to pre-borrow for future years' financing needs.

As for this fiscal year, Ontario's long-term borrowing is forecasted at \$37.5 billion and \$37.7 billion in the following year. Just under six months into the fiscal year,

we have already borrowed more than 75% of this year's long-term borrowing requirements, taking advantage of Ontario now having the lowest new-issuance borrowing costs of any province for the first time in 10 years.

Chair, we are taking an economically progressive yet fiscally responsible approach to governance. Even as other jurisdictions abandon their fiscal responsibility, Ontario is still tracking a clear path back to balance. The proof is in the numbers. We have kept our debt-burden-reduction targets unchanged from the 2023 budget, and I am happy to point out that our interest on debt-to-revenue ratio is at the lowest level it has been since the 1980s. Furthermore, our debt-to-GDP ratio is the lowest it's been in a decade.

Work is also continuing right across the province on key priorities. Key infrastructure projects such as Highway 413 are under way with shovels in the ground to build the roads and highways Ontario's growing population needs.

We welcome significant new investments in energy transition, like Honda and Asahi Kasei in the auto industry and Sanofi in health care, that come with good-paying jobs. We created over 154,000 jobs over the first eight months of 2024, of which more than 59,000 are full-time and more than 83,000 are in the private sector. We signed an agreement with the state of Illinois to boost two-way trade and investment as part of our \$500-billion annual trade partnership with the United States.

Just in time for summer, we increased choice and convenience for Ontario consumers by allowing currently licensed grocery stores and convenience stores to sell alcoholic beverages.

Chair, any mention of our plan would not be complete without mention of our province's strong, world-class workforce and our efforts to prepare workers for the jobs of tomorrow today. In Ontario, 70% of adults have completed tertiary education, the highest proportion compared to every other Canadian province and country in the Organisation for Economic Co-operation and Development, also known as the OECD. That's a remarkable number.

As we continue to make investments in skills training for in-demand careers, I'm proud to say that, day in and day out, we are working for workers.

Chair, we are also remaining committed to creating good-paying jobs and fostering business investments that will deliver tomorrow's economic success today. That is why our 2024 Ontario budget allocates an additional \$100 million to the Invest Ontario Fund, bringing its total to \$600 million, helping to attract investments and new key jobs in key sectors such as advanced manufacturing, life sciences and technology. These are crucial drivers of our provincial economy, with manufacturing now accounting for 11.2% of Ontario's total GDP in 2023.

In 2023, employment in the manufacturing sector increased by more than 20,000 jobs. We're also boosting the growth of Ontario's end-to-end supply chain for electric vehicles and EV batteries. I'm proud to say that over the last four years, we've attracted more than \$44 billion in automotive and EV-battery-related investments from global automakers, parts suppliers and EV battery

and materials manufacturers. In addition to spurring economic growth, these business investments are expected to create more than 13,000 new permanent jobs.

In February, BloombergNEF released its fourth edition of the global lithium-ion battery supply chain ranking, a 46-metric ranking system that evaluates each country's potential to build a secure, reliable and sustainable supply chain for lithium-ion batteries. Chair, among 30 countries, Canada claimed the top spot, overtaking China and ahead of the United States, which finished third—jobs of the future that will be here sooner than we think and will continue to support Ontario workers and Ontario families for decades and generations to come.

Les emplois de l'avenir, pour un avenir qui approche plus vite qu'on le pense—les emplois qui permettront de subvenir aux besoins des travailleurs et des familles de l'Ontario pendant des décennies.

Chair, we are attracting investments, creating new jobs and supporting businesses. Since 2018, we have taken actions that are enabling an estimated \$8 billion in cost savings and support for businesses this year, including \$3.7 billion in savings for small businesses. Some of these actions to lower costs include implementing the Ontario Made Manufacturing Investment Tax Credit, to help local manufacturers invest and expand, and reducing the small business corporate income tax rate to 3.2%, helping small businesses lower their costs. This will also help create jobs and economic growth.

We are supporting Ontario's mining sector with an investment of an additional \$15 million over three years to expand the Critical Minerals Innovation Fund, an investment that will enhance research and development in the commercialization of mining-related innovations.

Another example of our government investing to create jobs and economic growth is our support for Ontario's growing film and television industry. This industry continues to create high-value jobs and attract investment across the province, including in film studios and location shoots in the north. In fact, productions that receive support from provincial programs spent approximately \$3.2 billion in Ontario in 2022, which contributed over 45,000 full-time jobs. This is why we simplified the Ontario Computer Animation and Special Effects Tax Credit, or OCASE. The simplification of the OCASE tax credit rules delivers on our government's commitment to explore opportunities to simplify tax credit support for computer animation and special effects activities.

We're also moving forward in Ontario's pension plan landscape by making progress on implementing a permanent target benefit pension framework. This paves the way for Ontario employers to offer workplace pensions. This helps employees move from employer to employer while keeping the same pension and increases the opportunities for workers to save for their retirements.

Now, Chair, as you will likely recall, our government extended our temporary cuts to the gas tax of 5.7 cents per litre, and the fuel tax, also known as the diesel tax, by 5.3 cents per litre until December 31, 2024. This is one of the most visible and most talked about of our government's

initiatives in Bill 180. It ensures the rates remain at nine cents per litre and delivers savings of \$320 for Ontario households on average over the two and a half years since the tax rate cuts were first introduced.

This government understands the average Ontario family and the average Ontario businesses who are feeling the pinch. That is why we are continuing to keep costs down for families and businesses through these tax cuts.

Our government's changes to alcohol taxation are another key initiative to keep costs down and support the province's hospitality and alcohol sectors. We eliminated the wine basic tax that applies to sales of Ontario wine and wine coolers in on-site winery retail stores, and we stopped the estimated 4.6% increase to the beer basic tax and LCBO markup rates that were scheduled for earlier this year, in March. Halting this increase has resulted in approximately \$200 million in relief and will be in place for two years, until March 1, 2026.

Our government is also actively conducting a targeted review of taxes and fees on beer, wine and alcoholic beverages, with the aims of promoting a more competitive marketplace for Ontario-based producers and consumers.

Chair, as I near the end of my remarks, I would be remiss if I did not mention our government's plan to support critical provincial infrastructure. That, of course, is Ontario's plan to build the most ambitious capital plan in Ontario's history: investments of more than \$190 billion over the next 10 years to build and expand highways, transit, homes, high-speed Internet and other critical infrastructure which are all supporting Ontario's economic growth.

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The Building Ontario Fund, an important tool to attract capital to help Ontario build essential infrastructure, is a critical piece of this work. With this fund, we are further exploring opportunities to support large-scale projects in a variety of sectors, including long-term care, energy and municipal infrastructure.

In 2018, our government made a promise to the people of Ontario to be transparent and accountable with the province's finances, because every tax dollar deserves respect. Every dollar counts.

En 2018, notre gouvernement a promis à la population de l'Ontario de faire preuve de transparence et de responsabilité concernant les finances de la province car nous devons respecter l'argent des contribuables. Chaque dollar compte.

That is why, every 90 days, I provide transparent updates—
The Chair (Mr. Ernie Hardeman): One minute.

Hon. Peter Bethlenfalvy:—on the province's finance to the public.

I look forward to concluding my remarks right now. We just released the public accounts with my colleague Minister Mulroney for the year 2023-24. I welcome any questions this committee may have.

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

I now want to remind the committee that I will allow members to ask a wide range of questions pertaining to the

estimates before the committee. However, it must be noted that the onus is on the member asking the question to make sure the question is relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked with the research officer.

For any staff appearing today: When you are called on to speak, please give your name and your title so that we may accurately record in Hansard who we have.

We will now begin questions and answers in rotations of 20 minutes for the official opposition members of the committee, 10 minutes for the independent members of the committee and 20 minutes for the government members of the committee for the remainder of the allotted time.

We will now start with the official opposition for the first 20 minutes. MPP Fife.

Ms. Catherine Fife: Thank you, Minister. First off, I want to say thanks so much for giving us the heads-up on public accounts. It's always good to get five minutes' notice before the public accounts drop. That document just went live half an hour ago on a by-election day. I just want to register how I think that this is completely disrespectful to the official opposition.

I noticed in your comments you talked about the modernization of the economy here in the province of Ontario, and you also touched on the liberalization of alcohol sales and what that will mean for this province. I'm going to try to get some answers from you today with regard to the cost to the people of Ontario of breaking the master agreement and the subsequent costs to the revenue streams in Ontario based on moving ready-to-drink cocktails, beer and wine into convenience stores a year earlier than expected.

That one-time payment to the Beer Store of \$225 million, which was part of the master agreement, happened a whole year ahead of schedule. If you had just waited one more year, there would not have been any fee. Is that correct?

Hon. Peter Bethlenfalvy: Fees? No, that is not correct. We don't know. That's a hypothetical.

Ms. Catherine Fife: It's a hypothetical?

Hon. Peter Bethlenfalvy: And if you look at the purpose of paying up to \$225 million, it's to manage the transition and protect jobs, which I suspect would have been the same policy objective, perhaps, down the road.

Ms. Catherine Fife: So you don't believe that the final cost to break the master agreement will be \$225 million, even though it was a contractual agreement that was broken?

Hon. Peter Bethlenfalvy: I'm not going to speculate what the final number will be, but I will assure that you every penny is going to be audited very carefully.

Ms. Catherine Fife: Don't you think that as the finance minister, you should know what the cost is going to be before you break a contractual agreement?

Hon. Peter Bethlenfalvy: These are costs that we agreed to support in the transition to protect jobs, to protect stores, as we unwind a Liberal 10-year monopoly signed with the international Beer Stores, and to follow through on our campaign commitment to provide convenience and choice to something that hadn't been dealt with for a hundred years.

Ms. Catherine Fife: You'll also recall, Finance Minister, that when you broke the contract, the master agreement, which does have a penalty—the people of Ontario should know what the final cost is going to be—that the LCBO workers were actually in bargaining at that time. And because your government broke that master agreement a year ahead of time, we had the first LCBO strike in the history of this province.

You'll also know that the LCBO brings in \$2.5 billion in profit to our treasury. Retail stores account for 80% of LCBO revenue. And this money, of course, goes to health care, goes to education, it goes to infrastructure—some of the items that you said were so important to you in your opening comments.

But until at least 2026, I think people in Ontario need to know that retail stores will buy alcoholic drinks from the LCBO at a 10% discount from the LCBO's retail prices. What consideration did you give? Is this part of the \$225 million that it's going to cost Ontarians to help subsidize bringing these alcoholic drinks into corner stores?

Hon. Peter Bethlenfalvy: Well, first off, it's not a penalty. Let's be very clear: It's a negotiation with the Beer Store, who have certain rights to transition through a 10-year monopoly signed by the previous Liberal government. So I'll just be very clear about that.

Again, we've been very transparent and clear that it's up to—

Ms. Catherine Fife: But there is a cost.

Hon. Peter Bethlenfalvy: Well, it's up to \$225 million—we're very transparent and clear—which will run through—

Ms. Catherine Fife: And where did the 10% discount to these convenience stores—

Hon. Peter Bethlenfalvy: To be clear, that is the wholesale margin—again, we've been very clear—to allow for convenience stores, grocers, the LCBO to all compete, and that's the margin that we provided.

Ms. Catherine Fife: Okay, so you're helping convenience stores and grocery stores transition to sell alcohol with taxpayer money by giving them a 10% discount at the LCBO?

Hon. Peter Bethlenfalvy: There's always been a discount given. Now, not only will this apply to spirits and wine, but as of 2026, LCBO will be the wholesaler as well for beer in all of Ontario, which will provide some real opportunities for cost efficiencies, distribution and opportunities for the LCBO.

Ms. Catherine Fife: So other provinces, Minister—they have a licensing fee to be able to sell alcohol, be it spirits, be it beer, but Ontario has forgone that. You've decided that there's no licensing fees for convenience

stores and for grocery stores. Do you know what the lost revenue would be by doing that?

Hon. Peter Bethlenfalvy: It's not lost revenue. I know some would like to raise taxes and raise fees. These are policy decisions. I think the people of Ontario know that this government has been very clear that we're not raising taxes and fees, and so I don't know why we would do that for the convenience stores, the grocery stores, for the consumers, who, ultimately, these costs would be passed through if we're going to increase fees and taxes—

Ms. Catherine Fife: So other provinces decided to offer licensing fees, one, because there's a transactional agreement between the government and, of course, small businesses—or large businesses, for that matter. So you have not costed out what that potential revenue would be? Because we've estimated it at between \$300 million and \$400 million.

Hon. Peter Bethlenfalvy: You know, first of all, this is Ontario. I'm not managing other provinces. I'm managing Ontario.

We just announced the public accounts, that we've got almost a balanced budget, a \$0.6 billion deficit this year, which is a tremendous accomplishment. And by the way, it's not either/or; we're investing in health care, record investments in health care, supporting workers, building more—

Ms. Catherine Fife: Minister, I asked you questions about the licensing fees.

So you made a determination as the finance minister of Ontario that you were going to allow anybody to sell alcohol in corner stores, in large grocery stores, and you've determined that there would be no licensing fee. That's correct?

Hon. Peter Bethlenfalvy: There are fees. I'll ask my colleagues to answer more specifically.

No. What you're talking about is you would increase the fees and put the burden on those small businesses, which would harm jobs, that would harm local communities—

Ms. Catherine Fife: No, we would actually support an organization like the LCBO—

Hon. Peter Bethlenfalvy: —and we've decided to go in a different direction—

Ms. Catherine Fife: I'm going to reclaim my time, Chair. Thank you very much.

So the reason I'm getting to this point, Minister, is that you've moved the timetable on the expansion and liberalization of alcohol. There is going to be a cost to the revenues of this province, and when you reduce revenue, you actually reduce where you can invest as a province.

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But when Richard Southern asked you a really key question, "What would be the revenue loss because of the expansion to the LCBO?" you were quoted as saying, "I have no idea." Do you have an idea of how much the liberalization of alcohol in Ontario is going to cost at the LCBO, a major generator of revenue for health, education and infrastructure?

Hon. Peter Bethlenfalvy: He was asking me to speculate on a future number and what I did say is that I have a lot of confidence in the LCBO. I have confidence in their ability to generate revenues. They have a great retail footprint. They do a great job in their stores. They have a great online offering and presence. They will now have wholesaling. They are promoting and will be selling small producers' products on their shelves. I made that very clear that that's where their mandate is. So I see the opportunities for the LCBO to be very bright.

I was also very clear that I would update the numbers in the fall, which is the fall economic statement.

So, to speculate on any numbers, and also to speculate on how much you would increase fees—

Ms. Catherine Fife: But there shouldn't be speculation. I agree with you. You shouldn't have to speculate. You should have done your fiscal due diligence and costed out what this is going to amount to.

I mean, if you know that the LCBO brings in \$2.5 billion and then you change the market share for alcohol in Ontario, whereby people can now go to a 7-Eleven and get a White Claw, that means they're not going to go the LCBO and buy a White Claw.

Surely somebody in the Ministry of Finance did some fiscal analysis of how this would impact revenue for the province and what are some of the other costs might occur because of this major shift in policy. It shouldn't be speculation; I agree with you.

The Chair (Mr. Ernie Hardeman): Minister, before you answer, it's hard to believe, but if I could ask you to move a little closer to the microphone. We're having trouble getting the answers. Thank you very much.

Hon. Peter Bethlenfalvy: Sure.

Obviously, this is a tremendous historic expansion of providing convenience and choice. It's a great opportunity for workers and small businesses. This is great for consumers who will have more convenience and choice.

Of course, we will be updating those numbers because we announced this on May 24. We have gone through the first phase, roughly, on August 1. We're putting ready-to-drinks into the grocery stores that have licences—450. We're very encouraged that, I think over, 4,000 licences were approved for convenience stores in Ontario. The vast majority of them have product now on their shelves. And we go forward on October 31 with the additional distribution of wine, beer and ready-to-drink in grocery stores. I was clear at the time that I would be updating all those numbers as we find out how many licences are granted. You don't know until you know. It would be imprudent of me to speculate on the volumes and how the market reacts to the new offerings, but we'll update those numbers.

Ms. Catherine Fife: I mean, with all due respect, I would have thought that some financial analysis would have been done before a major shift in policy like this.

We do know that the LCBO brought in \$2.5 billion in profit to our treasury. Retail stores account for 80% of that LCBO revenue, with grocery, bar and restaurant sales far behind. The sale of three items—beer, wine and ready-to-

drink cocktails—make up the majority of those sales. In the LCBO's annual report, they outlined that this money is used to fund services such as health care, education and infrastructure. How does the ministry expect that their privatization of sales of these three lucrative items will impact LCBO revenues? Are you really telling me that you have no answer to this?

Hon. Peter Bethlenfalvy: No, I'm answering you; you're just not accepting it—

Ms. Catherine Fife: I don't accept "nothing."

Hon. Peter Bethlenfalvy: The member also knows that this isn't privatization because the LCBO continues to be in public hands and will continue to be in public hands. For the record, you have to be clear on that.

We announced the strategy and the execution of that on May 24. I was very clear about the costs to the Beer Store, up to \$225 million. I was also very clear that I would update the numbers in the fall, and I stand behind that commitment.

And as there are a lot of moving parts and a lot of activity to get beer, wine and ready-to-drinks into grocery stores, into convenience stores, the most monumental move in almost 100 years, I think I've been more than transparent and clear about the opportunities.

I'll also say that we've continued to be very focused on the bottom line, including the returns from the LCBO. We've got a great organization there. They're best in class. I have a lot of confidence in them. Of course, when you show public accounts that we've virtually balanced our books, which we just announced this morning—by the way, that required it to be tabled with the Clerk, and I might have been able to give you more time, but you booked estimates for me at 11 o'clock—

Ms. Catherine Fife: Actually, the government booked estimates for you. This was not our decision. But thank you for the clarification.

So you have no plan that I can hear of how you will replace the revenue lost through LCBO. Have you given any consideration to the impact around government spending? How will this impact investments when you lose revenue at the LCBO?

Hon. Peter Bethlenfalvy: I think, first off, you've got to correct that—you're thinking that there will be a revenue loss—

Ms. Catherine Fife: Yes, actually. That is your assumption, that you think that the \$2.5 billion will not be impacted by 673 convenience stores selling alcohol?

Hon. Peter Bethlenfalvy: There will be short-term impacts. The member conveniently forgets that there was a two-week strike which will impact revenues. But I'm thinking about the long term and the opportunity. The member knows full well that we have a path to balance. We're growing revenues in this province. We just announced about a \$13-billion year-over-year increase in revenues. We're balancing the books and making historic investments in health care and education. It's not either/or; it's and.

Ms. Catherine Fife: Actually, just to be clear, the public accounts—you pulled \$4 billion out of a contin-

gency fund to get to that reduced operational deficit. And let's also remember that that contingency fund has been built on underspending and underinvesting in key areas, so nobody, including the Canadian taxpayer association, is buying this, Minister.

Hon. Peter Bethlenfalvy: No, the auditor is buying it. Of course, the expenditures went up, so you've got to look at your numbers again.

Ms. Catherine Fife: It is astounding to me, though, that you can be here in front of estimates committee and brag about this monumental, historical effort around getting beer and wine and ready-to-drink cocktails in convenience stores when we have 2.5 million people in Ontario that do not have a doctor. How did alcohol liberalization become such a priority for your ministry?

Hon. Peter Bethlenfalvy: First off, we are making historic investments in health care, and the member knows that. Increase in funding for health care is unprecedented, which includes primary care; it includes increased wages; it includes mental health and addiction; it includes hospital-building; it includes long-term care; it includes investment in digital; it includes some of the biggest transformations for home and community care in the history of the province. So I think the member would be wise to look at the public accounts, and I'd be happy to walk her through those numbers.

Ms. Catherine Fife: Listen, I'm wise to the numbers, Minister, and I'm going to take no advice from you on looking at what's happening in health care. We had 1,200 emergency room closures in Ontario last year. How is that worth bragging about?

My question to you specifically was, how did alcohol liberalization become the priority for your ministry, especially when it's a loss leader from a revenue perspective?

Mr. Dave Smith: Point of order.

The Chair (Mr. Ernie Hardeman): Point of order, MPP Smith.

Mr. Dave Smith: Thank you, Chair. I appreciate that.

We are in estimates of the Ministry of Finance. We're not here to debate or relitigate any policy decisions that had an opportunity to be debated in the chamber multiple times. Perhaps, had the member debated it appropriately during budget time, that may have been different, but that's not what we're here for today. We're not here to relitigate those things; we're here to discuss the estimates of the Ministry of Finance and the spending of the Ministry of Finance, not policy.

The Chair (Mr. Ernie Hardeman): I would like to remind all honourable members that their remarks should be kept relevant to the 2024-25 estimates for the Ministry of Finance. With that in mind, I would ask all members to focus their comments on the matter currently before the committee.

Ms. Catherine Fife: Thank you.

To the member from Peterborough, on page 7 of the briefing book, the ministry states a core role of the ministry is fiscal responsibility and respect for taxpayers. I would say that this is fiscally irresponsible and disrespect-

ful to the taxpayers when alcohol liberalization trumps health care in Ontario.

I'm just going to go back, just to recap on this decision, Finance Minister: up to \$225 million in fees in a penalty for breaking the master agreement one year early; lost revenue around licensing fees to distribute alcohol, which is actually, by all accounts, a responsible way to actually ensure that alcohol is distributed with some ethics across Ontario; and then lost revenue to the \$2.5 billion at the LCBO.

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I know you come from Bay Street. I know you have a long history as a business person. What Bay Street businessman would ever give up guaranteed revenue that actually contributes to the operations of a business?

Hon. Peter Bethlenfalvy: A businessman who can balance the books, get a credit rating upgrade, lower the cost of borrowing in this province to the lowest borrowing cost in 10 years of any province in Canada, reducing interest costs by \$1 billion year over year, at the same time as building world-class education, health care, and building the province on roads, highways, subways.

The member thinks it's either/or. It's clearly not either/or.

Ms. Catherine Fife: Minister, we have the largest debt of any subnational jurisdiction, and you've actually increased that debt in the province of Ontario by—I believe the latest stat I looked at was \$66 billion.

It is fiscally irresponsible to not do your basic due diligence around breaking a contract for a \$225-million penalty. There has been no plan or strategy in order to deal with some of the health and safety costs associated with a larger distribution around convenience stores.

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

Ms. Catherine Fife: Quite honestly, losing revenue is not in the best interests of the people of this province, and I'm going to challenge you each and every time when you say that our world-class health care system is second to none when we have 2.5 million Ontarians without a doctor, we had 1,200 emergency room closures last year and people wait two to three years for mental health services.

My point to you is that we can't afford to lose revenue. We need to be strategically investing in those sectors, and you are undermining our ability to do so by losing this revenue.

Hon. Peter Bethlenfalvy: I'm sure the learned member would know that our debt-to-GDP is the lowest in 10 years, so increasing debt is relative to the GDP—the lowest in 10 years. And I'd remind her that the vast majority of convenience stores are good actors, and compliance is a legal obligation.

Ms. Catherine Fife: I would remind you that our debt load in this province is such that we cannot afford to lose revenue.

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

MPP Hogarth.

Ms. Christine Hogarth: Thank you, Minister, for being here today with your team to talk about the finances of the province.

I'd like to start with the gas tax and the gas tax cut. I know you know my riding of Etobicoke–Lakeshore, but for those who are listening, it is the home of the food terminal, which is the largest in Canada. Going to the food terminal are 5,000 registered buyers, who drive transport trucks and small trucks and cargo vans. We have 400 farmers that go to the farmers' market who are tenants of the building, plus we have employees. And all those people drive along the Queensway in their vehicles to the food terminal.

We also have many people in Etobicoke—we drive. We drive our cars. We take our kids to soccer. We take our kids to hockey. We take our kids to school. We have school buses that take our kids to school. All of this has been hindered by the carbon tax.

I know that the Trudeau Liberals and the Bonnie Crombie Liberals are in favour of a carbon tax, but our government was prudent, and we looked at the affordability of the people of Ontario. I was actually able to be at one of the announcements with you and the Premier when we did talk about lowering, or giving a cut to, the gas tax.

Interestingly enough, when I was in Thunder Bay over the summer, my uncle asked me, "I don't think I got a cut in my gas tax. When I go to the pumps, it's still really expensive." I had to explain to him it's because of the carbon tax.

So, sir, I was wondering if you could explain a little bit more why it is important for this government to continue on the line of a gas tax cut for the people of Ontario, why it's important to them, and also in the food industry.

Hon. Peter Bethlenfalvy: Thank you very much for that question. I couldn't agree more with your comments.

With this high-inflation environment and high interest rates, people are really feeling the pinch right across the province—and businesses too. You aptly pointed out that in some places you can't take a subway to get to your job, take your kids to school. Just take a look at a map of Ontario. We're an expansive province. And so we felt it was really important to provide some relief and put money back in the pockets of people through the gas tax cut, through other measures—10 cents a litre. Particularly at a time when the federal Liberal government in Ottawa was increasing the gas tax some 18 cents, we're providing relief, and people will have their opportunity to vote on that policy.

So we've taken a different route. We've said, "No, we're going to put money back into people's pockets and make their life a little bit easier at a time that they need some help." The integrated One Fare: For those in the GTA who take public transit, they have the potential now to save \$1,600 a year. That's real money. In my region, in Durham, taking the tolls that the previous Liberal government, supported by the NDP, put on—the only place they put tolls on in the whole province—we've taken them off.

We've cut taxes, the small business taxes I referenced in my remarks. We've cut driver's licence fees to provide

a little bit more relief for those same drivers. We've increased the tax rebate for personal income tax so that the people making up to \$50,000 can keep more money in their pockets as they work hard for the country, for the province.

So you're right on, MPP Hogarth, that this is our government doing its part to help small businesses, to help families, to help individuals through a challenging time. I'm very encouraged that we're a government that's also looking down the road—and pun intended. We have gridlock we inherited from a government that built no infrastructure. They didn't build infrastructure, and they taxed everything. They built nothing and taxed everything. We're a government that's reducing that tax burden and building many things: four subway lines at the same time, making progress on those subway lines. That'll take cars off the road and make it more convenient to be able to get from A to B.

And highways: the 413, the Bradford Bypass, but it goes on. We're widening the 401 starting in Pickering, in my riding, going east all the way to Brockville, providing people in eastern Ontario an opportunity to get to work or take their kids quicker to where they're going.

With our unprecedented population growth, we have to think down the road. We have to build infrastructure. This doesn't happen overnight. Because the previous government built nothing, we've got to catch up. We're a responsible government that's ensuring that we have the infrastructure in place so that we can continue to attract people from around the world, that we can attract capital, that we can have the best services in the world. That's what we strive for each and every day, and that's why we continue to work so hard.

Ms. Christine Hogarth: Thank you, Minister. Just to add to that: You had mentioned the One Fare. Our government, under the leadership of Premier Ford, enhanced and built the Kipling hub, which is one of the major transit areas that commuters from Mississauga and all around come to to transfer over to a different line.

I was at the Taste of the Kingsway a couple of weekends ago, and there was a young fella who came up to me, and he said, "You know, I don't normally vote for your government, but I have to say, One Fare has changed my life. It has saved me so much money. I come into the Kipling hub, and I don't have to pay that extra fare. It is really making a difference." So I just wanted to pass that along.

I don't know if you have any more comments on One Fare. Otherwise, I'll pass it off to one of my colleagues. Thank you.

Hon. Peter Bethlenfalvy: Thank you.

The Chair (Mr. Lorne Coe): MPP Hamid.

MPP Zee Hamid: Thank you, Minister, for being here, and thank you for asking the question, MPP Hogarth. I just want to build upon that question. A couple of weeks ago in my riding, I had an opportunity to meet a farmer—family farm, small business; they raise cattle up on 25 Side Road in rural Milton. He tells me that his cost of transporting his cattle to London and back has gone up by

hundreds of dollars every month. That's money that's primarily coming out of his pocket because he's not able to pass the costs on.

His cost of feed has gone up—and it's not just related to carbon tax. His cost of putting in gas and everything else has gone up. It's just a general rising cost of living which is putting a lot of stress on his family. It's something that we hear a lot from our constituents, and it's something that we feel ourselves as well: The rising cost of living is a serious crisis.

Now, we know that we can't afford to wait for things to get better. We have a responsibility to take action and support the people of Ontario. At the same time, it's 14 million people in a very, very, very diverse economy. So, sir, what is our government doing to make affordability a cornerstone and make life more affordable for people in this province?

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Hon. Peter Bethlenfalvy: Well, thank you, MPP Hamid, and congratulations on your by-election victory, which was through your very hard work and your hard work in the community over a couple of decades, so congratulations.

Look, the world goes through economic cycles, and it's imperative that the government, when times are tough, is there for people. We just talked about the gas tax as one area where we can help people. We've taken other actions on individuals—for example, the most vulnerable. We're the first government of any stripe to index guaranteed annual income payments to low-income seniors to inflation. It never happened before.

On the Ontario Disability Support Program: No government has ever indexed the payments to inflation until now, helping some of the most vulnerable people in Ontario. Not only that, we increased the payments by 5%. Not only that, we increased the earning exemption so that those who can and want to work can take home more money. So we're constantly looking at ways to make life a little bit more affordable for those hard-working families and workers in Ontario, and businesses too.

Let me talk about businesses: I mentioned the small business tax cut. We've also accelerated capital cost allowances so they can write off capital investment quicker. We introduced the Ontario Made Manufacturing Investment Tax Credit, where you can get a 10% rebate on up to \$20 million of capital investment. So you can get, for a Canadian company, privately held, up to \$2 million as a non-refundable tax credit—meaning you get the money—to encourage investment in manufacturing in this province.

We're going to continue to provide relief not just for individuals, for families—the child care tax credit that we introduced, measures to make life a little bit more affordable and make life a little bit better for those. As well, businesses, who—we're not an island here in Ontario. We compete against other jurisdictions, and we want to set the best conditions, cut red tape, reduce fees, reduce taxes, invest in the workers and make them more skilled and re-

trained so that they have the same opportunities that we've been fortunate enough to have.

MPP Zee Hamid: Thank you for the response, Minister, and thank you for everything you've done for our province. Thank you for not raising the tax, despite what the member opposite kept pushing for. It would only go on to make the—

Hon. Peter Bethlenfalvy: Well, if I could address that: There's one government that looks to make life easier for individuals and families and businesses by reducing taxes and reducing fees, and then there's clearly the opposition and other parties that want to raise taxes and raise fees and put the burden on businesses and put the burden on consumers. We've chosen the former route. We haven't raised taxes; we haven't raised fees. In fact, we've cut them. They have a track record of increasing them.

But what we've proven that they couldn't prove in 15 years when they had the opportunity: We can do that at the same as balancing the books and providing interest rate relief for our taxpayers in Ontario.

MPP Zee Hamid: Thank you, sir.

Thank you, Mr. Chair.

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

Ms. Patrice Barnes: Thank you, Minister, for your presentation today. I'm really thrilled about having the tolls removed from the 413 in Durham. That has been an amazing thing. I take it every day. It really helps that I don't have to look at that cost, and the people of Durham as well.

The opposition was very focused on debt, so let's talk debt and our path to balance. We know that we have done some amazing investments in our province, that we're building infrastructure all across the province—the largest investments in a very long time. We have moved from a service economy, moving back into manufacturing, and so we are showing strong growth in so many areas. And I know you have a path to balance, because you are a good businessman that wants to see our province perform the best that it can.

When we talk about debt servicing, we're seeing some of that in our federal government, where they're spending—I believe it's \$47.2 billion just to service the debt. You talk about that all the time in regard to interest and how that reflects and how that impacts us being able to deliver for the people of Ontario.

And so, Minister, I just want to give you the opportunity to talk about the investments that are being made. We talked about the bonds, investing in a very strong and secure vehicle that gives us good returns but still gives us the security knowing that we can count on those things coming in. See? I listen. I'm learning.

So give us a little bit more information about your plan to balance the books and what that looks like, and the impact it will have on the things that we can offer the people of Ontario.

Hon. Peter Bethlenfalvy: I think that's an outstanding question, because the member from Ajax, who is doing a phenomenal job in her riding, representing her people, understands that the debt as a percentage of our economy

is going down for the first time in 10 years—something that, when others had that opportunity, saw it go up. And where we are borrowing money, in the absolute terms, is to invest in infrastructure.

What's really important to understand about that is, when you're borrowing to build a hospital—just to use that as an example—that hospital could be there for 50 years or longer. You're borrowing for long-term assets which will provide services in that community for generations. So that's why it's important to invest, and we do that by borrowing debt.

Interruption.

Hon. Peter Bethlenfalvy: I know that's a big stat, and it's very shocking to hear, as the member from Milton just reacted that way.

I will increase the debt to invest in infrastructure that's going to be around for a long time. A subway—the first subways were built in 1910, and 115 years later, they're still there. Yes, you have to repair and keep them in good service, but they've been providing people a service for a century. That's good business. That's good governance, something that the opposition clearly does not understand.

As well, we're paying less interest on that borrowing because we've managed our books so well that the marketplace is saying, "You are a safer credit, so your borrowing costs are going down." Independent credit rating agencies are saying, "You're managing your fiscal situation extremely well. You're using taxpayer money in the right areas: building infrastructure, borrowing money for infrastructure, investing in the workers and the people who are going to service that hospital—the personal support workers, the nurses, the doctors"—and so it's not an either/or.

That's why this government is so focused on continuing to build Ontario, use debt prudently, respect taxpayers' money, provide relief on the costs of day-to-day activities and reboot our economy so that we can have a bigger pie, better jobs, bigger paycheques for everybody in this province.

Ms. Patrice Barnes: Thank you, Minister. And when there are bigger paycheques, people pay taxes and the economy keeps growing and moving, so thank you for that.

I want to talk a little bit more about the—as we talk about the path to balance, which we have a clear plan that is set out to balance. My other question is—this will delve a little bit more into the alcohol being sold in convenience stores. So we've seen small businesses get the opportunity to carry another product that will grow their sustainability and also generate a profit, which, again, puts money back in the coffers of the government. We also have them hiring more people because now they need to expand their workforce to do that, which, again, puts more revenue into the pocket of the government.

My question is, could you just expand a bit more as we talk about—the opposition talked about the costs and the loss of money to the LCBO. Can you tell us what that vision is when you're looking at the numbers, the projection that you see that would make a difference?

Hon. Peter Bethlenfalvy: I see a bright future for the LCBO, I see revenue opportunities for the LCBO, and I am confident in their role as a retailer and having a competitive offering going forward. And as I mentioned in my answer previously, the LCBO will now be the exclusive wholesaler for all alcohol in Ontario. That is going to be in the LCBO's remit, so they have tremendous opportunity.

I also think that, in terms of being a retailer that supports small producers, it's good for jobs in Ontario; it's good for small wineries, small cideries, small craft brewers in this province who have a competitive product. They keep telling me they want to compete, they're ready to compete, but they don't want to have one arm tied behind their back, which they had for too long under the previous government. So now we've been able to move that forward.

I've heard from convenience stores, and they have published reports that they expect to create jobs, thousands of new jobs. That's good for the workers in those communities. That's good for the convenience stores, who have told me this is a game-changer for them. And you're right: more employment, bigger paycheques, more tax revenues, which helps the overall fiscal health of the province.

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In the first eight months of this year, we've created 155,000 new jobs, the vast majority of which are full-time jobs and private sector jobs. That's a good thing. That's the right thing to do. I think that's what the people of Ontario elected us to do.

So it's not an either/or, as some would suggest. We're delivering and investing in health care; delivering and investing in education and social services; building Ontario; keeping costs down; rebooting our economy, which is so critical; and making sure that we build the infrastructure necessary for the province. So I keep saying it's not either/or; it's and, and, and, and, and. And we're demonstrating that "and" works.

Ms. Patrice Barnes: Thank you very much for your response, Minister.

The Chair (Mr. Ernie Hardeman): Okay, 1.3. MPP Pierre.

Ms. Natalie Pierre: Thank you, Minister, for your remarks this morning. I wanted to talk to you a little bit about population growth. In 2022-23, the population in the province of Ontario grew by about 410,000 people, and then in 2023-24, another 540,000 people chose to call Ontario home. Just looking at population projections, it looks like the population of Ontario—

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

Ms. Natalie Pierre: —is going to continue to grow for years to come. You mentioned in your remarks about our return to manufacturing, the fact that we've created 150,000 new jobs just this year to date, and that more companies are choosing Ontario as a place to do business. But we can't take this good news for granted. The world today is marked by rising geopolitical and global economic uncertainty and instability, and now more than

ever it's important to remain fiscally disciplined, responsible and flexible so that we can emerge from these uncertainties stronger than ever before.

Could the minister please explain what investments we're making to ensure that Ontario is well prepared for the future as our population continues to grow?

Hon. Peter Bethlenfalvy: Thank you, MPP Pierre. I think your question actually highlighted—

The Chair (Mr. Ernie Hardeman): The answer will have to wait until the next round.

Hon. Peter Bethlenfalvy: Okay.

The Chair (Mr. Ernie Hardeman): With that, we'll go to the official opposition. Mr. Kernaghan.

Mr. Terence Kernaghan: Thank you, Minister, for being here today, and like my colleague has said, thank you for the five-minute notice that public accounts would be coming forward today, in the spirit of accountability and transparency and working as a true partner with the official opposition.

You know, we hear many words bandied about, about the job creation track record under this Premier and under this government, but quite frankly, Minister, the numbers don't add up. An article posted yesterday by Martin Regg Cohn in the Toronto Star indicates that this government has a great deal of inaccuracy and a faulty memory.

In fact, unemployment is up higher than when this government took over for the disastrous Kathleen Wynne government. Unemployment reached 7.1% in Ontario last month, which is quite a bit higher than the 5.6% that it first inherited in 2018. Ontario's unemployment rate of 7.1% is so much greater than our close neighbours, including Manitoba, which has 5.8%, as well as Quebec, which has 5.7%. In Toronto, the unemployment rate has reached 8%. It's really no wonder, Minister, that a poll conducted by Citytv has such a large disapproval rate of Premier Ford, people thinking that he should not be re-elected and this government should not be re-elected. But Windsor's is even worse at a 9.2% unemployment rate.

I would like to now turn over to a discussion of the LCBO, Minister. The LCBO as a crown corporation leaves a great deal to be desired as an employer. I know Conservative members would rather be caught with their hand in the cookie jar than to be on a picket line, but I happened to visit the picket line quite a number of times, and in speaking with those workers, whenever a full-time job becomes open at an LCBO, instead of hiring a full-time role, they'll instead hire two part-time roles, thus not paying any benefits—

An emergency alarm sounded.

The Chair (Mr. Ernie Hardeman): Okay, it looks like we're going to recess.

The committee recessed from 1205 to 1212.

The Chair (Mr. Ernie Hardeman): I understand everything is under control, so we will now go back to carrying on. I believe the official opposition has the floor.

Mr. Terence Kernaghan: Thank you very much, Chair.

If I can return to my comments on job creation, I was heartened to see that in the United States, they lowered the interest rate by 50 basis points. While I know that the

central bank does not accept any sort of efforts or any sort of recommendations from the government, despite what Doug Ford would indicate, neither does the central bank get in the way of their work. I do look forward to our central bank lowering by 50 basis points or half a per cent, but it seems as though that is Doug Ford's only plan: hoping that the central bank will do so and hoping that that will spur job creation—because it will, although it will certainly not be by the efforts of this government, as we see from those very dismal unemployment numbers.

Now, in terms of the LCBO, as I'd mentioned, when a full-time position becomes vacant, two part-time positions will be hired instead. I also wanted to point out—and I'd like the minister's comment on this—that the head of the LCBO, the CEO George Soleas, sits on the board of a lobby group that has been actively lobbying Doug Ford and this government to privatize alcohol sales. I'm sure you're aware of them: the Retail Council of Canada. This lobby group includes Loblaws, Sobeys, Walmart. It has been quoted in press releases by your own government. I'm sure that the minister won't have any comments about possible violations of ethics laws for Ontario government employees, but I do think it's important to point out that in March, the Retail Council of Canada sent out an email newsletter with Soleas saying that the LCBO president "couldn't be happier" that Ontario was privatizing alcohol sales.

Can you, Minister, on the record, explain if Soleas participated in decisions about alcohol sales regulation changes, the same changes the Retail Council of Canada pushed for?

Mr. Dave Smith: Point of order.

The Chair (Mr. Ernie Hardeman): Point of order.

Mr. Dave Smith: I fail to see how this fits in with estimates. He's talking about different organizations that are not part of the government. He's talking about a number of different things, but nowhere in his question did he ask about the expenditures of the Ministry of Finance. Since we are here for estimates, it is what the Ministry of Finance is spending. It's not what some other Canadian-based organization is doing.

The Chair (Mr. Ernie Hardeman): I would like to remind all honourable members that their remarks should be kept relevant to the 2024-25 estimates of the Ministry of Finance. With this in mind, I ask all members to focus their comments on the matter currently before this committee.

Mr. Terence Kernaghan: Thank you, Chair. Since the minister was actively speaking about the privatization of alcohol sales with the LCBO and into convenience stores, I do think that the question is more than appropriate. However, I will move on.

The Canadian Taxpayers Federation has pointed out many different flaws with your own record, Minister. They believe that this government has really cranked up the spending machine. I believe that Jay Goldberg has indicated that you have overspent by \$66 billion in just four years on the job; I know that that number may have changed because of this morning's announcement.

But also, Goldberg points out that your government has failed to deliver on one of its key promises, and that was to lower personal income tax rates. Goldberg points out that if you had stuck to your 2021 plan, instead of having a \$9.8-billion deficit, Ontario would be looking at a \$16.4-billion surplus, and that would mean that there would be \$1,400 more in everyone's pockets each and every year.

There has been money that has been spent on Ontario Place, with their \$300-million-to-\$600-million parking garage and the 95-year lease that was just given away to them at the cost of around a billion dollars; the uncollected debt on the 407 to the multinational conglomerate, which meant again giving away another billion dollars.

My question to you, Minister: How much debt will be added after these four years? Goldberg points out that the debt was \$383 billion when this government took over, and that you yourself expected it to be \$439 billion. What was the actual number?

Hon. Peter Bethlenfalvy: The actual number of debt in the 2024-25 budget?

Mr. Terence Kernaghan: The actual debt overall.

Hon. Peter Bethlenfalvy: Projected in the 2024-25 budget—I'd ask the head of OFA or maybe the deputy minister to comment on that.

I'll just make a few comments, because you touched on a lot of points. First of all, as the Canadian Taxpayers Federation knows, debt-to-GDP is going down relative to the economy. Number two, the debt, because of accounting for borrowing on infrastructure, is put up front, which is a good thing because it's building long-lived assets.

There's no other major province like Quebec or BC, or the federal Liberal government in Ottawa, who has a path to balance. We have a path to balance. As I pointed out in my remarks and as the Canadian Taxpayers Federation hasn't pointed out, we have the lowest interest-to-revenue or interest-to-expenditures since the 1980s. These are all the fiscal measures of fiscal health, at the same time as building the province.

I'd also correct you: We're not privatizing alcohol; we are modernizing alcohol. The LCBO is remaining in public hands, and I don't know why the member would have such an opposition to helping small businesses who are benefiting from the modernization of alcohol, plus the employees there. And so, I would just point that out to the member.

Mr. Terence Kernaghan: What I will say, Minister, just to reclaim my time, is that we saw the same sort of activity from the past disastrous Liberal government when they were trying to distract from their privatization and their carving-up of Hydro One. They put alcohol into grocery stores. They put beer and wine into grocery stores to try to distract from what else was going on, and I wonder if that is the same effort by this government.

Now, you mentioned in your remarks and in this morning's announcement the changes to the operational spending, but I haven't heard any sort of clear indication—you mentioned it in your remarks, but you've mentioned it as though it's a good thing, this taking-on of debt to pay for infrastructure, highways, schools and roads. But I

think, Minister, it's been compared to someone taking out two lines of credit and only telling their spouse about one of them.

This seems to be a misreporting of the numbers, because I think it's important for us in this committee to recognize that when the government builds, it also will be taking on debt in the future in order to maintain those. Those assets and that infrastructure are not a money-maker per se. This government could build those projects without borrowing money.

In the interest of accountability and transparency, will you give us the number of what the government's debt is over your tenure?

Hon. Peter Bethlenfalvy: Well, maybe the member is right: We could massively increase taxes and borrow less because of that, but that's not the course of action this government has chosen.

1220

I would also point out to the member that we just got our seventh clean opinion from the Auditor General, who publishes the debt and all the figures in a transparent and accountable arm's-length way to government.

I'd also point out that the Canadian Taxpayers Federation should be very happy with us because we're a government that's lowering taxes, that's lowering fees on the people of Ontario and the businesses in Ontario.

Mr. Terence Kernaghan: In fairness, Minister, the taxpayers federation has pointed out that you are not indeed lowering taxes on people. You may have talked about not increasing them, but lowering them, that's quite another story—

Hon. Peter Bethlenfalvy: No, that's not right. We've lowered—

Mr. Terence Kernaghan: The Fraser Institute has pointed out how you made the promise that you would lower personal income taxes and yet have not. They indicate that, "Minister Bethlenfalvy said Ontarians should be grateful that his government will 'refuse to make life more unaffordable by increasing taxes and fees'"—but that this government has actually failed on keeping its promise to reduce personal income taxes for Ontarians, despite Ontarians facing some of the highest income tax rates in North America.

It reminds me of this government's refrain that we often used to hear in the chamber, "Promise made," but in this case, it's a promise that's been forgotten.

Hon. Peter Bethlenfalvy: No, I've just got to correct the member, and I'd be happy to send him the budget that it was in. We increased the tax rebate for low-income workers for the personal income tax, so people making up to \$50,000 pay some of the lowest personal income tax as a result of this government's actions. So the record is not correct; we have been providing relief for workers in Ontario. Of course, there's a myriad of other tax credits that they could take benefit of, like the child care tax credit, which is also a measure to provide relief—but I could go on.

Mr. Terence Kernaghan: Thank you, Minister.

The Fraser Institute indicates, as well: "While an upgraded credit rating is good news, it is by no means evidence that the Ford government has been a responsible steward of provincial finances. In reality, the government has maintained near-record high spending levels, ran persistent deficits and refused to meaningfully lower taxes for working Ontarians. Based on any objective measure, that's not a fiscally responsible record."

Now, Minister, I'd like to turn over to the Guaranteed Annual Income System, vote item 1209-1. We see that the spending change will be removing \$64.3 million, or a 22.6% decrease. I would like to give you an opportunity, Minister. Can you explain the change in spending? Are seniors in less need now?

Hon. Peter Bethlenfalvy: As the member clearly knows, through the toughest times, through COVID, we doubled the payments. We were very clear we were there to help, and we ensured that those who needed the most help were able to get that help. But we've continued, we've done more: the first government of any stripe to index those guaranteed annual income payments to inflation, which went up 4.5% July 1, providing more relief. We've also expanded the number of seniors who can qualify for the guaranteed annual income by some 100,000. So we're providing help, and we'll continue to do that.

And, of course, we're helping with seniors who also take the GO train or transit or TTC by one integrated fare, providing more money in their pockets, who would take transit. And do you know what? Seniors drive too, and providing tax relief on the gas tax—I don't think your party voted for the cuts to the gas tax or any of the measures that I'm talking about. We're a party of reducing fees and burden on all Ontarians, and like the alcohol, you would increase taxes, increase fees and crush small businesses and consumers. We've chosen a different direction.

Mr. Terence Kernaghan: I think, Minister, that is somewhat laughable, given that our plan during COVID was one that was endorsed by the Ontario Chamber of Commerce and a plan that your government did not, unfortunately, provide, and many small businesses suffered as a result and struggled as a result, with a very fractured, problematic system. And further to that point, the continuation of the Digital Main Street program, which has been advocated for by the OBIAA, as well as the big city mayors from AMO is funding that this government has indeed cut—which would directly support those job creators, that backbone of Ontario's economy, those small businesses.

Now, I wanted to next, speaking of the Association of Municipalities of Ontario, ask you about Ontario property assessments. They were set to be—the schedule was that in 2020, they would resume, and because of COVID, they were paused.

Families are looking for predictability. They're looking for some answers from this government. Even AMO has called upon you, Minister, to resume the process and set a new date. This isn't like a provincial election; you can't

just decide to drop the date whenever you feel like. People need to plan for this. They need fairness. There's no set date from your ministry. AMO and others are asking for this new date. A ministry spokesperson has said, "Thank you for the constructive input," but, Minister, will you be announcing a new date for this new—

Mr. Dave Smith: Point of order.

The Chair (Mr. Ernie Hardeman): Point of order, MPP Smith.

Mr. Dave Smith: I'd like to remind the member again that we are in estimates of the Ministry of Finance, and the purpose of estimates is to review the spending of the Ministry of Finance, and that the questions all must relate to the spending of the Ministry of Finance. It's lovely that he goes into some long monologues on things that have no relation to estimates, but that's what we're here for.

The Chair (Mr. Ernie Hardeman): Thank you very much. I'd like to remind all honourable members that their remarks should be kept to the relevant 2024-25 estimates of the Ministry of Finance. With this in mind, I ask all members to focus their comments on the matter currently before the committee.

Mr. Terence Kernaghan: I'm glad to hear that the member across appreciates my monologues.

I was also looking at other numbers, and, Minister, you talked about film investments within the province of Ontario, which I think is a wise expenditure. It is a money-maker. It is something that helps contribute to local economies as well as showing Ontario to the world.

I wanted to ask, though, specifically, how much has the government spent on advertising using live actors in 2023 to 2024, and how much have you budgeted for this year?

Hon. Peter Bethlenfalvy: Live actors in—

Mr. Terence Kernaghan: In government advertising.

Hon. Peter Bethlenfalvy: Government advertising—I wouldn't have that information. Deputy, I don't know if you or someone in your—

Mr. Jason Fitzsimmons: Not that specific.

Hon. Peter Bethlenfalvy: No, we don't have that information.

Mr. Terence Kernaghan: Thank you.

Hon. Peter Bethlenfalvy: But I was very proud to see Eugene Levy and Dan Levy in the Emmys—very proud. And he wore his Order of Canada pin so, being a proud Canadian, I'm sure you share with me on that.

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

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

Ms. Natalie Pierre: Minister, I'd like to just pick up on the last question that you didn't get an opportunity to answer because we ran out of time. So, just in the last round of questioning, I heard from the member opposite talking about the investment in infrastructure and the future burden of those investments.

The question I had was around population growth. We know about 950,000 people chose to call Ontario home in the last two years and that projections continue to show that our population in Ontario will continue to grow for years to come. You talked about subways—building sub-

ways back in the early 1900s and that type of long-range government investment. With a continuing growing population, we'll need schools, we'll need subways, we'll need roads, we'll need bridges, we'll need hospitals.

So I'm hoping that, back to my original question, you can just talk about and explain the investments that we're making to ensure that our province, Ontario, is well prepared for the future as the population here continues to grow.

Hon. Peter Bethlenfalvy: Well, thank you, MPP Pierre, and thank you for your service in your community.

Let me start with just the social policy of welcoming people from somewhere else to Canada. Other than Indigenous, everyone came from somewhere else. I'm the son of two World War II-displaced persons. Canada welcomed them. They had nothing but the shirt on their backs, and Canada gave them every opportunity to get a good education, to get a good job, to raise a family, to feel safe. That's part of what propels me in public service, and I think many around the table of all stripes want to improve their communities.

I think that consensus of Canadians to welcome people from abroad is still absolutely fundamental as the right thing to do, but it's also good economic policy when we've got an aging population. We have a lower growth rate in population. And so, as we welcome asylum-seekers, refugees, people from around the world to build a better life in Canada, we've got to make sure that we have the schools, that we have the hospitals, that we have the transit so they can take their kids.

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I was asked in public accounts by a reporter, "What about the 413? Are you still going to build the 413?" Look, we went to the people of Ontario in 2022 and said, "We will build the 413 if we're elected." We won every seat in Brampton, every seat in Mississauga, every seat in Peel, every seat in York, and so we're going to get it done. I said to him, "Have you driven up there lately?" It's gridlock, and we see gridlock everywhere.

We have an obligation, as we build this great province and welcome people from all over the world, to continue to make sure the infrastructure is there; to give them the opportunities to have just like my parents, so they can have a future finance minister in this great country in one generation—talk about social mobility and opportunity.

It's not just schools or hospitals or roads or subways. It's broadband so we can communicate. It's long-term-care facilities as we age. In my riding, from 2011 to 2018—and the great member from Ajax is here as well—and may I remind the Chair that in 2011 to 2014, the Liberal government was propped up by an NDP government. In that time frame, do you know how many beds were built for long-term care while we had population growth, an aging population, in Ajax? Zero. Do you know how many were built in my riding of Pickering? Zero, in seven years.

Just a few years ago, through COVID, we announced a rapid build next to the Ajax Pickering Hospital in Ajax—320 beds—and built it in 13 months. Just about six months

ago, we announced in Pickering a long-term-care facility build up on Alexander Knox Road, kind of in the north part of Pickering, for 250 new beds. So in just this administration, there are more being built. There are going to be another 192 built in Uxbridge. That's just under our government's watch.

We need to be ready for our population. When you don't build anything, you suffer the consequences. As long as the people of Ontario will have me, as long as the Premier of Ontario puts me in the role, I will continue working extremely hard—as you do, as every member does for their communities—so that we accommodate not only our current population, but those who are going to come to Canada and have the same dream and opportunity that many of us have been able to have.

Ms. Natalie Pierre: Thank you.

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

Mr. Dave Smith: I'm going to take a slightly different direction. I'm going to talk about our credit rating.

I've told this story before. I'm going to repeat it, because I think that this is one of those times where it makes a lot of sense. I decided to get into politics because of a family health matter. My daughter had cancer in 2001, and OHIP covered almost all of her expenses. We had a family from Colombia our doctors asked if we would speak to. That child had stage 2 nephroblastoma; my daughter had stage 4. His treatment was a single surgery, a four-week stay at SickKids hospital and four doses of a drug called vincristine. My daughter had 13 weeks at SickKids, 40 doses of vincristine, 20 doses of dactinomycin, 20 doses of doxorubicin, 15 days of radiation. Her main incision started to the left of her sternum and followed the ribcage around to her spine on the right side. She had 219 stitches to put her back together. And that was covered by OHIP.

The family from Colombia said they had to pay cash for it. This was in 2001 dollars. It was \$75,000 for the surgery, and his four-week stay—and he was going to be declared cured after the four weeks—was between \$325,000 and \$400,000, depending on if there were additional complications. My daughter had 13 weeks at SickKids hospital, 40 weeks of chemotherapy, four surgeries in total, so we blew the million-dollar mark easily. She's 28.

I looked at the amount of debt that we were getting in Ontario when we had good economic times. I saw the interest payments that we were making. And then, in 2009, we had a credit rating reduction, which meant that our borrowing costs were going to be that much higher. And I was scared that we were going to get to a point where our finances were in such bad shape and the cost of borrowing was so high that the ministry was going to our medical community and saying, "You have to use the most cost-effective treatment, not the most effective treatment." And that scared me because I firmly believe that every person in Ontario deserves the health care success that my family had. And I owe a debt to the people of this province I can never repay—because my daughter is 28.

Most people do not understand the credit rating system and why it is so important that we have such a good credit

rating. Morningstar DBRS upgraded us this past year. Could the minister please explain why this is so important for Ontario to have a good credit rating with the bond agencies? And have any other bond agencies signalled that Ontario is on the right fiscal track and that we will see or have seen an increase in the bond rating with them?

Hon. Peter Bethlenfalvy: Well, thank you for that heartfelt story about your own family. My heart goes to your daughter and to your family.

I'll go in reverse order: Moody's and S&P have us on positive watch. By the way, the previous government, 15 years, got 11 downgrades and negative watches. We've had five upgrades and positives in our time—movements. So that's their opinion at this time. I can't speak to what they may do in the future.

But what I will say is this: One thing it does is it lowers the interest costs, which gives us more money to invest in our health care system. It also gives us and gives the market confidence in Ontario, because when you're on a weak fiscal footing, if you have your deficits run out of control, if your interest costs get out of control—and we saw that in the mid-1990s; 33 cents on the dollar went to interest costs—you've got two choices: increase taxes or cut services. I don't think you would have appreciated a cut in health care when your daughter was going through that difficult time. That's why that confidence and stability through the credit ratings, an independent organization that tells you how they think you're faring—and it allows you to make the investments that you so treasured in health care at the time.

While our investments in health care have gone from \$65 billion to \$75 billion in two years—it has been growing significantly, as we just outlined in public accounts this morning—we can't rest on our hands here. We have to continue to invest in the health care system in areas like primary care, where I've approved three new medical schools, one in Brampton, one in Scarborough and one at York University.

We've announced a Learn and Stay program to help communities so we can have more nurses and health care workers in communities right across Ontario. We've announced that we've increased the number of medical student spots, both for undergrad and for residency, prioritizing Ontario students.

So you've got to make the investments not just today but for tomorrow: \$50 billion for redevelopments for new hospitals, for renovations, and that's going to create 3,000 new acute care beds.

Finally, I'd just highlight the historic investment in home and community care, taking care of people at the place and where they want to be taken care of, where we can take care of them. All these things add up, so the experience your daughter had and you as a family had will continue to have in this great province.

Thank you for sharing your story.

Mr. Dave Smith: Thank you.

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

MPP Zee Hamid: Thank you, Minister. As you know, I spent much of my political career at the municipal

level—just shifting gears again. I know that we dealt with a lot of challenges in the previous Liberal government, as well as the federal Liberals—they neglected municipalities and didn't provide them with the support they needed.

This is particularly more challenging for the two major cities in our province, Toronto and Ottawa, that are capitals of our province and our country, respectively. They face some unique challenges, which made it critical that our government step up and ensure the long-term sustainability not just for these two cities but also for all the property taxpayers in these two cities.

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Can you please speak to how these two new deals that we have for Ottawa and Toronto are progressing, and what are some of Ontario's priorities as a partner in these two deals?

Hon. Peter Bethlenfalvy: Thank you, MPP Hamid. Both for Toronto and Ottawa, part of the motivation was to deal with the asylum seekers. They got a disproportionate amount of asylum seekers who ended up in those two communities, so we said we'll put up dollars to help, and we have put up dollars. We've been there in the past. But we need the feds to come to the table as well. They provided funding, after much toing and froing, for one year, but it's not a one-year challenge.

The second area would be in the infrastructure. Of course, the DVP and the Gardiner are the economic artery. I believe Toronto is 50% of the GDP of Ontario, so we've got to be able to move people. We have to be able to move goods, make sure that they're in a state of good repair. That's the same for Ottawa as well, where we're creating new interchanges in fast-growing communities and taking on highways where appropriate to make sure that they can move people.

Again, with the asylum seekers, I would say we provided more money, but contingent with that is the federal government, as I said.

Another area is in infrastructure where, for example, the 55 subway cars for Toronto that are badly needed—we put up the money, but the federal government has an obligation, too, on that. Where we work together, federal, provincial and municipal, we go a lot further. If you want to run fast, run alone; if you want to run far, work together, run together. That's what we're doing, and we're counting on municipalities; we're counting on the federal government.

If I could just expand a little bit, we're also there for municipalities on homelessness. I'll just highlight two things: the \$1-billion increase over five years to the Homelessness Prevention Program, which I announced in last year's budget, and more recently, the \$378 million we announced for addiction and recovery treatment centres, creating 375 new beds so we can help those most vulnerable with addictions and other things like mental health and give them an opportunity and provide the type of support that they need.

Yes, it's Ottawa and Toronto for very specific needs as two of the largest communities in Ontario, but we've provided supports as well beyond. I'll just mention a

couple of others. I won't pause, but there will be sewage and infrastructure to build more houses. I'd also say we've increased the budget transfers to municipalities by 45% over the last five years. That's a 10% per-annum increase over the last five years, so we're providing fiscal support, support on a range of infrastructure, support for social needs, homelessness, addictions and beyond.

MPP Zee Hamid: Just to put it on record, these funding agreements, specifically for the new deals we have in Toronto and Ottawa, are they reflected in our fiscal plan?

Hon. Peter Bethlenfalvy: Yes, all of these were a part of our—like you know, I think both deals were pronounced after our budget, and so they're funded through our contingency fund. Then, of course, in public accounts, like we did this morning, we allocate. Each quarter, we allocate those funds, so those would be incorporated into our financial statements.

I don't know if there's anything else, Deputy, you or anybody want to add on that?

Mr. Jason Fitzsimmons: No.

Hon. Peter Bethlenfalvy: No, okay. We're good.

MPP Zee Hamid: You touched on funding for other municipalities. We were at AMO, the Association of Municipalities of Ontario conference, and we heard from many municipalities how they appreciated funded coming from many, many, many different programs. You touched on a couple of them, but would you like to expand a little bit? Because you mentioned a 45% increase that's helping municipalities of all sizes across this great province of ours.

Hon. Peter Bethlenfalvy: We're getting tremendous support from municipalities. We're collaborating. I'm very appreciative of my two parliamentary assistants as well, yourself and MPP Dave Smith. I think we had almost 40 delegation meetings. This is a government that sits down, talks, listens, continues to collaborate. I can't tell you how many big city mayors meetings I've attended. They're always appreciative when I go and my colleagues go—rural municipalities of Ontario, northern Ontario municipalities, small urban mayors and municipalities—because I fundamentally believe that the more you're collaborating, the more you're talking, the more you understand the issues, you can work together to solve those.

To highlight some of those examples, we doubled the Ontario Community Infrastructure Fund by a billion dollars over five years. That's to go to help with infrastructure in municipalities. We have the Ontario Municipal Partnership Fund, which is almost an equalization fund for many of our rural and suburban municipalities. We announced the sewage and water and stormwater program, which we've been making announcements all over Ontario, where the province puts up money and the municipality puts up money.

I was just in Greater Napanee a couple of weeks ago with the mayor and the MPP there, Ric Bresee, announcing \$35 million for a new water treatment plant that's going to allow for the building of 4,000 new homes. Close

to you in Brampton, the Premier was there just a week or two ago announcing a similar sort of investment for water treatment and sewage for the opportunity to build 12,000 new homes.

So those are the types of things where we're working with municipalities on a number of levels to make sure we're building stronger and safer communities.

The Chair (Mr. Ernie Hardeman): You have 1.2 minutes left.

MPP Zee Hamid: Got it. I'll keep it very short then.

Thank you for that, Minister. I was having a conversation with some of the municipal councillors, both Milton and Halton, at an event two weekends ago. They, across party lines, mentioned how much they appreciate the help they're getting from the provincial government on many different programs.

My own town, the town of Milton, received funding on many different streams that's helping them keep property taxes low. The mayor actually called me to tell me. I have to say that I heard from the mayor before I heard from the ministry—not our ministry, a different ministry; I'll talk to them about it separately—but the bottom line is that they are extremely appreciative of all the funding and all the help we're providing the municipalities. So thank you for that, and thank you for everything you've done working with other ministries and municipalities to make that happen.

Hon. Peter Bethlenfalvy: If I can just add that there's more. We've announced new housing infrastructure, which will help with bridges and roads and other infrastructure necessary to connect to those communities, along with the sewage and the water and the stormwater. There's so much more to do together.

In my community of Pickering, they've hit their targets already for building houses this year. I think they were in the top three last year—

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

We now go to the opposition. MPP Fife.

Ms. Catherine Fife: It's interesting that the members opposite have raised municipalities. That was probably the last time I saw you, Minister, and it sounds like we were at very different meetings. We took 30 meetings in two days with municipalities from across the province.

You've mentioned, of course, the Ontario Municipal Partnership Fund. The estimates on page 92 reference this fund. We all know that it is thought of as the main general assistance grant to municipalities. You've identified that it particularly helps small and rural municipalities. And yet, on page 115, vote item 1209-7, it outlines that the expected expense of the OMPF is \$500 million. This amount remains frozen from when it was first set in 2019.

Since this government froze the OMPF, small municipalities have faced a pandemic, a homelessness crisis, an addiction crisis—we all feel this in our communities with opioids—cuts to municipal revenues due to Bill 23 through development charges, and surging municipal costs due to high inflation. And so, obviously, we want to know from

the minister why you have frozen the OMPF, because it does create a very tense environment for municipalities.

I would say that your government has had a very tension-filled relationship with cities across Ontario. At AMO, Marianne Meed Ward referred to the status quo as “the Hunger Games of municipal funding programs,” where municipalities are put in a position where they're fighting against each other for scarce resources rather than having what they want. In fact, at AMO—and this is a direct quote from the conference:

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“Cities and towns have complained that their revenue tools (mostly property taxes and development fees) don't match their funding needs (years of downloading on housing and social services)....

“According to the survey, problems like homelessness are” even more widespread “across the province, with municipalities that have never dealt with these issues now facing encampments.”

Colin Best, who, as you know, is the president of the Association of Municipalities of Ontario, “said in his address to the conference last week that he was ‘disappointed’ not to see a new deal commitment from the Ford government yet.”

So, Minister, I would like for you to comment on why the OMPF is still frozen at \$500 million given the tensions and the downloading that municipalities have experienced. And then, of course, to follow up on MPP Hamid's comments, when can the rest of Ontario's municipalities expect their deal, because they want a new deal as well?

Hon. Peter Bethlenfalvy: Thank you for the question. I'll just start high level with what I told Marianne Meed Ward and the big city mayors—by the way, you should join our meetings, because they're very positive and very constructive.

She was joined by virtually all the big city mayors. I highlighted that we've increased the transfers. Now they're \$10 billion. That's an increase of 45% over the last five years. That's about 10% a year. And let me highlight some of those things, because the OMPF is one of many things that we use to transfer and make it more equitable in Ontario.

Ms. Catherine Fife: Sorry; I'm going to—

Hon. Peter Bethlenfalvy: Okay. Go ahead.

Ms. Catherine Fife: But, specifically, the question that I'm asking you is, why have you kept it frozen since 2019 given the feedback that municipalities have given you? I'm sure that your meetings are more positive; the municipalities are creatures of the provincial government. They're not going to bite the hand that feeds them.

In our meetings, we get the truth about what's happening in municipalities, including that one of the CFOs is actually being threatened with going to jail, with incarceration, because they haven't been able to maintain their waste water system. So there is a trickle-down effect by not addressing the OMPF and not ensuring that it meets the needs of municipalities. Why is it still frozen?

Hon. Peter Bethlenfalvy: I really believe that the municipalities we meet are speaking truth, and that's how

we get more done. And let me just remind you that we increased the Ontario Community Infrastructure Fund for those same recipients that get OMPF by 100%, and when you add up every—

Ms. Catherine Fife: It's not in the estimates book. In the estimates, which is what we're debating today, as we've been actually reminded several times—\$500 million since 2019. The number has not changed.

Hon. Peter Bethlenfalvy: No, the Ontario Community Infrastructure Fund would be in the estimates, because it increased from \$200 million to \$400 million a year over five years. That's a big increase. That's 100% per annum increase.

The Homelessness Prevention Program, which many municipalities benefit from, including yours, I increased by 40% in one year. I could have done 10% a year. I did it all up front, 40%, from \$500 million to \$700 million. That's \$200 million a year. It's a billion dollars over the next five years.

We talked about the housing infrastructure plan. We just announced the opening of those applications in to build more infrastructure and help municipalities on an expenditure share program. We're getting rave reviews from municipalities, including AMO, including big city mayors, including small mayors—

Ms. Catherine Fife: I would not call Colin Best's description of being disappointed as being a rave review. Can we just be honest here for a second?

Hon. Peter Bethlenfalvy: I'm always honest.

Ms. Catherine Fife: Municipalities are hurting. Can you agree with that?

Hon. Peter Bethlenfalvy: Municipalities—we're working with them, and we're acknowledging their challenges. That's why we continue to work with them and continue to work on programs. Their job is to always ask for something. I don't begrudge that. It's been happening since 1849, when municipalities were created in this great province.

Ms. Catherine Fife: Minister, they've actually provided a lot of data and evidence around how the property tax base cannot make up for the housing deficit. It cannot address the mental health and addictions crisis in municipalities. Infrastructure is—

Interjections.

Ms. Catherine Fife: I'm sorry; do you have something to say?

Infrastructure deficit in the province of Ontario across our municipalities is well documented, but the MPAC's last assessments were done in 2016 and paused during the COVID pandemic. Is there a timeline to resume MPAC assessments? Because then we would have even more up-to-date data that you could no longer ignore.

Hon. Peter Bethlenfalvy: As the member knows, it's completely revenue-neutral, so it doesn't matter what the assessment. It's not going to create more revenues for municipalities; it's revenue-neutral—

Ms. Catherine Fife: No, the revenue-neutral piece is that—the MPAC assessments actually indicate where the deficits are. Municipalities, though, have been very clear

with you. You actually have requirements of municipalities to be open and transparent around where their money is going, where their reserves are, where they're spending their money. And yet, this crucial fund, the OMP Fund, has not been updated since 2019. I'm just asking you for your rationale as to why you've not recognized the dire straits that municipalities are facing.

Hon. Peter Bethlenfalvy: If you don't want to recognize the 45% increase over five years—and that excludes also the amount of infrastructure we're building. Many municipalities are saying, "Thank you for building a new hospital in my city," whether it's Windsor or Whitby or acute rehabilitation in Pickering or Mississauga or Brampton or right across the province—Ottawa and small communities, large communities, mid-sized communities, just in health care. We're building roads. We're investing \$30 billion in highways and roads and upgrades and new highways.

Ms. Catherine Fife: Some of those highways aren't going to actually follow through on their desired effect, which is to reduce congestion. We do have a new report now around the inefficiencies around Highway 413. The Premier has said, "Oh, it's going to save an hour on your commute." We now have research that shows that this is completely false. This is actually one of the quotes from the report: "We know this government loves its developers. I can't help but believe that the major impetus for this is to open up these lands to development, which will just make congestion worse, and it'll be worse than what's being projected here."

Just to go back to municipalities, I've been going to AMO for 12 years now; I have never, in all of those years, heard such desperation from municipalities. I do believe, and I'm sure you must concede this, Minister, that when you give Ottawa a special deal or Toronto a special deal, this actually creates a culture of other municipalities wanting their deal, too. I know that you've heard this from the large mayors when you did meet with them. So when can the other municipalities expect their new deal?

Hon. Peter Bethlenfalvy: As I said, we continue to work with municipalities. We've increased the funding to the other municipalities.

Another one is the second round of the Housing-Enabling Water Systems Fund, which is going to allow for a partnership between municipalities and the province to build more water treatment plants, more stormwater and water for municipalities so they can build more houses, because that's a priority of this government. It's a priority of many municipalities, and so we'll continue to have that dialogue, like we have every single year. I've been doing this a long time, too. We're going to continue to work together with municipalities to build Ontario together.

Ms. Catherine Fife: It sounds like you understand the important part that municipalities play in creating more housing. Municipalities, and this is what we heard from AMO, are looking for some leadership from the provincial government on housing. To date, you've introduced five new bills, which has created chaos. Chaos is not good when you're looking at it as an economic stabilizer and as

a growth sector. So are you not concerned about your housing starts, the reduction in the housing starts, the lack of progress on housing? Because we all know that housing actually is an economic stabilizer, are you not concerned about the fact that housing is not getting built, as it should be? You're so far away from the 1.5 million new homes that you've said you're going to be building—thoughts on that?

Hon. Peter Bethlenfalvy: I've been around for a long time, and I've seen economic cycles, starts go up and down due to external factors, interest rates, costs, demand and so on and so forth, and I can tell you one thing: We're not going to take our eye off the ball given the external factors. We're going to continue to work with municipalities and the federal government to make the conditions and the incentives in place to get more homes built. So I think we've been very clear; it's an absolute priority for us.

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I'll give you one example: I lobbied the federal government, and I said, "If you waive the HST, we'll waive the HST for purpose-built rental." Of course, our HST is 8%, theirs 5%. A year later, they agreed, and so we, together, waived 13% HST so that more could get built for purpose-built rental stock. And I would remind you—

Ms. Catherine Fife: That's a really good point, actually. I mean, listen, the feds definitely have a role to play in this. But one of the key pieces in a housing crisis is actually keeping people housed, right? And you removed rent control. It has had a devastating impact on keeping people in their apartments, in their shelter.

Now that we know how disastrous this policy is, are you willing to actually bring back rent control so that people are not being re-novicted or evicted from their apartments, including seniors, including those people who live with disabilities?

Hon. Peter Bethlenfalvy: Well, as you know, rent controls exist for buildings that were built before 2018. We've got to incent—

Ms. Catherine Fife: But not after.

Hon. Peter Bethlenfalvy: We've got to incent builders. We're not going to put it on taxpayers to build the homes.

Ms. Catherine Fife: But, Minister, we're building unaffordable housing. This is not the answer to the housing crisis. I mean, please. Of course, there's massive growth happening, but it's all unaffordable. It's not addressing the housing crisis. If you had rent control, people would actually have some security and stability to actually stay in the housing.

Hon. Peter Bethlenfalvy: We're very focused on getting all types of housing, including affordable housing, including student housing—

Ms. Catherine Fife: But not fourplexes, apparently.

Hon. Peter Bethlenfalvy: All types of housing, and we'll continue in that regard.

Ms. Catherine Fife: Actually, this housing conversation lends itself to the politicization of housing and how the Premier has inserted himself in what can be built and

what can't be built. For some reason, threeplexes in Ontario, that's fine, but you draw the line at fourplexes. Does this make any sense to you at all?

Mr. Dave Smith: Point of order, Chair.

Ms. Catherine Fife: Oh, for God's sake.

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

Mr. Dave Smith: That is a policy question. That is not an estimates question. I'm sure that the Minister would love to answer it, but it has nothing to do with estimates, which is what we're here for today.

The Chair (Mr. Ernie Hardeman): With that in mind, I would suggest that we make sure we're on topic.

Ms. Catherine Fife: There's no credit rating, actually, in the estimates either, but I let it go.

But do you know what? It's okay, because the Minister has talked about the importance of housing. I'm talking about the importance of municipalities on the housing file. And to that end, on page 97, vote item 1209 shows a \$40-million cut to municipal support programs. Last year's estimates do not provide a great amount of detail of what is included in these programs. The explanation for the change was just "previous initiatives." Minister, can you explain what was included in this initiative and why they expect to spend \$40 million less on municipal support programs?

Hon. Peter Bethlenfalvy: I'll turn to my deputy in a second, because he's looking at the numbers.

I will say on the fourplexes, though: One principle that we really have is municipalities know best for their communities.

Ms. Catherine Fife: Yes, they may know best, but they don't have the funding to do it. I mean, they want to be part of the solution.

Hon. Peter Bethlenfalvy: Chair, the funding on things like the Housing-Enabling Water Systems Fund is a joint program with municipalities and the provincial government, so they have funding.

Ms. Catherine Fife: And completely overwhelmed with red tape, I may add. It is like a red tape disaster.

Hon. Peter Bethlenfalvy: They have funding and we've got significant applications, and we've got successful ones, so we opened up a second round.

Ms. Catherine Fife: Deputy Minister, how are you doing? Are you having fun today?

Mr. Jason Fitzsimmons: It's a fabulous time.

Ms. Catherine Fife: Please go ahead. Specifically what was included in this initiative, in the \$40-million municipal support programs, and why are there \$40 million less on municipal support programs?

Mr. Jason Fitzsimmons: Thanks for the question. In vote 1209-1—and you're referring to page 97, correct?

Ms. Catherine Fife: That's right, yes.

Mr. Jason Fitzsimmons: So you will see that there was \$24 million there, and that was on the GAINS, the Guaranteed Annual Income System. What that is reflecting is that there were extraordinary payments made during COVID to provide support to people. That program has now been reset and will index according to inflation on a go-forward basis.

Ms. Catherine Fife: Thank you for that answer. I appreciate that. A reset is an interesting way to describe it.

It is also interesting to me that we really rose to the occasion during COVID, and we showed that we could provide some supports to the most vulnerable in society. Now we get to reset and re-evaluate those.

Just to go back to the OMPF, I'm going to make the case, Minister, for meeting municipalities where they need to be met and increasing the OMPF. I look forward to next year's estimates when it's increased, because I really do believe that Marianne Meed Ward actually captured—the environment and culture now is the Hunger Games of municipal financing programs. I think if we truly respect municipalities, we wouldn't set them up to compete with each other in this manner. I think there's room for improvement. How about we leave it at that?

Chair, how much more time do I have?

The Chair (Mr. Ernie Hardeman): You have two minutes.

Ms. Catherine Fife: Just moving over to the estimates as it relates to justice expenditures, I am concerned about what these estimates show for revenue and expenses and what this government is prioritizing. I think I already made that clear. This government is spending upwards of a billion dollars on this new momentous modernization of booze in Ontario. In 2022, though, we saw 1,326 sexual assault cases disposed of before their trial date. In 2023, we saw 1,171 cases of sexual assault dismissed before their trial date. For those who have the courage to come forward, court backlogs and the unavailability of courtrooms and staffing shortages mean that many cases don't make it to trial.

I reference these numbers, Chair, because I did bring forward my private member's bill named after Lydia, Lydia's Law.

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

Ms. Catherine Fife: But this government chose to silence survivors once again.

Minister, this budget and these investments should aim to ensure that we do not see these cases dismissed and ensure that we don't have rapists walking our streets, and I think that we can agree on that. If the government is willing to spend at least \$225 million of taxpayer dollars to get out of a contract a few months early, perhaps we can also look at the expenditures on the justice file so that they keep pace with our societal pressures.

Hon. Peter Bethlenfalvy: I agree. You're right—we do agree on that. That's why we put more money into the judicial system and that budget to hire more resources so that people could get quicker justice for all in the system.

I would just add that we'd love your support with Ottawa for bail reform to make sure we get the bad actors off the streets.

Ms. Catherine Fife: Listen, you've got my support for bail reform if you support—

The Chair (Mr. Ernie Hardeman): Thank you very much. We'll have to go from this to the next round.

MPP Hogarth.

Ms. Christine Hogarth: Thank you, Minister, again. I'm pleased to be able to have an opportunity to ask a second question.

Earlier in estimates—this is a fascinating committee—we had the Minister of Economic Development and Trade here along with his Associate Minister of Small Business, and we talked a lot about growing businesses and creating the environment for companies to move and invest in Ontario.

I've heard the Premier state that our province is on fire. We're doing better than most states by attracting business to our province, and we certainly hope to continue to do so. You had mentioned in your speech that we've made gains driving up domestic and international investors' confidence, including Ontario start-ups. You also mentioned that companies are putting down roots in the province and creating good-paying jobs for people and families.

During the summer, I had the opportunity to tour many of my businesses along my main streets, and while I was doing the tours, I thanked them for choosing Ontario. People have a choice where to spend their money. They don't have to choose Etobicoke. They don't have to choose Ontario. They don't have to choose Canada. But people take that risk, and they make a decision based on many reasons—I'll ask you maybe to fill us in on some of those reasons later, of how we get people to invest and make that choice to invest in our community. And when they invest in our communities and our province, they're creating good-paying jobs. People are spending in the local area, even if it's a small job. They're going for lunch and they're buying a sandwich—all important things that keep these local economies going, which is so important to support our local economies.

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But they're also spending money and buying TVs. They're buying houses. They're paying taxes. And that's where I wanted to talk a little bit about some things that we're doing to encourage companies like Honda to invest in our province, not another province, agreements with the state of Illinois for a two-way trade agreement.

So what is the government doing to help build confidence in our province so people will invest here, create those jobs and raise their families right here in Ontario? Because we need them.

Hon. Peter Bethlenfalvy: That's a great question. Thank you, MPP Hogarth.

Business, investment, capital: They like stability. They like certainty. They want to have confidence in the jurisdiction. Because you're absolutely right; they can choose to go many different places. We're not an island in Ontario. We compete in North America. We compete abroad. That's why the fiscal matters. When you're on strong fiscal footing, capital has confidence in you and they're willing to make long-term investments.

If we think about Volkswagen, if we think about Honda, if we think about domestic companies making investments here in Ontario, they're not making an investment for five years; they're in for the long haul. So they

want to know that they've got a stable, certain environment to invest in. That's why fiscal matters. And, of course, keeping taxes low, cutting red tape, regulations, permitting processes, two-way trade—I mean, \$500 billion with the US. You touched upon Illinois; with 30 states, we're the number one or two trading partner. That's why our government has been very active building relationships with the governors and the local Legislatures, the state Legislatures: Because we live in a world, as I mentioned in my remarks, where trade protectionism, geopolitical risks are rampant. I would say that's number one.

Number two is energy. We really haven't even talked about energy. One thing that Ontario has is a tremendous opportunity on building an energy powerhouse, not just for Ontario but for North America. In Pickering, I have nuclear stations. We're looking to refurbish those. They represent 14% of Ontario's electricity—green, clean energy—and great jobs. We've got the technical know-how, and we have the physical plant, and we've got support—broad public support for refurbishing nuclear, advancing small modular reactors—which we're doing just down the 401 in Durham—and building new nuclear, and an RFP through the Minister of Energy for the biggest expansion in electricity in the history of the province. We've got it all here in Ontario. That's good for business. That's good for job creation. That's good for workers. That's good for families. And that's sustainable.

I travelled abroad and, other than Austria and Germany, in Europe—and what have they got, 30 countries?—they all are investing more in nuclear. So we've got it right, here in Ontario.

I think agriculture is another industry where we're a leader here in Ontario. So let's lean in.

Advanced manufacturing, robotics, the tools that are going into building these electric vehicle plants—you mentioned Honda: a \$15-billion investment, historic investment in Ontario. They can go anywhere. They can go anywhere, and they're coming to Ontario, because we have a welcoming host. We've got a community: St. Thomas and London for Volkswagen; Alliston for Honda. In fact, Port Colborne for Honda. They're investing.

And let's go even further and talk about the mineral sector, which is critically important—not just digging, but processing those minerals. We've got the minerals right here, and the world wants them, including the US. The vast majority are in China. We've got them right here, and let's make sure that we've got the infrastructure and the legal framework so it doesn't take 17 years to get a permit, so that we can compete with certainty and stability and provide the jobs of the future—and bring, for example, in that case, prosperity to First Nations and others in the north who for a long time haven't had the support, unlike they have now with our government.

Ms. Christine Hogarth: Thank you, Minister. And I just want to say thank you to all those companies who have chosen to invest in Ontario. I'll pass this off to my colleague.

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

Mr. Dave Smith: Minister, you've had a whole variety of questions. I'm going to make another shift away from what my colleague had just asked.

You mentioned in your remarks that we're the largest and most consistent issuer of Canadian-dollar green bonds, with \$19.25 billion issued since 2014-15. And this year, in June, we issued our 16th green bond issuance of about \$1.25 billion.

I think a lot of people who would be listening to this really don't understand what bonds are all about. I'm going to admit, although I am your parliamentary assistant, I don't fully understand how bonds work. I know what the Canada Savings Bond is. My parents invested in those to pay for my education when I was a kid. Grandma, for lack of a better term, knows what the Canada Savings Bond is. But most people have no idea what the green bond issuance is, how that works, or what is different about a green bond than a blue bond or a red bond or whatever other colour somebody wants to choose.

So, could you elaborate for us, please, on what the green bonds are, how that fits into Ontario's fiscal strategy, and why it's important that we issue that type of a bond?

Hon. Peter Bethlenfalvy: Oh, I love that question. I knew I was going to enjoy estimates.

A green bond really refers to financing by the markets on transactions that are qualified because they are green, and there's a framework that a third party reviews to tell investors that these funds are going to be invested in these categories. So it could be things that reduce emissions, it could be subways and so forth, or nuclear. Now we've added nuclear—things that are heading towards a zero-emission province.

Secondly, investors around the world more and more are demanding that type of opportunity when they look for investments.

Number three, there is a fiscal benefit and something we call a "greenium" that we can actually borrow cheaper through the green bond market than our regular bond market. People are willing to pay up.

So yes, it's good policy, but it's also good fiscally for us.

We've just added nuclear as part of the framework so that we can now finance nuclear growth through the sustainable green framework—I'm sure at some point, when the markets and our projects are there.

I will just add one more thing, MPP Smith. It helps finance the province's build, but also, we believe in transparency and disclosure. We disclose very clearly where the money goes that you may give us to go invest in these green projects, how it's being spent. The Auditor General does a quality assurance assessment once a year to give investors that kind of confidence. And that isn't true with every jurisdiction in the world.

So Ontario—and I said we issue more than all the other provinces and the federal government combined. It gives us a competitive advantage as we compete not just for jobs and investment but capital to fund that investment.

Mr. Dave Smith: If I could pick up on the bond market just a little bit more, one of the challenges—and I mentioned it in my first question about the cost of borrowing and the amount of interest that we were paying on things and how much that scared me. You have embarked on, I'll call it, an aggressive path with the bond market. With interest rates being low on it, you've issued some 30-year bonds, and it has significantly dropped the total amount of interest that Ontario was paying.

Could you expand a little bit for me then on bonds in general and why it was important to be looking at a long-term bond of 30 years? How much, what percentage, did we actually invest or did we issue on that? And why is that something that actually is good for the expenses for the province?

Because to me, if we're issuing bonds, that's effectively a loan. I don't want to borrow money if I don't have to. Me personally, I want to pay off any debt that I have as fast as possible so that I don't have to pay a large amount of interest on it. But I don't think a lot of people understand the difference between that and their credit card debt, which is 25% to 30%.

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So could you touch a little bit on the bonds, in particular the 30-year bonds, what that interest rate means for us and why that was important for you to issue the bonds that way?

Hon. Peter Bethlenfalvy: Sure—another great question. Early in my career, when I wanted to buy a house and live in a house, not just for one or two years but for the long term, raise a family, I wouldn't have had all the money to be able to buy that house. I'd put a little bit of my own money in, but I'd go and borrow the money. If I could lock in the interest rate for 30 years—you can't do that as an individual, but if I could, then I'd know with certainty what my interest payment is as I live in that house for 30 years.

It's no different in government. If I'm building a hospital that's going to last 30 years or even 50 years, I'd like to borrow money and have that certainty of the cost factoring into buying that hospital, if you will. That's point number one.

Point number two: Some of us in this room, we're of a certain vintage. What I mean by that—remember when interest rates in the 1980s and 1990s were much, much higher. Through the leadership of Gadi Mayman and the Ontario Financing Authority, they recognized early on that historic rates were low and issued a lot of these 30-year bonds at historically low rates. A third of our issuance has been, over the last number of years, in 30-year bonds.

There's also a third benefit: You don't have to keep going back to the bond market. When you have these things like the great financial crisis, you've locked in a lot of your borrowing. You've got the reserves necessary to—because we pre-fund a lot of this to make sure that we have the cash available, so there's another benefit that we're constantly—the federal government has a much shorter-term profile. Our average term to maturity—I will maybe turn—why don't you come here? I'm going to ask you

about the weighted average term and maybe to elaborate a bit more on the 30-year, because you're the one executing it, and the whole interest curve.

Mr. Gadi Mayman: Gadi Mayman, CEO of the Ontario Financing Authority.

Thank you, Minister. I think you've covered off a lot of it.

The minister and I and the ministry's deputy minister have travelled a bit—the old deputy minister, not the current one; he'll get his chance—meeting investors across Canada and elsewhere in the world. Obviously, the minister has listened very closely to what I've been saying because the way that he explained it describes it well.

The specific question that I think you had asked that I answer is what the average term of our debt is. Last fiscal year, the average term of the debt that we issued was 15.2 years. What that did is it brought the total portfolio that the province has of debt outstanding up to 11.4 years. So that means that all the debt that we've got out there has a very long maturity profile, which means that as interest rates rose, as they did over the last couple of years, we weren't as adversely affected by that on our interest on debt costs as, for example, the federal government was with a much shorter term of debt.

In fact, and I don't want to get into technical details here, but what we had for the last year—and it's changing now—is something called an inverted yield curve, and that's something that's very rare. What that means is that short-term interest rates were actually higher than long-term interest rates. Usually, an interest rate yield curve will slope upwards, and that makes sense. The longer the term is, the more risk there is attached to it, so therefore, a rate should be higher. But that wasn't the case over that period of time.

The reason I raise that is that that provided us with an opportunity to actually invest short-term at higher rates than what our borrowing costs were for the long term. That's one of the primary reasons why, as released in public accounts this morning, our interest on debt costs actually dropped by \$1 billion year over year. So that's a bit of an aberration; it doesn't happen often. It certainly doesn't happen for as long as it has over the last number of years. But with central banks now starting to lower interest rates—the Fed, as I think most people are aware, dropped interest rates by 50 basis points yesterday. The Bank of Canada is ahead of them; they've already done 75 in three quarter-point chunks. That's going to change that shape of the yield curve. Where we do the bulk of our borrowing is further out the curve, with 10-year and 30-year issuance, in order to lock in those rates. Those rates will also move as central banks move.

I hope that answers the question.

Hon. Peter Bethlenfalvy: Excellent, thank you.

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

I'll turn it over to my colleague.

The Chair (Mr. Ernie Hardeman): Three minutes, and MPP Barnes.

Ms. Patrice Barnes: Thank you, Minister, for that. I'm learning so much about bonds and debts.

Let's talk a little bit more about municipalities. We had that discussion about that particular funding envelope being frozen, but we know that you talk about so many of the other investments that have gone towards municipalities.

We know that when the Liberals were in power, a lot of the municipalities were underfunded and that they failed to support them in their need for housing infrastructure. We came into a huge infrastructure debt. The Premier often says that we actually came into a bankrupt province just based on the amount of deficit that we were carrying, not just in infrastructure but in so many other places. We hadn't built hospitals, long-term-care homes; no roads had been built.

We've seen the discussions around roads, where we know productivity is a big part of that as well. Being able to get goods to market, being able to move people around is important to our productivity. So I'm just going to give you the opportunity to expand a bit more on some of the investments that we've made to municipalities outside of the other line.

Hon. Peter Bethlenfalvy: Let me use Windsor as an example. Windsor has had a lot of challenges—right next door to Detroit, just south of Detroit. It's a good Trivial Pursuit question: "Which country is south of the United States?" It's Canada when you start in Windsor. They lost a lot of jobs. As we've talked about, the previous government didn't support manufacturing, goods manufacturing, and a lot of jobs left.

Look at what we've done to help Windsor since we've come into power. We've announced a new hospital build for them. We've attracted, together with the federal government, Stellantis, to create good jobs—a million-square-foot battery plant—

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

Hon. Peter Bethlenfalvy: —in Windsor. We're widening Highway 3. We're building a new interchange, the Lauzon Parkway interchange, which will help move people and all the goods that come here because, of course, they're part of that heartbeat of economics in Ontario that is integrated with the US.

We need to be able to move goods and people. Windsor is a classic example of how we've worked closely with the citizens, the mayor, the council etc., to make Windsor vibrant again and part of the economic heartbeat of Ontario.

Ms. Patrice Barnes: How much time, Chair?

The Chair (Mr. Ernie Hardeman): Point two.

Ms. Patrice Barnes: Point two.

Thank you and thank you for your team for presenting here today. We really appreciate the education that I've gotten. I've learned quite a bit around our finances. I appreciate that.

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

Ms. Catherine Fife: I'm looking at universities, colleges, and I will note that the 2023-24 fiscal year nearly balanced—\$600 million, I think, or around there. And the balancing of that is largely due, as is being reported, to the

higher-than-expected revenue from international student tuition at colleges.

It showed that we actually ended the 2023-24 year just \$600 million in the red but down from the \$1.3 billion that was previously projected. Revenues were up by \$1.6 billion, or 8%, from what was expected at the time of the 2023 budget, and that was largely driven by increased tuition revenue from international students at colleges. This came forward, I think, not just in the estimates, but you will be projecting expenditures for the post-secondary sector in this year's estimates.

Do you want to comment on that huge number? That's a huge number: \$1.6 billion or an increase of 8% based on international students. Should we be balancing our budgets using international students and their educational experiences?

Hon. Peter Bethlenfalvy: You're referring to 2023-24, and, of course, because we consolidate colleges, the expenditures are on the other side of that equation. So you get a lift in revenues, but you've also got the expenditures because you've got more students. Of course, the caps came in 2024-25, so they're reflected in our 2024 budget. That, again, will have an impact with the federal announcement yesterday to reduce the cap by 10%.

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Also, the total revenues are \$206 billion, so there are a lot of moving parts in our revenue forecasts. And, of course, them being up \$13 billion year over year is a very positive sign.

Ms. Catherine Fife: But the revenue is accounted for, obviously, on the non-tax revenue side, which was \$3.4 billion higher than projected, and that boost was partially offset by lower-than-expected tax revenues.

I'm asking this question in a forward-thinking perspective because universities and colleges across this province, Minister, you will know, nearly doubled international student enrolment between 2014-15 and 2021-22. So we are moving in a direction where the post-secondary education sector has been, one would say, subsidizing their operational expenditures and costs through international student fees. Do you have any concerns going forward about this? And can you speak to the sustainability of it?

Hon. Peter Bethlenfalvy: Good times or bad times, I always want to invest in our world-class education system, which includes colleges and universities, in terms of helping them through this period where the international student cap came out of left field overnight. It has impacted many colleges and universities across the province. That's why we announced the \$1.3-billion stability fund over the next three years to help them transition through this period. I have confidence in the leadership of the colleges and universities as we navigate this together.

Ms. Catherine Fife: Obviously, it's going to have an impact on the budgets of our colleges and our universities. Can I get a commitment from you today to make up that difference so that we can maintain the level of quality education in Ontario?

Hon. Peter Bethlenfalvy: I'll make a commitment that I'll update the numbers, certainly in the fall economic

statement and budget, as appropriate. I'll also pass it to the deputy, who may have a little bit more colour.

But, again, I'll just remind you, and you know this, that the colleges are consolidated, so it's not just the revenues but the expenditures. I know our minister and our government is working very closely with the colleges and the education system as they navigate it as it's not just Ontario but all of Canada have had changes in their international student numbers.

With that, if there's any additional colour, Deputy?

Mr. Jason Fitzsimmons: Thank you, Minister. Just for clarity, in the 2024-25 fiscal plan, we have built in a reduction in revenues across the years 2024-25 and 2025-26.

Ms. Catherine Fife: I don't have that in front of me. What is that reduction that you're predicting?

Mr. Jason Fitzsimmons: If I recall correctly, I think it's about \$3 billion over those two fiscal years, and I think it's approximately about equal, so \$1.5 billion in the first year; \$1.5 billion in the second year.

Ms. Catherine Fife: Okay, that's good to know. In total, \$3 billion to make up for the reduction in international students, is that correct?

Mr. Jason Fitzsimmons: That's correct.

Ms. Catherine Fife: And that's for 2024-25 and 2025-26?

Mr. Jason Fitzsimmons: That's correct.

Ms. Catherine Fife: Okay, thank you for that.

Minister, I just want to move on to Bill 124. You have built in \$6.7 billion in projected expenditures as a remedy around Bill 124. Can you give us some sense, are there going to be any other expenditures associated with this unconstitutional piece of legislation that we should never have been dealing with in Ontario? And is that \$6.7 billion a firm number?

Hon. Peter Bethlenfalvy: Yes, the \$6.7 billion is a firm number. Again, I'll pass it to the deputy in a second. As we identified, and I think it was previously announced, the \$6.7-billion number—both the Deputy Minister of Finance and the Deputy Minister of the Treasury Board went through those numbers in the technical briefing this morning. And, of course, Minister Mulroney, in the press conference, addressed those numbers, the \$6.7 billion plus the go-forward. I would just say the go-forward is built into the allocations for each ministry.

Ms. Catherine Fife: Okay. Perhaps the deputy minister can break that \$6.7 billion down for us?

Mr. Jason Fitzsimmons: I don't have that number in front of me but if I can just respond to your question, \$6.7 billion is, to the best of my knowledge, what's accounted for right now. But I would suggest to you that those questions are probably better referred to Treasury Board, who I understand is in front of estimates next week.

Ms. Catherine Fife: Yes, that will be fun.

The \$6.7 billion—this is your projected costing. Have you done any financial analysis, though, around any—because there may be future remedies. There are still some court cases that are before the provincial government, I

believe. So as far as expenditures go, you're not forecasting any other additional costs to make up for Bill 124?

Hon. Peter Bethlenfalvy: As was highlighted in my budget in March 2024, a \$9.8-billion deficit and the three-year plan, \$4.6 billion, I believe, in year 2 and then a half-a-billion surplus in year 3. In Q1, which I updated, I think, in August, we kept those numbers. Of course, if there are any changes, we'll be updating them in the second-quarter fall economic update.

Ms. Catherine Fife: Okay; thank you.

Was there any assessment or analysis as to—because one thing that is not clear in the expenditures are the legal costs associated with Bill 124. I know the government did go to court in 2021 and again in 2022, but those expenditures are not very transparent in the reporting. Do you have any idea of how much these court cases cost Ontarians as you fought Bill 124?

Mr. Jason Fitzsimmons: I couldn't comment on that in terms of how the legal case was covered, whether it was in-house government lawyers or not. Again, those may be questions that are better positioned for Treasury Board.

Ms. Catherine Fife: Okay; thank you.

I'll pass this off to my colleague, please.

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

Mr. Terence Kernaghan: My first question will be about the Building Ontario Fund, vote item 1215-1. It indicates a transfer payment of \$5 million, the Ontario infrastructure investment. Minister, could you please outline what infrastructure will be created and what will be achieved with that \$5-million investment?

Hon. Peter Bethlenfalvy: That would refer to the operating expenses. Of course, the goal—we've capitalized the Building Ontario Fund with \$3 billion. I've been very clear in communication and in my budget and in the fall economic statement that we're targeting funding long-term care, municipal infrastructure and housing, energy and transportation.

Mr. Terence Kernaghan: I recently had the opportunity to meet with a small distiller in my riding, Paradigm Spirits. They actually won the Canadian Whisky of the Year award in 2024—

Hon. Peter Bethlenfalvy: How was it?

Mr. Terence Kernaghan: Fantastic.

But Ontario's distilleries, especially those in the craft or micro-distillery category, are hyper-local. They get their ingredients locally. The grain that is produced on local farms ends up becoming the spirits that are on our shelves. They employ local people for the production, the operations, the sales, the marketing, the hospitality.

Minister, can you imagine a 61.5% tax paid to the Ministry of Finance by distillers? This tax is paid regardless of the size or the volume of production. It's actually 10 times that of the wine industry. The distillery tax also doesn't include HST or excise tax. Small distillers are facing extinction, and I wanted to ask the minister, will you eliminate the 61.5% tax, and will you provide fairness for Ontario's small distillers?

Hon. Peter Bethlenfalvy: First off, I'm also a big fan of those types of distilleries and locally produced products,

and that's why I, in our regulations, require 20% for small producers to be on the shelves of LCBO and other providers.

In terms of the taxes, as you know, I've cut the wine tax by 6.1%—very well received by the wine industry. I've frozen the beer tax increases. I think we've frozen them since 2018; I could stand corrected.

In terms of your specific question on the distilleries, we are currently—and I've communicated publicly that we're conducting a review of all the taxes for all the players, including distillers, in Ontario, and we hope to have that review completed by the end of the year.

Mr. Terence Kernaghan: Thank you. Because as they indicate, removal of the 61.5% tax would actually bring parity with the wine industry and recent changes that have happened with this government, so I look forward to that change. Thank you for that.

My next question is about financial services policy, vote item 1202-8. It shows recoveries of \$1.3 million in 2021-22, negative \$200,000 in 2022-23 and negative \$400,000 in 2023-24. It shows a negative growth of 241.5%. Minister, could you please describe the recoveries and the reason for the change?

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Hon. Peter Bethlenfalvy: I'm going to have to defer to the deputy. I did note that it's 1202-8. What page is it on?

Mr. Terence Kernaghan: The page I don't have in front of me. Pardon me.

Hon. Peter Bethlenfalvy: Does anyone have the page so we can—

Mr. Jason Fitzsimmons: Just while we're pulling that up, I'm going to call upon our CAO, Suzanne Skinner, to help me on this one as well.

So that's 1202-8?

Mr. Terence Kernaghan: That's correct.

Mr. Jason Fitzsimmons: I'm on page 69 of 153. Is that correct?

Mr. Terence Kernaghan: Yes.

Mr. Jason Fitzsimmons: Can we just, for the record, repeat the question again that you have?

Mr. Terence Kernaghan: I wondered if you could please clarify the recoveries and also state the reason for the change.

Mr. Jason Fitzsimmons: The recoveries and the delta you're talking about there is the \$14,800?

Mr. Terence Kernaghan: Let's see. It shows a negative one-year growth of 241.5%, and 2023-24 was minus \$0.4 million; 2022-23 was minus \$0.2 million.

Mr. Jason Fitzsimmons: I'm sorry, I can't reconcile those numbers with what I have in front of me. Look, could I—

Mr. Terence Kernaghan: I can get back to you within a written format.

Mr. Jason Fitzsimmons: If it's satisfactory, we're happy to take that away, clarify the question and give you a fulsome response about that.

Mr. Terence Kernaghan: Thank you. I appreciate that.

Minister, one of the main responsibilities of the ministry is, in particular, the budget, the fall economic statement, the financial modelling that determines government spending. The government has a pattern, a history, of underestimating revenue and overestimating deficits early in the cycle. In 2022, the government forecasted the 2022-23 deficit would be \$19.9 billion, and then in the fall economic statement of that same year, you predicted the deficit would be \$12.9 billion. So it went from \$19.9 billion to \$12.9 billion. Then, following the fall economic statement, the FAO projected that the government would have a deficit of \$2.5 billion in 2022-23.

Now, the reason I'm calling this as a pattern is that, today, public accounts showed the same pattern. During the budget for 2023-24, they forecasted a deficit of \$1.3 billion. In the fall economic statement, it was \$5.6 billion. Today, it's just \$0.6 billion.

Why does the government have a pattern of making investment decisions based on incorrect but strangely consistent larger-than-expected deficits and lower revenues? Does the ministry use this pattern to justify austerity?

Hon. Peter Bethlenfalvy: Well, I'm sure the member would acknowledge that, whenever the FAO or any organization projects revenues and expenditures for a year, you do your best based on the information available. For example, with regard to revenues, we take the input from experts in the private sector to forecast where they think the economy will be for the next 12 months, and we have models that build around that.

I would also add, we do the same thing on the expenditure side, on where our priorities are going to be and the best forecasts we have on the expenditure side. Of course, the art of doing a budget is to make sure you have some contingency funds, because you can't predict how many forest fires you're going to have or how many resources you have to allocate.

And then, of course, public accounts gives the true-up of all that, looking in the rear-view mirror, of how you actually did against the 12-month forecast. For a \$205-billion organization, a \$700-million change in the deficit is pretty darn good. Of course, through COVID and the volatility of that economic environment, there was a lot more volatility in the results.

But in terms of going forward, we'll continue to do two things: rely on the best information we have at the time to put those forecasts together, and, secondly, report out every 90 days on how we're doing with those numbers. And then there are always factors that impact those numbers.

Mr. Terence Kernaghan: Thank you. I'm glad we didn't hear about the FAO and we didn't hear the word "crystal ball" come in there.

I wanted to ask next about vote item 1209. In particular, it outlines how the program provides advice on the development of policies and legislation governing the Ontario property tax system and their relationship with MPAC. MPAC's last assessments were in 2016 and

paused during the COVID pandemic. Is there a timeline to resume MPAC assessments?

Mr. Dave Smith: Point of order.

Mr. Terence Kernaghan: Again.

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

Mr. Dave Smith: I have to remind the member, again, this is the estimates of the Ministry of Finance. Unfortunately, his question had absolutely nothing to do with estimates. In fact, he brought that same question up earlier. I did a point of order on it, and you reminded him then that he needed to keep his comments relevant to what we're discussing today, which is estimates. So, please, could you remind him again that he cannot talk about stuff that has nothing to do with estimates?

The Chair (Mr. Ernie Hardeman): I would remind all members to focus their comments on matters before this committee and these estimates.

Mr. Terence Kernaghan: Thank you, Chair. It's disappointing that the government doesn't want to provide clarity, transparency and accountability for their plans moving forward with MPAC, because I do believe that people in Ontario would like to know if these increases are going to come. They need to budget for it; they need to plan for it. Lacking transparency and accountability is a deep concern for many people across Ontario. They would like a timeline, they would like to know and they would like fairness.

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

Mr. Terence Kernaghan: At this time, I don't believe I have any further questions.

Hon. Peter Bethlenfalvy: If I could just add on that: I've been public about the review through MPAC, and that will continue.

Mr. Terence Kernaghan: Very good.

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

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

Ms. Natalie Pierre: My question is around economic uncertainty. The last few years have been hard on Ontario families, workers and businesses. Even though inflation and interest rates are going down, Ontarians are still feeling the effects that they've had on the price of groceries, homes and other areas of life.

I know we talked about the One Fare program earlier. That's been very beneficial to commuters in my riding of Burlington, saving them up to \$1,600 per year with the fare integration between our local transit—Burlington Transit—GO Transit and then TTC. That has been a huge benefit to folks in my community. As well, the cut to the gas tax has really helped.

Now we're looking at periods of global uncertainty, which you talked about a little bit earlier, that it affects supply chains and businesses, ultimately impacting consumers. Minister, could you please explain the government's plan to address the economic uncertainty that's being experienced across the country, really, including right here in Ontario?

Hon. Peter Bethlenfalvy: Thank you for that really great question. I would just add, in Durham, Durham transit with GO Transit and then to Toronto transit, that integration is fantastic.

Also, we're building extensions to the lines on the GO train system; for example, in Durham, going from Oshawa to Bowmanville, an extra four stops. So people in Bowmanville will be able to benefit from one integrated fare as well, as they use Durham transit, GO Transit and Toronto transit.

I'm glad you mentioned the gas tax, because not everyone has a GO train or a subway right next door. A lot of Ontario, when you look at a map, it's big, and people often have to drive where they're going, and businesses have to drive. So the cut in the gas tax is meaningful, and it has provided relief for many families and businesses across Ontario.

In terms of economic uncertainty, I think one of the ways we deal with it—you heard from the CEO of Ontario Financing Authority—is on your debt-managing plan. How do you de-risk or mitigate risk on your borrowings? I would submit that Ontario has done a superb job, not just under our administration in the last six years, but for decades has been world-class in terms of risk management and debt management throughout the years. And that trend has continued and maybe with a watchful eye of the minister—because that's very important as one component, obviously, our debt and our interest risk management.

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I think, as well, the prudence that we put through, through the reserves—we always build in a reserve into our budgets. The near-term reserves are typically lower, but as we go out further, we build in because uncertainty is greater. Anyone who's done a business plan knows that.

And thirdly, the contingency funds are an important part of uncertainty. And again, we build them in, that prudence, over the three-year plan. So we build in contingency funds to deal with uncertainties that we have. And of course, in-year uncertainty always happens, but it gives us the flexibility to then make spending decisions and allocate to the ministries.

And of course, public accounts, which we did again today, with the seventh year in a row of a clean opinion, which means that it's an unqualified opinion that these are the books and records transparently submitted and managed by the government of Ontario—an independent legislative officer opining on those books.

So these are the types of things that you do to manage not only the uncertainty, the economic conditions but also, I feel strongly, to be transparent and out every 90 days on disclosure, and that's what we do.

Ms. Natalie Pierre: Thank you.

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

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

Minister, I'm going to fully admit I'm a little bit confused by some of the line of questioning from the opposition on alcohol. At one point, the member from Waterloo suggested that the 10% wholesale reduction in cost from

the LCBO to a shade over 4,000 convenience stores and roughly 600 or so grocery stores that will be selling alcohol—some of them now, some at the end of October—was going to devastate the profit margin for the LCBO and that this was going to basically have the world come to an end.

Ms. Catherine Fife: Point of order.

The Chair (Mr. Ernie Hardeman): Point of order.

Ms. Catherine Fife: It's actually unparliamentary to ad lib and insinuate and actually impugn motive about other members in this committee, and I would ask the member from Peterborough to be more respectful and not make assumptions about what I was saying, because he clearly was not listening.

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

MPP Smith.

Mr. Dave Smith: I never imputed motive on there, but I'll continue on and say that in the next round, the other NDP member—and I apologize; I think it's London north, London centre—

Interjection: Fanshawe.

Mr. Dave Smith: London–Fanshawe—made a comment about the craft distillers and asked you to reduce the tax, the 61% tax, but that would take away from the revenue of the LCBO on that as well. So I'm somewhat confused why they would have jumped around so much, saying it was bad to reduce the cost on one point, but it was good to reduce the cost on another.

Mr. Terence Kernaghan: Point of order.

The Chair (Mr. Ernie Hardeman): Point of order: the member from London north.

Mr. Terence Kernaghan: I suspect that the member across is confused because what I was talking about was the 61.5% in tax that these small distillers are paying to the Ministry of Finance. This would not impede the tax that is being collected at LCBO.

The Chair (Mr. Ernie Hardeman): I would suggest that this is not a discussion about what's happening. We're talking about the estimates. We now will refer back to MPP Smith to heed that same comment.

Mr. Dave Smith: So my question then is on the alcohol expansion and the greater than 4,000 convenience stores who will be able to sell alcohol as of about two weeks ago and the more than 600 grocery stores on it. Could you explain for us, please, how this modernization is going to make a difference for the people of Ontario and really is something that has been asked for for a number of years? Because there has not been any kind of modernization since Prohibition.

Hon. Peter Bethlenfalvy: Thank you for the question. On the 61%, I would just again reiterate that we inherited all this from the previous government, and we're the first government in decades to undertake a review on behalf of the whole alcohol system so that we can be fair and allow for fair competition.

The wholesale margin is, in fact, part of making sure that there's fairness and consistency among all types of alcohol and distribution in the retail system. Of course, the

others may want to cut the margins, raise the taxes, raise the fees for convenience stores, for grocery stores, for producers, for others, but that's not the way we've chosen to go. We've chosen to give our modernization a fair shot, so that everyone doesn't have one arm tied behind their back, to level the playing field to be fair and allow them to compete and have the value proposition for their customers. They know their customers best. The fact that we're giving them a margin through this wholesale margin process allows them to compete.

So it's up to them to find a price that works for their customers and their value proposition. Far be it for government to dictate what that margin should be, and so that's why we've taken that approach. I'm not going to increase fees and put on fees, as others would suggest: "You can make more money on the backs of small businesses by increasing the fees and get more revenues for the LCBO."

I'd remind everyone in this committee that there was a strike, so there will be an impact on the revenues—a third-party strike. We've got a deal that I think was fair for workers and good for Ontario and good for everybody, and we're going to move forward.

I appreciate the question.

Mr. Dave Smith: Thank you. I'll defer my time to my colleague from Milton.

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

MPP Zee Hamid: Thank you, Minister, for being here and answering all the questions. As a new member, I find these hugely informative. I've learned a ton. In fact, yesterday, I was filling in for another member where Minister Sarkaria talked about \$100 billion of investment in roads, highways, transit. Over 10 years, I know that we're spending around \$50 billion in different hospital projects to focus on health care. And one of the highlights of your 2024 budget was the need to continue building more infrastructure as our economy is growing. It's not just hospitals; homes, highways, transit—across the board.

Now, part of the problem is that the previous Liberal government, over 15 years, left this province with a massive infrastructure deficit, and now we're forced to play catch-up. You spoke a lot today about fiscal responsibility and fiscal prudence, but I was wondering if you could add more to the need to invest more on infrastructure and how that would impact the economy, both in the short run and long run.

Hon. Peter Bethlenfalvy: Thank you. I do believe in third parties, and research has shown we have an infrastructure deficit. We inherited one. That's well known and well documented and well researched. Add that to the unprecedented population growth of late, and it just amplifies that infrastructure deficit.

Again, I just believe that population growth and welcoming people from around the world is a good, very positive thing. But we've got to make sure that we can take care of those people. I think that infrastructure is not just good social policy, but it's great economic policy. What do I mean by that? Productivity: moving people, getting

efficiencies, people being able to get to work on time and take their kids to school. It's a massive productivity gain as well.

I was asked in public accounts this morning, "What about the 413?" I just reminded that individual, "Have you driven in Brampton and seen the daily struggles that so many citizens in that community have to go through to get from A to B?" And that excludes also the trucks that are moving the goods that have to get to the Windsor border or the Niagara Falls border to move goods into the US—that \$500-billion two-way trade.

So it takes some vision. It takes a plan, a transparent plan through the budget and the updates from the various ministers. And you're absolutely right: \$70 billion in transit, \$30 billion for highways and roads, \$50 billion for hospitals, I think \$16 billion for schools. Just in Ajax, MPP Barnes, we're getting close to completing the new Grandview Kids facility that's being built for children with special needs—a tremendous investment in physical infrastructure for our children in Durham and the region, but also an investment in the people that are going to take care and work in that facility. So again, I'll say it's not choices about fiscal conservatism; it's an "and." You get the benefits, and our government has a vision. We're committed to that vision. We've gone to the people with that vision in 2018, 2022, and every budget is an opportunity to update people in every quarter on how we're doing on that plan.

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MPP Zee Hamid: Thank you, Minister. I'm glad that you mentioned 413. The 413 is supposed to actually start—I mean, its starting point is in the town of Milton. When I was on the council, not once but twice the council passed a motion asking the province to build 413, both this government as well as the previous Liberal government—because our traffic projections show that we won't be able to get anywhere unless we had a new exit out of our community. And as you noted, we can't really transport goods and shipments from Amazon everywhere else on GO trains and subways. We need both, and I'm glad that you're investing in both. So thank you for that response, and thank you for that.

Just to touch base a little bit more on the transit side of things, because I know you touched on it really briefly, but I was wondering if you could expand more on investment on the transit side of things, because sometimes people forget how much we're investing in transit. We're overseeing the largest transit expansion anywhere in North America. It's not just about roads and highways; it's really both. And as you mentioned, it's not either; it's both.

Hon. Peter Bethlenfalvy: Two of our biggest infrastructure challenges, among many, are gridlock and energy security. And so what we're making is a historic investment in not only expanding that public transit system—making it modern, building more of it, integrating the fare, encouraging more people to ride—but at the same time making sure that we're not ignoring highways. Not just—we're talking about the 413. I mentioned Highway 3;

Kitchener-Waterloo; two-way, all-day GO; building bridges to get that done. It's important. In the north, widening highways from the Manitoba border to Kenora—it's all over the province.

So gridlock is a big challenge for people from a well-being point of view and from a productivity point of view, but I would also submit energy infrastructure is the challenge of our time. The energy needs of—to go to a green, clean economy is absolutely essential, and Ontario is going to lead North America in terms of energy production and transmission and distribution. If we're going to be the EV capital of the world, we're going to have to have the electricity to power those vehicles. And make no mistake, we will be leaders in the world in electric vehicle manufacturing, battery manufacturing, the supply chain from critical minerals to processing but also the powering of those and the powering the businesses that are going to—we know that data centres and technology and the race for AI and abroad requires a lot of electricity.

Ontario, I would submit, is one of the best-placed jurisdictions on the planet to deliver that clean, green electricity to drive the economy and the well-being for our businesses and our families of the future.

MPP Zee Hamid: Thank you for that, sir. Thank you very much.

Thank you, Mr. Chair.

The Chair (Mr. Ernie Hardeman): MPP Hogarth, 3.5 minutes.

Ms. Christine Hogarth: I also want to talk a little bit about the new deal with Toronto, because as a Toronto riding—I know that my colleague had touched on it as well. You also mentioned gridlock. Congestion is something that we deal with every single day with the Gardiner under construction, and I thank the government for expediting the Gardiner construction.

Our city of Toronto increased our taxes by 9%, which is really tough on a lot of households, and some of that money went to building numerous bike lanes, which is a cause of congestion but also a safety hazard on Bloor Street in my riding of Etobicoke-Lakeshore. We would really like to have that bike lane remodelled to a different road.

With the congestion, we don't really see any light at the end of the tunnel. How are we looking at that, and how are we working with the city to upload the Gardiner? And what is the plan for these deals, and how is it progressing? I understand we're partnering, and I understand you have a new person on board in your office to help the city with some of these expenditures.

I would like to see my tax dollars go to road construction versus libraries open seven days a week and the extensive bike lanes that we seem to be doing the opposite of—creating more congestion, and it's poor for the environment. This is something I hear daily from my residents, their concern for the environment when it comes to congestion.

Any thoughts? And how do you plan, as a minister, to move forward with that program with the city of Toronto, work with them to spend our tax dollars wisely?

Hon. Peter Bethlenfalvy: I'm all for spending tax dollars wisely, and I think that's why they hire us every four years. And you make a great point, MPP Hogarth, that we've done a significant deal for Toronto, which is very unique in the fact that they have subways; they have the lion's share of asylum seekers in Ontario and, frankly, Canada; they have highways running right through the core of their economic being, being the DVP and the Gardiner. So, you're right.

We've hired Gary Crawford to advise me and our officials, who are working very hard—multi-ministries, by the way, because it touches a lot, whether it's subway cars, asylum seekers, or highways—to make sure that we manage that process as prudently as appropriate.

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

Hon. Peter Bethlenfalvy: This individual has done nine city budgets, so he understands municipal finance, he understands provincial finance and he understands how to work with people to get things done. And so I'm confident that we'll have a good set of eyes on working together with the city of Toronto to get past the finish line some very complex discussions over uploading the DVP and the Gardiner, concluding getting the federal government to participate in the 55 subway cars.

And I add, another thing we've put in the Toronto deal was significant funding to put more police on our subways. And I can tell you that has been very effective. We're seeing ridership back up and a big part of that was to make people feel safe on our subways, so that was part of the Toronto deal as well.

Ms. Christine Hogarth: Thank you for that. I actually saw that on the news the other day, that Mayor Chow had

talked about ridership going up in Toronto. People were afraid to take the subway, so I think that is having a great effect and I thank our—

The Chair (Mr. Ernie Hardeman): Thank you very much. The time has expired for the committee's considerations of the estimates of the Ministry of Finance.

And with that, I'd like to thank you, Minister, for being here today to answer all the questions. I also want to thank all the staff that are here for a job well done.

Standing order 69 requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Shall vote 1201, ministry administration program, carry? All those in favour? All those opposed? Motion is carried.

Shall vote 1202, regulatory policy and agency relations program, carry? All those in favour? All those opposed? Motion is carried.

Shall vote 1203, economic, fiscal and financial policy program, carry? All those in favour? All those opposed? Motion is carried.

Shall vote 1209, tax, benefits and local finance program, carry? All those in favour? All those opposed? Motion is carried.

Shall vote 1215, Building Ontario Fund program, carry? All those in favour? All those opposed? Motion is carried.

Shall the 2024-25 estimates for the Ministry of Finance carry? All those in favour? All those opposed? Motion is carried.

Shall the Chair report the 2024-25 estimates for the Ministry of Finance to the House? All those in favour? All those opposed? Motion is carried.

The committee is now adjourned until Monday, September 23, 2024, at 10 a.m.

The committee adjourned at 1410.

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