



Policy Solutions for Ontario's Prosperity

Charting a Path to a More Prosperous Ontario: The Ontario 360 Legacy

By
Sean Speer



Ontario 360's purpose is to scan Ontario's economic opportunities and challenges and develop evidence-based public policy ideas to inform and shape the Ontario government's own policy planning and development.

Ontario 360 is independent, non-partisan, and fact-based. It provides a neutral platform for policy experts to put forward clear, actionable policy recommendations to promote a growth and opportunity agenda for Ontario.

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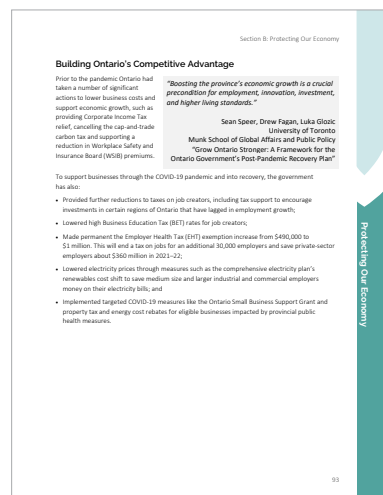
Introduction

Ontario 360 was established ahead of the 2018 provincial election to [analyze](#) Ontario's economic opportunities and challenges, aiming to develop evidence-based public policy recommendations to inform and shape the provincial government's policy planning and development. As an independent, non-partisan, and fact-based initiative, Ontario360 provides a neutral platform for policy experts to propose clear, actionable strategies that promote growth and opportunity within Ontario. Its mission encompasses commissioning evidence-based research and facilitating dialogue between policy experts and policymakers to address the province's pressing issues.

In the past seven years, this initiative has published over 70 policy papers, providing actionable advice across all major policy issues to the provincial government. This advice helped marshal Ontario through the pandemic and its aftermath, having a direct [impact](#) on the province's 2021 Budget.

As Ontario [embarks](#) on another election, several policy challenges await the next government. Ontario is [projected](#) to have the third-lowest real GDP growth in 2025 among the provinces at 1.2 percent. Healthcare wait times have [surged](#) since the 1990s. Although Ontarians have the lowest average waits in the country, this issue will only [worsen](#) as the Boomer generation ages. A lack of affordable housing has [plagued](#) the province, and housing [starts](#) are in decline.

These are just some of the pernicious problems the provinces face, and a trade war with the United States could worsen things. About 13 percent of Ontario jobs



are [exposed](#) to U.S. tariff threats, while 14.5 percent of the province's income is derived from exports to the U.S. Ontario's economic prospects could decline further if President Trump follows through on these tariff threats.

To weather approaching storms, Ontario must pursue smart public policy that maximizes prosperity and social security for all. To this end, we have compiled a compendium of Ontario 360's policy papers that the next government can use to build a robust policy agenda. We have organized the papers into six categories, corresponding to areas where the province faces challenges: 1) economic and fiscal policy, 2) energy and environment, 3) government reform, 4) housing, 5) labour, and 6) social policy.

Each of the documents summarised below discusses policy opportunities that can deliver positive results for the people of Ontario.

Economic and Fiscal Policy

Fiscal Policy

Livio Di Matteo



Ontario faces mounting fiscal challenges as deficits return and debt levels continue to rise. After briefly achieving a budget surplus in 2017-18, the

province projected a \$6.7 billion deficit in 2018, with net debt reaching \$325 billion. This is part of a broader trend—Ontario ran deficits in 29 of the past 37 years, nearly doubling its debt from \$156.6 billion in 2007-08 to \$301.6 billion by 2016-17. The province's spending has consistently outpaced revenue growth, particularly during economic downturns, exacerbating its fiscal vulnerability.

To restore long-term fiscal sustainability, this policy [paper](#) proposes a five-point strategy. First, it recommends **implementing fiscal rules**, such as balanced budget legislation or debt-to-GDP targets, to ensure responsible spending. Second, **public service reforms** should enhance efficiency, cut administrative costs, and explore alternative service delivery models. Third, the government must **review capital infrastructure investments**, prioritizing projects with clear long-term economic benefits. Fourth, a **tax system overhaul** is needed to simplify taxation, broaden the base, and potentially lower rates to stimulate growth. Finally, **economic growth initiatives**

should focus on innovation, workforce development, and improving the business climate to boost provincial revenues.

With an aging population increasing healthcare and social service costs, alongside rising interest rates and economic uncertainties, Ontario must act decisively. By enforcing fiscal discipline, reforming services, and fostering economic expansion, the province can stabilize its financial future and mitigate long-term risks.

Economic Competitiveness

Paul Boothe and Alister Smith



A policy [paper](#) by Paul Boothe and Alister Smith details significant challenges to Ontario's economic competitiveness. The province's decline in

competitiveness is attributed to factors such as high taxes, a substantial regulatory burden on businesses, infrastructure delays, and inefficient approval processes. These issues have led to sluggish non-residential business investment, slow export growth, and diminished business confidence.

To address these concerns, the authors propose several policy recommendations:

- 1. Implement a Two-for-One (TFO) Rule:** For every new regulation introduced, two existing ones should be eliminated. This approach aims to

prevent the proliferation of regulations and reduce the cumulative burden on businesses.

2. Establish a Regulatory Challenge

Function: Create a dedicated unit within the government to oversee and manage the regulatory burden. This body would evaluate proposed regulations, ensuring they meet necessary standards and do not impose undue constraints on businesses.

3. Enhance Stakeholder

Consultations: Engage more effectively with businesses and other stakeholders to gather insights and feedback on regulatory impacts, fostering a collaborative approach to policy development.

4. Apply the 80-20 Rule to Existing Regulations:

Focus on the most burdensome regulations that disproportionately affect businesses. By identifying and reforming these key regulations, the government can achieve significant improvements in the business environment.

5. Adopt a One-Window Approach for Business Approvals:

Streamline the approval process by providing a single point of contact for businesses seeking necessary permissions, thereby reducing delays and administrative hurdles.

The authors emphasize that these strategies are crucial for reversing the current decline and ensuring Ontario's long-term

economic prosperity. Without decisive action, the province risks continued erosion of its competitive position, potentially impacting investment, job creation, and overall economic health.

The Case for Regulatory Reform in Ontario

Charles Lammam and Sean Speer



Ontario's economic growth is being stifled by an overwhelming regulatory framework, as detailed in a [paper](#) by Charles Lammam and Sean Speer. The

province reportedly imposes over 386,000 regulatory requirements on businesses and individuals, a figure that is double that of any other Canadian province. This extensive web of regulations not only hampers entrepreneurship and innovation but also diminishes Ontario's competitiveness, especially as neighbouring U.S. states implement growth-oriented policies.

While regulations are essential for safeguarding environmental, health, safety, and consumer interests, poorly designed or unnecessarily complex rules can lead to significant economic drawbacks without delivering corresponding social advantages. The paper emphasizes that Ontario's regulatory burden is exacerbated by

overlapping and duplicative rules across various provincial ministries and different levels of government.

To address these challenges, the authors propose a comprehensive reform agenda:

- 1. Halt the Proliferation of New Regulations:** Implement measures to prevent the continuous introduction of new regulations, thereby controlling the expanding regulatory landscape.
- 2. Streamline Existing Regulations:** Conduct thorough reviews to simplify or eliminate current regulations that are redundant or unnecessarily burdensome.
- 3. Enhance Regulatory Efficiency:** Focus on improving the development, oversight, and enforcement processes of regulations to ensure they are effective and efficient.
- 4. Eliminate Duplicative and Overlapping Regulations:** Identify and remove regulations that are repetitive or overlap across different governmental departments and levels.

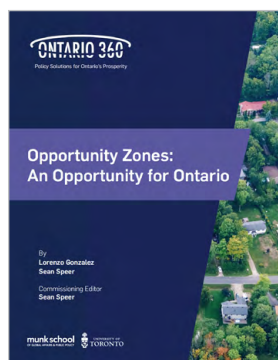
The paper highlights British Columbia's successful regulatory reforms in the early 2000s as a model for Ontario. Key lessons include establishing a publicly available baseline to measure the number and cost of regulatory requirements, ensuring regular reporting to track progress, and incentivizing regulators to manage and minimize the regulatory burden effectively. Additionally, the authors advocate for reinstating the "precautionary principle" in policymaking, emphasizing a risk management approach

to reduce unnecessary red tape and bolster business confidence in Ontario.

By adopting these recommendations, Ontario can modernize its regulatory framework, fostering a more conducive environment for economic activity while maintaining essential protections for its citizens.

Opportunity Zones: An Opportunity for Ontario

Lorenzo Gonzalez and Sean Speer



Ontario is grappling with significant regional economic disparities, with major urban centers like Toronto and Ottawa

experiencing robust growth while many rural and undercapitalized areas lag behind. In response, a policy [paper](#) by Lorenzo Gonzalez and Sean Speer examines the U.S. "Opportunity Zones" initiative as a potential model for revitalizing Ontario's distressed communities.

Established under the U.S. Tax Cuts and Jobs Act of 2017, Opportunity Zones aim to rejuvenate economically distressed areas by offering tax incentives to encourage long-term private investments. Investors can defer and potentially reduce capital gains taxes by reinvesting in designated zones through Qualified Opportunity Funds. These funds are required to hold

at least 90 percent of their assets in qualifying properties within the zones.

Drawing lessons from this model, the authors propose several policy recommendations for Ontario:

1. Intergovernmental Collaboration:

Partner with the federal government to implement an Opportunity Zones-like program, leveraging combined resources to stimulate investment in undercapitalized regions.

2. Provincial Investment Tax Credit:

Introduce a tailored tax credit inspired by the Opportunity Zones model, the federal Atlantic Investment Tax Credit, and Ontario's 2002 Tax Incentives Zones Act. This credit would incentivize investments in economically distressed areas by offering tax relief to businesses and investors committing capital to these regions.

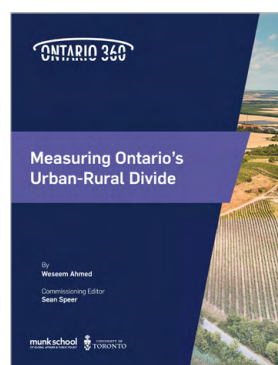
3. Revamp Existing Funds: Redesign the Northern Ontario Heritage Fund and the Rural Economic Development Fund to more effectively attract private investment. By aligning these funds with current economic realities and focusing on strategic sectors, the province can better support sustainable development in struggling communities.

The authors emphasize that adopting such strategies could catalyze economic activity, create jobs, and foster long-term prosperity in Ontario's underserved areas. By learning from the U.S. experience and tailoring

the approach to provincial needs, Ontario has the opportunity to bridge its regional economic divide.

Measuring Ontario's Urban-Rural Divide

Weseem Ahmed



Ontario is experiencing a widening economic and demographic divide between its urban and rural regions, as detailed in a [paper](#) by Weseem

Ahmed. Between 1961 and 2016, the province's urban population more than doubled from nearly 5 million to 11.6 million, while the rural population saw a modest increase from 1.4 million to 1.8 million. Consequently, the rural share of Ontario's population declined from 22.7 percent to 13.8 percent during this period.

This demographic shift has led to significant socioeconomic disparities. Urban centers have experienced robust growth, attracting younger populations and benefiting from economic opportunities. In contrast, many rural areas face stagnation or decline, with nearly 35 percent of Ontario's cities or towns experiencing no or negative population growth between 2011 and 2016. This trend has resulted in an aging rural

demographic, where the median age is now six years higher than in urban areas.

To bridge this urban-rural divide, the paper offers several policy recommendations:

- 1. Place-Based Competitiveness**
Strategy: Develop tailored policies that address the unique economic conditions of various regions, recognizing that a one-size-fits-all approach is ineffective.
- 2. Leverage Post-Secondary Institutions:** Utilize educational institutions as hubs for attracting and developing human capital. This includes retaining international students in non-urban centers and establishing satellite campuses or distance education programs to serve rural populations.
- 3. Cluster Development:** Promote economic clusters in rural areas by focusing on their comparative advantages, such as natural resources, tourism, and senior care services.
- 4. Targeted Investment Attraction:** Implement programs to draw foreign direct investment into undercapitalized regions, stimulating economic activity and job creation.
- 5. Tax-Based Incentives:** Consider enacting tax incentives, similar to the U.S. Opportunity Zones model, to encourage private capital investment in economically distressed areas.

By adopting these strategies, Ontario aims to foster balanced economic development, ensuring that both urban and rural

communities can thrive and contribute to the province's overall prosperity.

Re-Imagining Ontario's Business Support Programs

Jamison Steeve and Sean Speer



Ontario's extensive array of business support programs, designed to stimulate investment across various sectors and regions, is under scrutiny

for its effectiveness and economic impact. A policy [paper](#) by Jamison Steeve and Sean Speer critically examines these programs, highlighting concerns about their efficiency and proposing strategic reforms.

The authors argue that many of Ontario's business support initiatives fail to deliver significant economic benefits, often resulting in market distortions and substantial fiscal costs. They emphasize that such programs frequently do not withstand rigorous cost-benefit analyses, questioning their justification in the province's economic development strategy.

In response, Steeve and Speer recommend a comprehensive re-evaluation of these support mechanisms. They advocate for a shift towards policies that enhance overall economic competitiveness and productivity, suggesting that the government should prioritize broad-based reforms over

targeted business incentives. Key policy recommendations include:

1. Enhance Economic

Competitiveness: Implement policies aimed at reducing the productivity gap between Ontario and the United States. This includes further regulatory reforms, tax changes to improve the province’s tax competitiveness—such as potential reductions in the corporate tax rate—and increased support for basic research. Collaborating with other provinces to liberalize interprovincial trade barriers is also advised.

2. Establish Manufacturing Institutes:

Develop a network of manufacturing institutes across the province, modelled after the Manufacturing USA initiative. These institutes would serve as hubs for innovation, fostering collaboration between industry, academia, and government to drive advancements in manufacturing technologies and processes.

3. Promote Opportunity Zones:

Introduce Opportunity Zones to stimulate economic activity in rural and economically distressed communities. By offering tax incentives and support for investments in these areas, the government can encourage private sector engagement and revitalization efforts.

The paper underscores the necessity for Ontario to reassess its approach to business support, advocating for a model that minimizes market distortions and maximizes economic returns. By focusing on enhancing competitiveness and

strategically targeting support, the province can better position itself for sustainable economic growth.

Supporting Ontario’s Fiscal Strategy

Kevin McCarthy and Sean Speer



Ontario’s government is navigating a complex fiscal landscape, striving to balance budgetary constraints with the need for effective public services. In their [study](#), Kevin McCarthy and Sean Speer offer strategic insights to bolster the province’s fiscal framework.

The authors recommend integrating the federal government’s Strategic Reviews into Ontario’s multi-year planning. This approach encourages comprehensive evaluations of program spending, fostering a culture of fiscal discipline across all departments.

They emphasize four critical components for successful government transformation:

1. Clear Metrics and Benchmarks:

Establishing specific performance indicators to monitor progress and ensure accountability.

2. Technology and Project

Management Capacity: Investing in modern technologies and enhancing

project management skills to improve service delivery and operational efficiency.

3. Conservative Savings Estimates:

Setting realistic financial targets to avoid overestimation and ensure sustainable budgeting.

4. Cybersecurity Risk Mitigation:

Prioritizing the protection of government data and systems to prevent breaches that could compromise sensitive information and public trust.

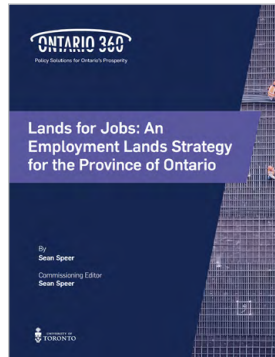
Additionally, the paper suggests leveraging government decentralization to achieve cost efficiencies and stimulate economic activity in rural and economically distressed regions. By redistributing certain government functions, Ontario can reduce operational costs and promote regional development.

The authors caution that while pursuing fiscal prudence, the government must remain vigilant against potential cybersecurity threats. They argue that cost-saving measures should not compromise data security, as breaches could lead to significant financial losses and erosion of public confidence.

By adopting these strategies, Ontario aims to strengthen its fiscal position, ensuring the efficient use of public funds while maintaining essential services and safeguarding against emerging risks.

Lands for Jobs: An Employment Lands Strategy for the Province of Ontario

Sean Speer



Ontario's economic development is closely tied to the availability and affordability of employment lands—areas designated for commercial and

industrial use. A policy [paper](#) by Sean Speer highlights the critical role these lands play in attracting investment and fostering business growth.

The paper identifies several challenges within Ontario's current framework. Notably, the uneven application of business education taxes across municipalities creates disparities that can deter investment in certain regions. Additionally, recent modifications to the Greater Golden Horseshoe Growth Plan necessitate vigilant monitoring to prevent imbalances between employment and residential land allocations.

To address these issues, Speer offers key policy recommendations:

1. Regular Regional Assessments:

Implement systematic reviews of employment land supply and demand across different regions. This proactive approach ensures timely adjustments

to the designation of provincially significant employment zones, aligning with evolving economic needs.

2. Standardize Business Education

Tax Rates: Gradually harmonize these tax rates throughout the province to eliminate regional disparities. A uniform tax structure would create a more equitable environment for businesses, encouraging investment across all municipalities.

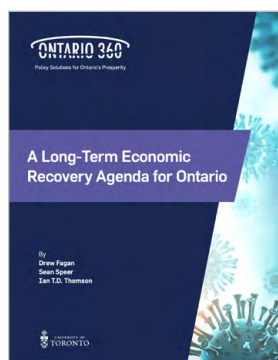
3. Reevaluate Provincial Property

Taxes: Consider phasing out provincial property taxes as part of a broader reform of intergovernmental fiscal arrangements. This move could simplify the tax system and enhance Ontario's competitiveness in attracting and retaining businesses.

Speer emphasizes that while the economy is increasingly driven by intangible assets like data and intellectual property, the demand for physical employment lands remains significant, particularly in regions such as the Greater Golden Horseshoe. By adopting these recommendations, Ontario can strengthen its business environment, making it more attractive for both domestic entrepreneurs and multinational firms.

A Long-Term Economic Recovery Agenda for Ontario

Drew Fagan, Sean Speer and Ian T.D. Thomson



In the wake of the COVID-19 pandemic, Ontario faced significant economic challenges that necessitated a comprehensive recovery

strategy. A [paper](#) by Drew Fagan, Sean Speer and Ian T.D. Thomson outlines 60 recommendations across five critical areas to guide the province toward long-term prosperity.

1. Government Finances and Fiscal

Policy: The paper advocates for a comprehensive spending review, similar to the 2012 Drummond Report, targeting sectors such as health, education, and social services to identify efficiencies and restructure public spending. It also recommends adopting a strategic review process to evaluate program effectiveness and ensure fiscal sustainability.

2. Manufacturing and

Competitiveness: To revitalize the manufacturing sector, the authors suggest implementing policies to reduce the productivity gap between Ontario and the United States. This includes regulatory reforms, tax

changes to enhance competitiveness, and increased support for basic research. Establishing a network of manufacturing institutes, modelled after the U.S. Manufacturing USA initiative, is proposed to foster innovation and collaboration.

3. Health-Care Supply Chains: The pandemic exposed vulnerabilities in healthcare supply chains. The paper recommends strengthening domestic production capabilities for essential medical supplies and developing strategic reserves to mitigate future disruptions.

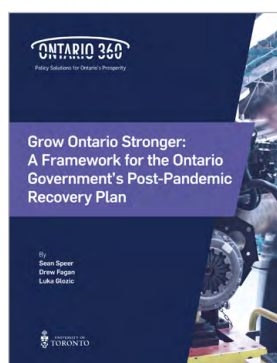
4. Capital Infrastructure and Skills Development: Investing in infrastructure projects is highlighted as a means to stimulate economic activity. The authors also emphasize the importance of skills development programs to align the workforce with evolving industry demands, suggesting partnerships between the government, educational institutions, and the private sector.

5. Income Support Programming: To support individuals affected by the economic downturn, the paper proposes enhancing income support programs. This includes reforms to social assistance programs to improve accessibility and effectiveness, ensuring timely support for those in need.

By implementing these recommendations, Ontario aims to navigate the post-pandemic landscape, fostering a resilient economy capable of withstanding future challenges.

Grow Ontario Stronger: A Framework for the Ontario Government's Post-Pandemic Recovery Plan

*Sean Speer, Drew Fagan
and Luka Glozic*



Ontario's economic growth has been on a declining trajectory for decades, a trend exacerbated by the COVID-19 pandemic. In their [analysis](#),

authors Sean Speer, Drew Fagan, and Luka Glozic analyze this downturn and propose strategies to revitalize the province's economy.

Historically, Ontario enjoyed robust economic expansion, with an average annual GDP growth of 4.01 percent between 1960 and 2000. However, since 2001, this figure has plummeted to just 1.74 percent. Contributing factors include diminished export growth due to manufacturing decline, weak productivity, low business investment, insufficient innovation, and an aging population. Consequently, Ontario's GDP per capita has fallen behind that of neighbouring U.S. states such as New York, Ohio, and Michigan.

To counter these challenges, the authors advocate for a comprehensive,

inclusive growth strategy. Key policy recommendations include:

- 1. Adopt a Long-Term Growth Strategy:** Develop a plan focused on sustainable economic growth driven by increased productivity. This strategy should encompass both traditional policy measures, like tax reforms and regulatory adjustments, and modern approaches addressing childcare and public transit to support inclusive growth.
- 2. Learn from Peer Jurisdictions:** Examine successful models from regions such as Saskatchewan and Illinois, which have implemented evidence-based strategies with clear, measurable goals to enhance economic performance.
- 3. Enhance Productivity and Innovation:** Implement policies that encourage business investment, support innovation, and address demographic challenges to improve overall economic competitiveness.

The paper emphasizes that revitalizing Ontario’s economy requires a multifaceted approach, integrating both established and innovative policy tools to foster inclusive and sustained growth.

Navigating Uncertainty in Ontario’s Budget

Sean Speer, Drew Fagan and Michael Cuenco



Ontario’s fiscal planning faced unprecedented challenges due to the COVID-19 pandemic, which has significantly disrupted both public health and economic

landscapes. In their [assessment](#), “Navigating Uncertainty in Ontario’s Budget,” authors Sean Speer, Drew Fagan, and Michael Cuenco analyze the profound impact of the pandemic on the province’s finances and propose strategies to enhance budgetary resilience.

The pandemic has led to a substantial decrease in government revenues coupled with increased expenditures—a phenomenon economists refer to as the “scissor effect.” For instance, revenue projections for the 2020-21 fiscal year have declined by over \$10 billion since November 2019, while expenditures have risen by approximately \$20 billion. Consequently, the projected deficit has escalated from \$6.7 billion to \$38.5 billion.

To navigate this fiscal uncertainty, the authors recommend several key strategies:

- 1. Scenario Planning:** Develop multiple budget scenarios based on varying assumptions about the pandemic’s trajectory and economic recovery. This

approach allows for flexible planning and better preparedness for different potential outcomes.

2. Contingency Budgeting:

Allocate funds specifically for unforeseen expenses related to the pandemic, ensuring the government can respond swiftly to emerging needs without compromising other budgetary commitments.

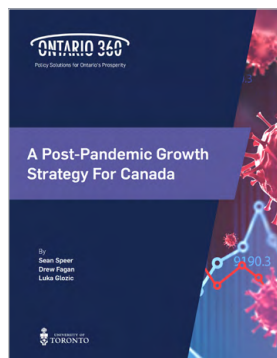
3. Enhanced Communication:

Maintain transparency with the public regarding fiscal challenges and the rationale behind budgetary decisions. Clear communication fosters public trust and understanding during times of crisis.

The paper emphasizes that traditional budgeting methods are inadequate in the current volatile environment. By adopting these recommended practices, Ontario can better manage fiscal uncertainty, maintain essential public services, and work toward long-term economic recovery.

A Post-Pandemic Growth Strategy for Canada

*Sean Speer, Drew Fagan
and Luka Glozic*



Canada's economic growth has been on a declining trajectory for decades, a trend exacerbated by the COVID-19 pandemic. In their [study](#),

"A Post-Pandemic Growth Strategy for Canada," authors Sean Speer, Drew Fagan, and Luka Glozic analyze this downturn and propose strategies to revitalize the nation's economy.

Historically, Canada enjoyed robust economic expansion, with an average annual GDP growth of 4.08 percent between 1960 and 2000. However, since 2001, this figure has plummeted to just 1.99 percent. Contributing factors include diminished export growth due to manufacturing decline, weak productivity, low business investment, insufficient innovation, and an aging population. Consequently, Canada's GDP per capita has fallen behind that of peer G7 nations.

To counter these challenges, the authors advocate for a comprehensive, inclusive growth strategy. Key policy recommendations include:

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- 2. Learn from Peer Jurisdictions:** Examine successful models from regions such as Saskatchewan, which has implemented evidence-based strategies with clear, measurable goals to enhance economic performance.
- 3. Enhance Productivity and Innovation:** Implement policies that encourage business investment, support innovation, and address demographic challenges to improve overall economic competitiveness.

The paper emphasizes that revitalizing Canada’s economy requires a multifaceted approach, integrating both established and innovative policy tools to foster inclusive and sustained growth. Given its size in the federation, Ontario could leverage its position to help push for positive change at the federal level.

Attracting 21st Century Investment: A Blueprint for The Creation of Invest Ontario and Invest Alberta

Mitchell Davidson



In a bid to rejuvenate foreign direct investment (FDI) amid global economic uncertainties, Ontario and Alberta have unveiled plans

for new investment attraction agencies: Invest Ontario and Invest Alberta. These initiatives aim to streamline efforts to draw FDI, particularly in research and development sectors, and to position the provinces for sustained economic growth post-pandemic.

Mitchell Davidson [examines](#) successful investment attraction models in peer jurisdictions to inform the design and operation of these agencies. The paper offers both foundational and targeted recommendations to ensure the effectiveness of Invest Ontario and Invest Alberta.

Foundational Recommendations:

- 1. Clear and Transparent Mandates:** Define explicit objectives for the agencies to ensure focused and effective operations.

2. **Regular Performance Evaluations:** Implement comprehensive assessments to monitor progress and inform strategic adjustments.
3. **Appropriate Policy Tools and Personnel:** Equip the agencies with the necessary resources and skilled staff to function as effective one-stop shops for investors.

Targeted Recommendations:

1. **Balance Focus Between People and Firms:** Develop strategies that attract both talented individuals and businesses to foster a dynamic economic environment.
2. **Place-Based Policies:** Implement initiatives that address regional economic disparities, ensuring inclusive growth across various areas.
3. **Non-Traditional Policy Levers:** Consider factors such as housing availability, childcare services, and social supports as critical elements influencing investment decisions.

The paper underscores the importance of learning from other jurisdictions to tailor these agencies effectively. By adopting these recommendations, Ontario and Alberta can enhance their appeal to investors, stimulate innovation, and drive long-term economic development.

Transit-Oriented Communities: Why We Need Them and How We Can Make Them Happen

Matti Siemiatycki and Drew Fagan



Ontario is championing the development of transit-oriented communities (TOCs) to foster sustainable urban growth and maximize the benefits of

its substantial public transit investments. A policy [paper](#) by University of Toronto professors Matt Siemiatycki and Drew Fagan delves into the complexities of implementing TOCs and offers strategic recommendations to enhance their success.

TOCs aim to integrate housing, employment, public amenities, and social services within close proximity to high-quality public transit. This co-location strategy is designed to boost transit ridership, reduce reliance on personal vehicles, and cultivate vibrant, walkable neighbourhoods. The Ontario government’s recent enactment of the Transit-Oriented Communities Act underscores its commitment to this approach, particularly in the Greater Toronto Area.

However, the paper identifies several challenges hindering the effective realization of TOCs:

- 1. Complex Stakeholder Coordination:** Developing TOCs necessitates seamless collaboration among various government entities, private developers, and community groups, each with distinct roles and interests.
- 2. Policy Alignment:** Ensuring consistency across multiple policies and regulations at different government levels is crucial for coherent planning and execution.
- 3. Community Engagement:** Gaining public support requires transparent communication and active involvement of local communities in the planning process.

To address these challenges, Siemiatycki and Fagan propose the following policy recommendations:

- 1. Establish Clear Governance Structures:** Define specific roles and responsibilities for all stakeholders to streamline decision-making and accountability.
- 2. Implement Integrated Planning Processes:** Align land use, transportation, and infrastructure planning to ensure cohesive development strategies.

- 3. Foster Public-Private Partnerships:** Encourage collaboration between government agencies and private developers to leverage resources and expertise.

- 4. Enhance Community Participation:** Engage local residents through consultations and participatory planning to build trust and ensure developments meet community needs.

By implementing these strategies, Ontario aims to overcome the inherent complexities of TOC development, thereby creating sustainable, accessible, and thriving urban environments that align with its transit infrastructure investments.

Made in Ontario: A Provincial Manufacturing Strategy

Mike Moffatt, Aline Coutinho
and John McNally



Ontario's manufacturing sector, a cornerstone of the province's economy, is pivotal for job creation, especially in mid-sized cities

and smaller communities. A [study](#) by Mike Moffatt, Aline Coutinho and John McNally underscores the sector's significance and advocates for targeted policies to ensure Ontario remains Canada's manufacturing hub.

The paper highlights several reasons for prioritizing manufacturing:

- 1. Economic Distribution:** Unlike sectors such as finance and professional services that concentrate in major cities, manufacturing thrives in smaller communities, promoting balanced economic growth across the province.
- 2. Community Benefits:** Manufacturing stimulates employment and fosters innovation, leading to broader economic advantages.
- 3. Crisis Preparedness:** A robust manufacturing base enhances the province's ability to produce essential

supplies during emergencies, a need underscored by the COVID-19 pandemic.

4. **Clean Technology Opportunities:**

As the global economy shifts towards net-zero emissions, manufacturing presents opportunities to develop and produce cleaner technologies, positioning Ontario as a leader in the cleantech revolution.

To revitalize the sector, the paper offers several policy recommendations:

- 1. Regional Consultations:** Engage in ongoing dialogues with manufacturers and stakeholders across various regions to develop policies tailored to specific community needs.
- 2. Workforce Development:** Invest in upskilling manufacturing workers, emphasizing soft skills that support advanced manufacturing.
- 3. Diverse Workforce:** Implement programs to remove structural barriers, ensuring full economic participation from all demographics.
- 4. Investor Tax Credit:** Establish a tax credit to support manufacturing start-ups and attract risk capital.
- 5. Targeted Tax Cuts:** Introduce time-limited corporate tax reductions for strategically important manufacturing subsectors to attract foreign direct investment and aid domestic companies in scaling up.

6. Ecosystem Strengthening: Adopt successful policies from models like the Manufacturing USA Institute to bolster Ontario’s manufacturing ecosystem.

By implementing these strategies, Ontario aims to reinforce its manufacturing sector, ensuring sustainable economic growth and resilience in a changing global economy.

How Ontario’s Mid-Sized Cities Can Thrive: A Toolkit for Economic Development

Blair Gibbs, Luka Glozic and Carly Munnelly



Ontario’s mid-sized cities, such as Oshawa, Peterborough, Sudbury, and Thunder Bay, have faced significant economic challenges due to

de-industrialization and the concentration of investment in larger urban centers. A research [paper](#) by Blair Gibbs, Luka Glozic and Carly Munnelly offers a comprehensive framework to revitalize these communities.

The paper introduces a “regeneration toolkit” designed to assist provincial and local policymakers in crafting customized economic development strategies. This toolkit emphasizes understanding the unique strengths and weaknesses of each city to formulate effective, tailored policies.

Key policy recommendations include:

- 1. Customized Economic Strategies:** Recognize that a one-size-fits-all approach is ineffective. Each city should develop a bespoke economic plan that leverages its unique assets and addresses specific challenges.
- 2. Local Leadership and Vision:** Strong leadership from municipal officials is crucial. Mayors and councils must demonstrate a commitment to embracing new strategies and driving economic transformation.
- 3. Provincial Support and Collaboration:** While local leadership is essential, mid-sized cities often lack the resources to implement comprehensive strategies independently. Provincial funding and support are necessary to supplement local efforts.
- 4. Community Engagement:** Successful regeneration requires collaboration among local leaders, businesses, residents, and external partners. Engaging the community ensures that strategies are inclusive and address the needs of all stakeholders.
- 5. Leveraging Local Assets:** Cities should focus on enhancing existing strengths, such as historical industries or cultural amenities, to attract investment and talent.

The paper underscores that while the challenges are significant, mid-sized cities possess the potential for economic renewal through strategic planning, strong

leadership, and collaborative efforts. By adopting the recommended toolkit, these communities can work towards sustainable growth and shared prosperity.

After The Storm: An Overview of Ontario's Fiscal Challenges

Livio Di Matteo



Ontario's fiscal landscape faces significant challenges in the aftermath of the COVID-19 pandemic, as detailed in the [study](#) "After The Storm: An

Overview Of Ontario's Fiscal Challenges."

The report analyzes the province's public finances from both historical and current perspectives, emphasizing the need to distinguish between long-term trends and the immediate impacts of the pandemic.

The pandemic has strained Ontario's healthcare system and disrupted its economy and social fabric. The provincial government is now confronted with numerous spending demands, not only to address immediate health and education needs but also to tackle broader issues such as housing affordability, economic inequality, and business investment—challenges that have been exacerbated by the pandemic.

Historically, Ontario's public finances have faced concerns regarding long-term sustainability. Reports from the provincial Auditor General, the Financial Accountability Office, and the federal Parliamentary Budget Office have highlighted challenges in maintaining the fiscal resources necessary to meet expenditure demands. While current fiscal policy is deemed sustainable, this is contingent upon factors such as low long-term interest rates and healthcare spending levels below the national average. Any adverse changes in these variables could impact fiscal sustainability.

To navigate these fiscal challenges, the report underscores the importance of prioritization in government resource allocation. It suggests that the government must carefully assess and address the competing demands that have emerged, ensuring that scarce fiscal resources are utilized effectively to promote long-term fiscal health and address the province's evolving needs.

Northern Connections

Charles Cirtwill



Northern Ontario has experienced modest population growth between 2016 and 2021, with districts like Parry Sound seeing

nearly a 10 percent increase and areas such as Sudbury, Greater Sudbury, and Nipissing averaging around 3 percent growth. While encouraging, sustaining and accelerating this trend is essential for the region’s long-term economic prosperity. A study titled “Northern Connections” emphasizes that enhancing both digital and physical infrastructure is crucial to attract and retain residents in these diverse and geographically dispersed areas.

Digital Infrastructure Challenges

Despite the Canadian Radio-television and Telecommunications Commission (CRTC) setting a universal service objective in 2016 for internet speeds of 50 Mbps download and 10 Mbps upload (50/10), many Northern Ontario communities are not expected to achieve this standard until 2025 or later. However, current internet usage patterns indicate that this benchmark is already insufficient, especially for multi-user households and businesses engaged in online activities. The increasing demand for digital government services further exacerbates the strain on existing networks, leading to frequent connectivity issues.

Physical Infrastructure Deficiencies

Geographical vastness compounds the region’s connectivity challenges. For instance, the 1,500-kilometer stretch from the Ontario-Manitoba border to Ottawa predominantly consists of two-lane roads with limited passing opportunities, narrow shoulders, and heightened safety risks. These routes are not only more dangerous but also economically inefficient compared to four-lane divided highways found in other provinces. Data from the 2018 Road Safety Annual Report indicates that drivers in Northern Ontario face higher accident rates and fatalities than the provincial average.

Policy Recommendations

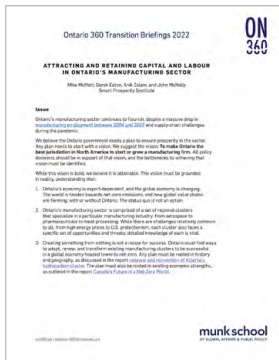
To address these challenges, the paper advocates for:

- 1. Accelerated Investment in High-Speed Internet:** Prioritize funding and development to provide internet speeds that meet current and future demands, ensuring that Northern communities are not left behind in the digital age.
- 2. Upgrading Transportation Infrastructure:** Commit to constructing and expanding four-lane divided highways to improve safety and economic efficiency, thereby enhancing the physical connectivity of Northern Ontario to the rest of the province and beyond.

By implementing these strategies, Northern Ontario can become more attractive to potential residents and businesses, fostering sustainable economic growth and improved quality of life.

Attracting and Retaining Capital and Labour in Ontario's Manufacturing Sector

Mike Moffat, Derek Eaton, Anik Islam and John McNally



Ontario's manufacturing sector, despite facing significant challenges between 2004 and 2009 and recent supply chain disruptions, continues to

demonstrate resilience. A [study](#) by Mike Moffat, Derek Eaton, Anik Islam and John McNally proposes a bold vision: to establish Ontario as the premier destination in North America for starting or expanding manufacturing enterprises.

The paper emphasizes that Ontario's export-dependent economy must adapt to global shifts, particularly the transition toward net-zero emissions and the formation of new global value chains. It highlights the province's diverse manufacturing clusters, ranging from aerospace to pharmaceuticals, each with unique opportunities and challenges. The authors argue that Ontario should focus on transforming existing clusters rather than creating new ones from scratch.

To achieve this vision, the paper offers several policy recommendations:

- 1. Develop Sector-Specific Decarbonization Strategies:** Create tailored plans to reduce emissions in key industries, such as zero-emission vehicle supply chains, steel, aluminum, cement, and agri-food. This approach aligns environmental goals with industrial growth.
- 2. Foster Collaboration:** Bring together government entities, industry leaders, civil society, First Nations, and research communities to develop roadmaps that position Ontario within emerging global value chains.
- 3. Invest in Clean Technology:** Support the cleantech sector to prevent talent and innovation from migrating to jurisdictions with more attractive opportunities.
- 4. Address Regional Barriers:** Identify and mitigate obstacles specific to regional manufacturing clusters to promote equitable growth across the province.

The authors assert that a comprehensive industrial strategy, coupled with a clear transition plan to a net-zero economy, is essential. Such a strategy would not only meet environmental targets but also ensure job creation and economic prosperity, solidifying Ontario's position as a manufacturing leader.

What's Needed Now: An Ontario Agenda to Boost Advanced Industries and Intangibles

Robert Asselin



Ontario's economic vitality is at a crossroads, with demographic shifts and lagging productivity posing significant challenges.

Robert Asselin

emphasizes in a [study](#) the necessity for the province to cultivate advanced industries and invest in intangible assets to drive economic growth and enhance living standards.

Advanced industries, characterized by substantial research and development (R&D) spending and a high concentration of STEM (science, technology, engineering, and math) workers, span sectors from ag-tech and clean tech to fintech and software development. Despite representing a small fraction of jobs, these industries contributed 17 percent of Canada's GDP, 61 percent of exports, and 78 percent of R&D in 2015.

To harness the potential of advanced industries, the paper outlines key policy recommendations:

- 1. Enhance STEM Education:** Encourage STEM pathways across all educational levels, from elementary schools to universities, to build a robust talent pipeline.
- 2. Attract and Integrate High-Skilled Immigrants:** Implement initiatives to attract foreign talent and effectively integrate high-skilled immigrants into the workforce, leveraging their expertise to drive innovation.
- 3. Strengthen Innovation Infrastructure:** Develop comprehensive innovation policies that support the entire continuum, from basic research to commercialization, ensuring that intellectual property and technological advancements are retained and exploited within the province.
- 4. Invest in Intangible Assets:** Prioritize investments in intellectual property, data, and software, recognizing their critical role in the modern economy.

By adopting these strategies, Ontario aims to revitalize its economy, boost productivity, and secure a competitive advantage on both national and global stages.

Ontario Needs a Broader and More Coordinated Approach to Innovation Policy

Jacob Greenspon



Ontario's productivity growth has significantly declined in recent decades, mirroring a broader slowdown across advanced

economies. A [study](#) by Jacob Greenspon identifies this downturn and proposes strategies to enhance the province's innovative capacity.

Historically, Ontario's businesses have underperformed in innovation, often opting to adopt foreign technologies rather than developing indigenous solutions. This reliance on external innovations, coupled with a dependence on low wages for competitiveness, has led to a "low-tech, low-innovation equilibrium." The paper warns that this model is unsustainable, especially in the face of rapid technological advancements and the increasing dominance of intangible capital in economic growth.

To address these challenges, the paper recommends a multifaceted approach:

- 1. Adopt a Multi-Dimensional Innovation Strategy:** Recognize and tackle the various barriers to innovation by integrating policies related to skills development, immigration, and housing. This comprehensive strategy acknowledges that innovation is influenced by a broad spectrum of factors beyond traditional research and development initiatives.
- 2. Align with Federal Initiatives:** Ensure that provincial innovation policies complement and build upon existing federal programs. This alignment will prevent redundancy, optimize resource utilization, and create a cohesive national innovation framework.
- 3. Promote Widespread Adoption of Innovations:** Focus not only on pushing the boundaries of innovation but also on disseminating existing innovations across all businesses in Ontario. Encouraging widespread adoption can enhance productivity and competitiveness throughout the province's diverse economic landscape.

By implementing these strategies, Ontario aims to revitalize its innovation ecosystem, boost productivity, and secure long-term economic prosperity.

Big City, Big Divide: How to Reduce Ontario's Geographic Inequality

Sean Speer



Ontario's economic landscape has become increasingly polarized, with a significant concentration of investment and employment

in major cities like Toronto and Ottawa. Between 2008 and August 2019, these two cities accounted for nearly 88 percent of the 865,000 jobs created in the province, while rural areas experienced a net loss of 76,000 jobs.

The COVID-19 pandemic introduced uncertainties regarding these trends. Initial job losses were widespread, but recovery has been uneven, with major cities rebounding more robustly. As of late 2021, Toronto and Ottawa were among the few metropolitan areas that had fully recovered employment losses. The long-term impact of factors like remote work and high urban housing costs on these patterns remains uncertain.

Addressing this geographic inequality poses a challenge: how can Ontario stimulate economic activity in its rural and underserved regions without causing significant market distortions? Existing initiatives, such as the Northern Ontario Heritage Fund and the Regional

Opportunities Investment Tax Credit, aim to promote investment outside major urban centers. However, these programs vary in approach—ranging from application-based grants to automatic tax incentives—and carry inherent trade-offs between government intervention and market efficiency.

This [study](#) by Sean Speer suggests that while government intervention is necessary to promote equitable economic distribution, it must be carefully designed to minimize market distortions. Strategies should focus on catalyzing economic activity in a way that balances efficiency with equity, ensuring that the benefits of growth are shared across all regions of the province.

How to Boost Ontario's Life Sciences IP to Help Patients and the Economy

Dr. David O'Neill



Ontario's life sciences sector, despite its robust research capabilities, faces challenges in translating innovation into commercial products and

services. Work by Dr. David O'Neill [highlights](#) the province's dependence on foreign manufacturers for innovative health products, a reliance that became evident during the COVID-19 pandemic when Canada faced vaccine shortages.

The paper notes that while Ontario accounts for 51 percent of Canada’s life sciences research and development, much of this work is conducted by generic manufacturers or foreign multinationals. Consequently, homegrown intellectual property (IP) often migrates to jurisdictions like the United States, where companies find more favourable commercialization opportunities. This trend results in economic benefits and job creation occurring outside Ontario despite the province’s significant investment in research and training.

To address these challenges, the paper offers two key policy recommendations:

1. Establish Dedicated Early-Stage Seed Capital for Life Sciences:

The province should focus on providing seed-stage funding specifically for life sciences ventures. This targeted investment would support the initial stages of commercialization, helping to retain IP and associated economic benefits within Ontario.

2. Support Integrated Commercialization-Venture Partnerships:

Ontario should foster partnerships that combine public and private resources to guide life sciences innovations from research through to market readiness. These partnerships would provide the necessary capital and management expertise to develop domestic IP receptors, ensuring that the economic advantages of innovation remain within the province.

By implementing these strategies, Ontario aims to transform its life sciences sector into a self-sustaining ecosystem that not only enhances patient care but also drives economic growth through the retention and commercialization of homegrown innovations.

Homeward Bound: A Reshoring Strategy for Ontario

Sean Speer, Drew Fagan and Saif Alnuweiri



The COVID-19 pandemic has exposed significant vulnerabilities in global supply chains, prompting Ontario to consider

reshoring—bringing manufacturing back to the province—as a strategy to enhance economic resilience. A [study](#) titled “Homeward Bound: A Reshoring Strategy for Ontario” delves into the complexities of this approach and offers strategic recommendations.

Key Considerations:

- 1. Defining Strategic Goods:** Not all products warrant reshoring. The paper emphasizes the importance of identifying “strategic” or “critical”

goods—those whose supply disruptions could undermine public policy objectives. This targeted approach ensures that efforts are focused where they are most needed.

2. Policy Instruments for

Strengthening Capacities: The Ontario government can deploy various tools to bolster domestic production. These include financial incentives, regulatory adjustments, and public-private partnerships aimed at enhancing the province’s manufacturing capabilities.

3. Reshoring vs. Supply Chain

Resiliency: While reshoring focuses on bringing production back home, the paper also discusses the concept of “friend-shoring”—establishing supply chains among allied nations with shared values. This approach seeks to balance self-sufficiency with the benefits of global trade.

Policy Recommendations:

1. Supply Chain Mapping: Conduct a comprehensive mapping of Ontario’s supply chains to identify vulnerabilities and dependencies. This exercise would inform decision-making and prioritize areas for intervention.

2. Establish Monitoring Capabilities: Develop systems to continuously monitor supply chain dynamics, enabling proactive responses to potential disruptions. This real-time oversight would enhance the province’s ability to manage risks effectively.

3. Collaborate with Federal and International Partners: Engage with the federal government and international allies to align reshoring efforts and share best practices. Such collaboration would amplify Ontario’s initiatives and integrate them into broader strategies.

By implementing these strategies, Ontario aims to fortify its economic resilience, ensuring that critical goods are accessible during global disruptions and that the province’s manufacturing sector remains robust in an uncertain world.

From Lazy Tax Policy to Economic Growth: New Approaches to Ontario’s Alcohol Trade

David McGown



Ontario’s approach to alcohol regulation and taxation, deeply rooted in a century-old framework, is poised for potential

transformation. David McGown [critiques](#) the province’s historical reliance on restrictive regulations and substantial “sin taxes” to both curb consumption and generate revenue. In 2021, the Liquor Control Board of Ontario (LCBO)

contributed a \$2.4 billion dividend to provincial coffers, accounting for approximately 13 percent of Ontario’s corporate revenue.

The paper identifies the upcoming expiration of the 2015 Master Framework Agreement (MFA) with The Beer Store (TBS) in 2025 as a pivotal moment for reform. This agreement has historically limited the sale of beer in Ontario, granting TBS—a consortium primarily owned by foreign entities—a near-monopoly over beer retailing.

To modernize Ontario’s alcohol industry and stimulate economic growth, the paper proposes several policy recommendations:

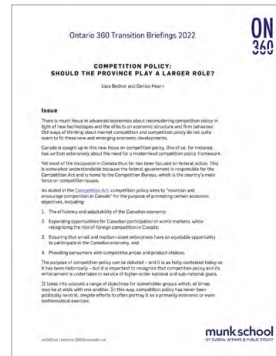
1. **Allow the MFA to Expire:** Inform TBS that the province will not renew or amend the MFA upon its 2025 expiration. This move would dismantle existing sales and distribution restrictions, fostering a more competitive market.
2. **Expand Retail Access:** Increase the number of grocery stores permitted to sell beer and wine. Additionally, leverage existing regulations to allow spirit sales in grocery outlets, enhancing consumer convenience and choice.
3. **Promote Industry Growth and Innovation:** Shift the government’s focus from merely generating tax revenue to encouraging the beverage alcohol industry’s contribution to economic development, particularly

in regional areas. This includes supporting local producers and fostering innovation within the sector.

By implementing these reforms, Ontario aims to transition from a restrictive, revenue-centric model to a dynamic framework that balances responsible consumption with economic vitality, benefiting both consumers and the broader provincial economy.

Competition Policy: Should the Province Play a Larger Role?

Vass Bednar and Denise Hearn



Ontario’s economic landscape is evolving, with new technologies reshaping market structures and firm behaviours. Traditionally, competition

policy in Canada has been federally driven, centred around the Competition Act and enforced by the Competition Bureau. However, Vass Bednar and Denise Hearn [advocate](#) for a more proactive provincial involvement to address emerging economic dynamics.

The paper highlights that while the federal framework aims to maintain and encourage competition to promote economic efficiency, adaptability, and consumer benefits, it may

not fully capture regional market nuances. Ontario, generating 37 percent of Canada's GDP and housing nearly half of its high-tech and knowledge-intensive industries, is uniquely positioned to influence competition outcomes within its jurisdiction.

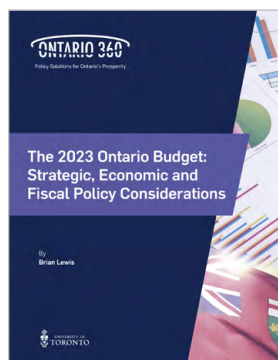
Policy Recommendations:

- 1. Enhance Provincial-Federal Collaboration:** Ontario should strengthen its partnership with the Competition Bureau beyond the existing 2015 Memorandum of Understanding. This collaboration can focus on sharing insights about regional market conditions and jointly addressing anti-competitive practices that affect Ontario's economy.
- 2. Leverage Consumer Protection Oversight:** Given Ontario's primary oversight of consumer protection and labour issues, the province can integrate these areas with competition concerns. By aligning policies and enforcement mechanisms, Ontario can create a more cohesive approach to fostering fair competition and protecting consumers.
- 3. Adopt a Federalist Approach to Competition Regulation:** Drawing inspiration from jurisdictions like Australia and the United States, Ontario can assume a leadership role among Canadian provinces. By engaging more directly in market behaviour oversight and outcomes, the province can complement federal efforts and address region-specific competition challenges.

By embracing these strategies, Ontario aims to modernize its competition policy framework, ensuring that markets remain fair, competitive, and conducive to innovation and economic growth within the province.

The 2023 Ontario Budget: Strategic, Economic and Fiscal Policy Considerations

Brian Lewis



Ontario's 2023 budget is being crafted amid a backdrop of economic uncertainty, characterized by high inflation, labour shortages, rising interest rates, and slowing growth. Despite these challenges, the province's finances have surpassed expectations, achieving a fiscal surplus in 2021-22 and potentially another in 2022-23.

This policy [brief](#) authored by Brian Lewis, a Senior Fellow at the Munk School and former Chief Economist for Ontario, outlines three strategic priorities for the upcoming budget:

- 1. Fixing Health Care:** The brief emphasizes the urgency of addressing the province's healthcare challenges, particularly the shortage of human resources. It suggests that the

government should develop a new compensation framework to replace Bill 124 and leverage available public funding—including increased federal transfers, improved provincial revenues, and existing contingency funds—to invest in the healthcare system.

2. Addressing Household

Affordability: To mitigate the impact of rising consumer prices on residents, the brief recommends a temporary enhancement of the provincial sales tax credit. This measure would provide targeted support to those most affected by inflation, offering timely relief to vulnerable households.

3. Preparing the Economy for

the Future: The brief advocates for policies that support long-term economic growth, with a particular focus on postsecondary education and climate change initiatives. Investing in education will equip the workforce with the necessary skills to address climate change, which is crucial for sustainable development.

By concentrating on these areas, the Ontario government aims to navigate current economic challenges while laying a foundation for future prosperity. The proposed strategies seek to balance immediate needs with long-term objectives, ensuring that the province remains resilient in the face of ongoing uncertainties.

Ontario Infrastructure: How to Make a Big Spend Go Further

Brian Dijkema



Ontario's ambitious plan to invest up to \$184 billion in infrastructure over the next decade aims to address critical needs in hospitals, schools, transit,

and mining-related facilities. However, a [study](#) by Brian Dijkema emphasizes that without strategic reforms, these investments may fall short due to existing inefficiencies in the construction sector.

The paper highlights that despite previous efforts—such as the establishment of Skilled Trades Ontario and the passage of Bill 66 to remove barriers to competitive tendering—further action is necessary to enhance competition and productivity in public infrastructure projects.

Policy Recommendations:

1. Redefine Public Entities as Non-Construction Employers:

Legislate that the City of Toronto, the Toronto District School Board, and all public entities and Crown corporations in Ontario are non-construction employers. This change would open the market for public construction bids, fostering a more competitive environment.

2. **Comprehensive Review of Procurement Practices:** Initiate a thorough evaluation of construction procurement processes across provincial ministries, municipalities, and other public entities. The goal is to ensure these practices maximize competition and fully engage Ontario's construction market capacities.

By implementing these strategies, Ontario can optimize its substantial infrastructure spending, ensuring that projects are completed efficiently and cost-effectively, ultimately delivering greater value to taxpayers and meeting the province's growing infrastructure demands.

Public-Private Partnerships: Is a Reassessment Underway?

Matti Siemiatycki



highways to hospitals. However, a recent policy paper [suggests](#) that the enthusiasm for PPPs may be waning.

Public-Private Partnerships (PPPs) have been a cornerstone of Canada's infrastructure development for over two decades, facilitating projects from

The paper notes that Canada currently boasts 291 active PPPs, valued at over \$139 billion, positioning it as a global leader in this procurement model. Advocates have long praised PPPs for leveraging private capital, spurring innovation, and transferring project risks from the public to the private sector. Critics, however, have raised concerns about limited transparency, reduced community engagement, and the potential loss of governmental control over essential public assets.

Recent high-profile PPP projects have encountered significant challenges, including cost overruns, delays, subpar service quality, and strained relationships among stakeholders. These issues have prompted some major industry players to withdraw from the Canadian PPP market, signalling a potential shift in the infrastructure procurement landscape.

Policy Recommendations:

1. **Reevaluate Procurement Models:** Governments should critically assess the efficacy of PPPs compared to traditional public procurement methods. This involves analyzing past projects to identify lessons learned and determine the most suitable approach for future infrastructure initiatives.
2. **Enhance Transparency and Community Engagement:** To rebuild public trust, it's essential to increase transparency in PPP agreements and actively involve

communities in the decision-making processes. This approach ensures that projects align with public interests and maintain accountability.

3. **Develop Flexible Partnership**

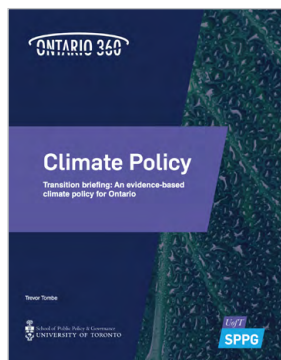
Frameworks: Rather than adhering strictly to traditional PPP models, governments are encouraged to explore alternative partnership structures that can adapt to specific project needs and evolving market conditions. This flexibility can lead to more effective collaborations between the public and private sectors.

The paper concludes that while PPPs have played a significant role in Canada's infrastructure development, it's time for a thoughtful reassessment. By embracing more adaptable and transparent approaches, governments can continue to leverage private sector expertise while safeguarding public interests.

Energy and Environment

Climate Policy

Trevor Tombe



Ontario has set ambitious climate targets: a 45 percent reduction in greenhouse gas emissions from 2005 levels by 2030 and an over 82 percent reduction by

2050. Significant progress has been made, notably through the phase-out of coal-fired power plants, which led to a substantial decrease in emissions—from over 204 million tonnes in 2005 to just over 166 million tonnes in 2015. This achievement represents the largest absolute reduction among Canadian provinces during that period.

A [study](#) by Trevor Tombe emphasizes the importance of adopting market-based mechanisms to achieve these goals efficiently. The paper advocates for carbon pricing as a central tool, arguing that it provides economic incentives for businesses and individuals to reduce emissions. This approach not only encourages innovation but also allows for flexibility in how reductions are achieved.

Policy Recommendations:

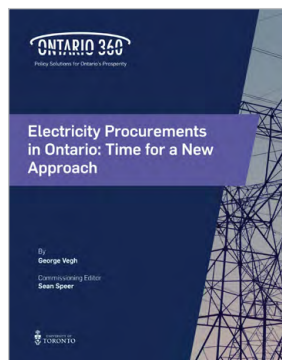
- 1. Implement Carbon Pricing:** Adopt a carbon pricing mechanism, such as a carbon tax or cap-and-trade system, to internalize the environmental costs of emissions. This strategy leverages market forces to drive emission reductions across various sectors.

- 2. Revenue Recycling:** Utilize the revenue generated from carbon pricing to offset potential economic impacts. Options include reducing other taxes (e.g., income or corporate taxes), investing in renewable energy projects, or providing rebates to low-income households to mitigate any regressive effects.
- 3. Complementary Policies:** While carbon pricing is pivotal, it should be supplemented with additional measures. These could involve regulations or incentives aimed at sectors where price signals alone may be insufficient, such as transportation and agriculture.

The paper underscores that an evidence-based, economically sound climate policy is crucial for Ontario to meet its emission reduction targets while maintaining economic competitiveness. By integrating market-based approaches with strategic policy measures, the province can effectively navigate the challenges of climate change mitigation.

Electricity Procurements in Ontario: Time for a New Approach

George Vegh



Ontario's electricity procurement strategy has long been criticized for contributing to an oversupply of energy and elevated costs for consumers.

A [paper](#) by George Vegh underscores the need for a comprehensive overhaul of the province's procurement model to enhance accountability and transparency.

Historically, Ontario's procurement processes have been marred by insufficient oversight, leading to suboptimal outcomes. Notably, the absence of independent regulatory review distinguishes Ontario from other North American jurisdictions, where such oversight is standard practice. This gap has resulted in procurement decisions that lack rigorous scrutiny, ultimately impacting both supply adequacy and pricing.

Policy Recommendations:

1. Independent Review of IESO

Procurements: Introduce a framework where the Independent Electricity System Operator's (IESO) procurement activities are subject to evaluation by an autonomous

regulatory body. This measure would ensure that procurement decisions are thoroughly vetted, promoting efficiency and cost-effectiveness.

2. Decentralize Procurement

Responsibilities: Delegate procurement duties to local electricity distributors and transmitters, operating under the supervision of the Ontario Energy Board (OEB). This localized approach would align procurement with specific community needs, reducing the influence of provincial politics and central agencies.

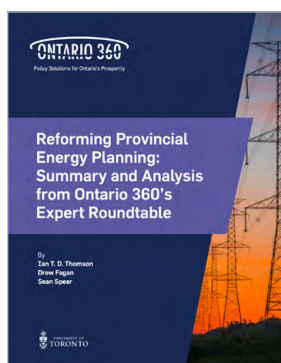
3. Direct Rate Regulation of

Generators: Implement a system where electricity generators are subject to direct rate regulation, ensuring that pricing reflects actual production costs and reasonable profit margins. This strategy aims to prevent excessive pricing and protect consumers from unwarranted rate hikes.

By adopting these recommendations, Ontario can reform its electricity procurement process, fostering a more transparent and accountable system that better serves the interests of both consumers and the energy sector.

Reforming Provincial Energy Planning: Summary and Analysis from Ontario 360's Expert Roundtable

Ian T.D. Thomson, Drew Fagan and Sean Speer



Ontario's energy planning framework is under scrutiny, with experts advocating for significant reforms to enhance transparency,

accountability, and effectiveness. A [report](#) titled "Reforming Provincial Energy Planning: Summary and Analysis from Ontario 360's Expert Roundtable" delves into these issues, highlighting the need for a more integrated and depoliticized approach to energy system planning.

Key Insights:

- 1. Historical Context:** Since the early 20th century, Ontario's energy sector has been pivotal in driving industrial growth by providing affordable electricity. However, challenges such as rising costs and structural inefficiencies have prompted calls for a re-evaluation of the planning process.
- 2. Integration of Policy Considerations:** The roundtable emphasized the importance of a holistic planning approach that balances economic, environmental, and social

objectives. Participants cautioned against overloading the energy planning process with external policy goals, suggesting that issues like equity and social policy might be more effectively addressed through other mechanisms.

3. Role of Political Oversight:

Concerns were raised about excessive political intervention in energy planning, leading to micromanagement and prescriptive directives. Experts advocated for a framework where elected officials set broad policy directions, allowing technical experts to handle detailed planning and implementation.

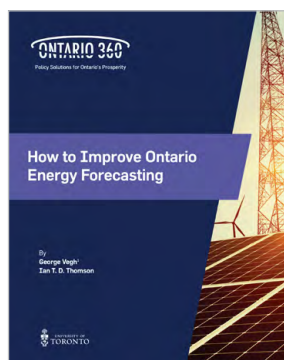
Policy Recommendations:

- 1. Clarify Roles and Responsibilities:** Clearly delineate the functions of government entities and independent agencies in the energy sector to prevent overlap and ensure efficient decision-making.
- 2. Enhance Transparency and Public Engagement:** Implement processes that promote openness in decision-making and actively involve stakeholders, including the public, to build trust and ensure that diverse perspectives are considered.
- 3. Strengthen Independent Oversight:** Empower bodies like the Ontario Energy Board to provide rigorous, arms-length reviews of energy plans and procurement processes, ensuring decisions are based on technical merit and aligned with long-term objectives.

By adopting these recommendations, Ontario aims to create a more resilient and adaptive energy planning framework capable of meeting future challenges while serving the best interests of its residents.

How to Improve Ontario Energy Forecasting

George Vegh and Ian T.D. Thomson



Ontario's energy planning has faced criticism for its forecasting methods, which some experts label as a "striking weakness."

A policy

paper titled "How to Improve Ontario Energy Forecasting" delves into these challenges and offers recommendations for enhancement.

Key Issues Identified:

- 1. Inaccurate Forecasts:** The province has encountered significant challenges due to inaccurate energy forecasts, leading to substantial generation procurement that may not align with actual demand. These inaccuracies have cascading effects on long-term energy planning, potentially resulting in either surplus capacity or shortages.
- 2. Lack of External Review:** Currently, there is a perceived deficiency in external scrutiny of forecasting assumptions. This absence

of rigorous review mechanisms can result in unchecked biases or errors, further compromising the reliability of forecasts.

Policy Recommendations:

- 1. Enhance External Oversight:** Introduce robust external review processes for energy forecasts. This could involve engaging the Ontario Energy Board (OEB) or independent third parties to rigorously test and challenge forecasting assumptions, ensuring a more accurate and reliable outlook.
- 2. Invest in Expertise:** Allocate resources to develop specialized expertise within forecasting teams. This includes training personnel in advanced forecasting methodologies and incorporating insights from other sectors and jurisdictions to refine models and approaches.
- 3. Implement Stress Testing:** Regularly conduct stress tests on forecasts to assess their resilience under various scenarios. This practice can help identify potential weaknesses and improve the adaptability of energy plans to unforeseen changes in demand or supply conditions.

By adopting these measures, Ontario aims to strengthen its energy forecasting framework, leading to more informed decision-making and effective long-term energy planning.

The Politics of Emissions Reduction in Ontario Part 1: The Road to Today

David McGown



Ontario’s journey toward emissions reduction has been marked by regional and partisan divides, particularly over the past decade. A policy [brief](#) titled “The

Politics of Emissions Reduction in Ontario Part 1: The Road to Today” delves into this complex history, highlighting the evolution of climate policy debates within the province.

Historical Context:

In the early 2000s, Ontario achieved a rare political consensus to phase out coal-fired electricity generation, culminating in the closure of the last coal plant in 2014. This move significantly reduced greenhouse gas emissions and was supported across party lines. However, subsequent climate policy discussions became increasingly polarized.

The 2008 federal election played a pivotal role in shaping Ontario’s climate politics. Liberal leader Stéphane Dion’s “Green Shift,” which proposed a revenue-neutral carbon tax, was portrayed by the Conservative Party as a “permanent tax on everything.” This framing resonated in Ontario, embedding skepticism toward carbon pricing within certain political factions.

Policy Recommendations:

- 1. Broaden Climate Policy Framework:** The brief suggests that Ontario should expand its climate policy beyond emission reductions to include investments in adaptation strategies. This encompasses enhancing infrastructure resilience against extreme weather events, which are becoming more frequent and severe.
- 2. Foster Bipartisan Collaboration:** Rekindling the spirit of cross-party cooperation, as seen during the coal phase-out, is crucial. Building consensus on climate initiatives can lead to more sustainable and widely accepted policies.
- 3. Enhance Public Engagement and Education:** Increasing public awareness about the multifaceted benefits of climate policies, including economic opportunities and health improvements, can mitigate partisan divides and garner broader support.

By embracing a comprehensive and inclusive approach to climate policy, Ontario can navigate its political landscape to achieve meaningful emissions reductions and bolster its resilience against climate change.

The Politics of Emissions Reduction in Ontario Part 2: Paths Forward

David McGowan



Ontario stands at a pivotal juncture in its approach to emissions reduction, with the next provincial government facing critical decisions that will

shape the province’s economic future and environmental legacy. A policy [brief](#) titled “The Politics of Emissions Reduction in Ontario Part 2: Paths Forward” outlines strategic recommendations to navigate this complex landscape.

Key Insights:

- 1. Economic Imperative of Energy Transition:** The brief emphasizes that consumer demand is increasingly favouring low-carbon and net-zero products, even in traditionally hard-to-decarbonize sectors like steel and cement. Financial regulators worldwide recognize the risks associated with climate change, which influence corporate behaviour. Ontario must adapt to these shifts to remain competitive and attract investment.
- 2. Risks of Inaction:** Failing to meet evolving market and regulatory expectations could result in Ontario losing capital, innovation, and job opportunities to more proactive

jurisdictions. The brief cites Quebec’s ambitious energy transition strategy, which allocates \$6.7 billion toward electrification initiatives, as a model of forward-thinking policy.

Policy Recommendations:

- 1. Establish Climate Policy**
Certainty: The brief underscores the necessity of consistent and reliable climate policies. The abrupt cancellation of Ontario’s cap-and-trade system in 2018 eroded business confidence. Restoring trust requires the government to commit to stable, long-term emissions policies that provide clear guidance for businesses and investors.
- 2. Develop a Comprehensive Energy Transition Strategy:** Rather than pursuing isolated initiatives, Ontario should formulate a cohesive “Made-for-Ontario” energy transition plan. This strategy would align economic development with environmental objectives, fostering collaboration between the public and private sectors to drive innovation and sustainable growth.

By implementing these recommendations, Ontario can position itself as a leader in the low-carbon economy, ensuring long-term prosperity while addressing the pressing challenges of climate change.

All Charged Up: How Ontario Can Boost Electric Vehicle Production and Usage

Connor Fraser



Ontario's electric vehicle (EV) adoption lags behind the national average, posing challenges to the province's environmental objectives and economic

competitiveness. A [report](#) by Connor Fraser delves into this issue, offering strategic recommendations to enhance both EV production and adoption within the province.

Challenges:

The brief highlights concern over proposed U.S. policies, such as the Biden Administration's Build Back Better agenda, which includes substantial tax incentives for domestically manufactured EVs. These incentives could undermine the competitiveness of Canadian-built EVs, potentially deterring manufacturers from investing in Ontario.

Policy Recommendations:

- 1. Reintroduce Purchase Incentives:** Revitalize provincial rebates for EV purchases to stimulate consumer demand and offset the appeal of U.S.

incentives. This approach would make EVs more accessible to Ontarians and encourage manufacturers to maintain or expand operations within the province.

- 2. Expand Charging Infrastructure:** Invest in a comprehensive network of public and private charging stations to alleviate range anxiety and support the growing number of EVs. This infrastructure development is crucial for both urban and rural areas to ensure widespread accessibility.
- 3. Collaborate with Federal Initiatives:** Align provincial policies with federal programs to create a cohesive strategy that supports EV adoption and manufacturing. This collaboration can amplify the effectiveness of incentives and infrastructure projects.

By implementing these strategies, Ontario can bolster its EV market, reduce greenhouse gas emissions, and strengthen its position in the evolving automotive industry. Proactive measures are essential to ensure the province remains competitive amidst shifting international policies and market dynamics.

The Drive to Survive and to Grow: How Ontario can Succeed in the EV era

Greg Keenan and Brendan Sweeney



Ontario's automotive sector, a cornerstone of the province's economy for over a century, is confronting a pivotal transformation

with the global shift toward electric vehicles (EVs). A policy brief by Greg Keenan and Brendan Sweeney examines the challenges and opportunities this transition presents.

Challenges:

The transition to EVs poses significant challenges, particularly with proposed U.S. policies favouring domestically produced EVs. The Biden administration's Build Back Better legislation proposes substantial rebates for American-made EVs, potentially disadvantaging Ontario's exports, which constitute more than 80 percent of the province's vehicle production.

Policy Recommendations:

1. Strategic Investment in EV Manufacturing: Ontario should proactively invest in EV production facilities and related infrastructure to attract automakers and position the province as a leader in the EV market.

- 2. Support for Component Manufacturers:** Implement programs to assist companies in transitioning from internal combustion engine components to EV parts, safeguarding jobs and maintaining the supply chain's integrity.
- 3. Advocacy for Fair Trade Policies:** Engage with federal counterparts to negotiate equitable trade agreements with the U.S., ensuring Ontario-produced EVs remain competitive in the American market.

By embracing these strategies, Ontario can revitalize its automotive industry, capitalize on the EV revolution, and secure its economic future in the evolving global market.

Ontario's Climate Future and the Four Critical Questions Determining It

John Stackhouse



Ontario is at a crossroads in its climate strategy, facing pivotal decisions that will shape its environmental and economic future. An [analysis](#) by John

Stackhouse outlines the essential challenges and decisions ahead.

Key Challenges:

- 1. Expanding Electricity Supply:**
To support the widespread adoption of electric vehicles and transition homes from gas to electric heating, Ontario must approximately double its electricity production over the next 25 years. This expansion necessitates comprehensive planning, including upgrading infrastructure in aging neighbourhoods and designing new communities with enhanced electrical capacity.
- 2. Balancing Energy Sources:** While Ontario's grid is relatively green due to the phase-out of coal and investment in renewables, the province still relies on natural gas for about 10 percent of its electricity generation. Developing a clear transition plan is crucial to reduce this dependency and align with federal net-zero targets.
- 3. Economic and Environmental Integration:** The province must harmonize its economic development with environmental objectives, ensuring that efforts to increase electricity supply do not lead to economic disparities or environmental degradation.
- 4. Federal-Provincial Collaboration:** Effective climate action will require robust dialogue and cooperation between Ontario and the federal government, focusing on economic transitions and competitive advantages.

Policy Recommendations:

- 1. Develop a Comprehensive Energy Strategy:** Formulate a detailed plan to double electricity production, incorporating renewable energy sources and modernizing infrastructure to meet future demands.
- 2. Create a Natural Gas Transition Plan:** Establish a clear pathway to reduce reliance on natural gas, including investments in alternative energy sources and technologies such as carbon capture and storage.
- 3. Align Economic and Environmental Policies:** Ensure that initiatives to expand electricity supply and reduce emissions are integrated with economic development strategies to promote sustainable growth.
- 4. Enhance Federal-Provincial Collaboration:** Engage in strategic discussions with the federal government to coordinate efforts on economic transitions and leverage competitive advantages in the move toward net-zero emissions.

By addressing these critical areas, Ontario can effectively navigate the complexities of climate change mitigation while fostering economic resilience and sustainability.

Protecting Canada's Plate: Building Resilience to Climate Change in the Agricultural Sector

Erin Mierdel



Canada's agricultural sector, a cornerstone of the nation's economy and food security, faces escalating challenges due to climate change.

A [study](#) by Erin Mierdel underscores the urgency for proactive measures to safeguard the future of Canadian agriculture.

Current Challenges:

Climate change is introducing unprecedented variability in weather patterns, including increased temperatures, erratic precipitation, and a higher frequency of extreme events such as droughts and floods. These changes have already inflicted significant damage on Canadian farmers, with 2021 witnessing severe droughts across the Prairies, devastating floods in British Columbia, and widespread wildfires in Northern Ontario.

Policy Recommendations:

1. ADAPT Initiative: Encourage the adoption of climate-smart farming practices by providing incentives to

farmers. This includes implementing sustainable land management techniques, diversifying crops to enhance resilience, and investing in water conservation methods to mitigate the impacts of droughts and floods.

2. LEARN Program: Enhance education and awareness about the intersection of climate change and agriculture. This involves developing educational programs and advertising campaigns to inform both producers and the public about sustainable farming practices and the importance of building resilience against climate-related disruptions.

3. INNOVATE Proposal: Establish a regulatory sandbox to foster innovation within the agricultural sector. This would create a controlled environment where new technologies and practices can be tested and refined, accelerating the development and adoption of solutions that enhance climate resilience and sustainability in farming.

By implementing these strategies, Canada can strengthen its agricultural resilience, ensuring a stable food supply and protecting the livelihoods of farmers in the face of a changing climate. Proactive adaptation and innovation are essential to maintain the sector's viability and to uphold Canada's position as a leading global food exporter.

Critical Minerals: Making the Most of Ontario's Big Opportunity

Giancarlo Da-Ré



Ontario is poised to capitalize on a burgeoning opportunity in the critical minerals sector, which is essential for technologies like electric vehicles and

renewable energy systems. A [study](#) by Giancarlo Da-Ré delves into the province's potential and outlines strategies to harness this advantage.

Geopolitical and Economic Context:

The global demand for critical minerals is escalating, driven by the transition to low-carbon technologies and digitalization. Forecasts indicate that minerals such as cobalt may require a 500 percent increase in production by 2050, while lithium and graphite could see demands surge by 4000 percent in the same period. Ontario's rich deposits, particularly in the Ring of Fire region, position the province to become a significant player in this sector.

Challenges Identified:

1. Labour Shortages: The mining industry faces a deficit of skilled workers, which could impede the development of critical mineral projects.

- 2. Regulatory Delays:** Complex and prolonged regulatory processes can stall project timelines, deterring investment.
- 3. First Nations Partnerships:** Building meaningful relationships with Indigenous communities is crucial for project success and social license to operate.
- 4. Mid-Stream Capacity Development:** Enhancing processing and refining capabilities within the province is necessary to move up the value chain.

Policy Recommendations:

- 1. Invest in Workforce Development:** Implement training programs to equip workers with the skills needed for the critical minerals sector.
- 2. Streamline Regulatory Processes:** Simplify and expedite approval procedures to attract and retain investment.
- 3. Foster Indigenous Partnerships:** Collaborate with First Nations to ensure projects are developed sustainably and inclusively.
- 4. Build Processing Infrastructure:** Develop facilities for mineral processing and refining to add value domestically.
- 5. Promote Sustainable Practices:** Adopt environmental, social, and governance (ESG) standards to ensure responsible extraction and production.

6. Enhance Supply Chain Resilience:

Diversify supply sources and build strategic reserves to mitigate geopolitical risks.

7. Encourage Research and

Innovation: Support technological advancements to improve extraction and processing efficiency.

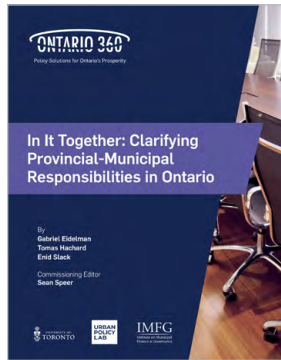
8. Facilitate Market Access: Negotiate trade agreements to secure markets for Ontario's critical minerals.

By implementing these strategies, Ontario can position itself as a leader in the critical minerals industry, driving economic growth and contributing to global sustainability efforts.

Government Reform

In It Together: Clarifying Provincial-Municipal Responsibilities in Ontario

Gabriel Eldelman, Tomas Hachard and Enid Slack



Ontario's provincial-municipal relationship is complex, with overlapping responsibilities leading to inefficiencies and unclear

accountability. A [study](#) by Gabriel Eldelman, Tomas Hachard and Enid Slack highlights the need for reform to improve service delivery and financial sustainability.

Municipalities manage essential services, including public transit, roads, housing, and long-term care, while the province regulates and funds many of these areas. With over 280 provincial statutes affecting municipal operations, responsibilities are often fragmented, causing delays and cost overruns.

The report identifies key challenges, including fiscal pressures from an aging population, urbanization, and climate change. Additionally, service delivery inefficiencies arise from unclear mandates, forcing municipalities to take on unfunded obligations.

Policy Recommendations:

1. **Stronger collaboration** between the province, municipalities, Indigenous communities, and service providers.
2. **Aligning funding with decision-making**, ensuring municipalities are not burdened with unfunded mandates.
3. **Assessing local revenue capacity**, ensuring municipalities have adequate resources to fulfill their responsibilities.
4. **Prioritizing reforms in health and social services**, particularly public health, long-term care, and social housing.

By implementing these recommendations, Ontario can streamline governance, improve public services, and enhance fiscal stability for both levels of government.

Reforming Canadian Fiscal Federalism: The Case for Intergovernmental Disentanglement

Jonah Goldberg and Sean Speer



Canada's fiscal federalism framework is under renewed scrutiny, particularly in light of the COVID-19 pandemic's impact on

governmental roles and responsibilities. A [report](#) by Jonah Goldberg and Sean Speer examines the complexities of overlapping duties among federal, provincial, and municipal governments and proposes strategies for clarification and efficiency.

Current Challenges:

The pandemic has intensified discussions about the division of powers and fiscal responsibilities across government levels. Provincial leaders have advocated for increasing the federal share of healthcare funding from 22 percent to 35 percent through the Canada Health Transfer. However, Canada’s history shows a pattern of incremental changes rather than sweeping reforms in fiscal federalism. This gradual approach has led to overlapping services and policies, resulting in inefficiencies and blurred accountability.

Policy Recommendations:

- 1. Pursue Intergovernmental Disentanglement:** The paper advocates for a systematic clarification of roles to reduce duplication and enhance accountability. This involves delineating clear boundaries between federal, provincial, and municipal responsibilities, particularly in areas like environmental regulation, consumer protection, and immigration settlement.
- 2. Champion Incremental Reforms:** Recognizing the historical context of gradual change, the paper suggests that Ontario take a leadership role in promoting targeted, actionable reforms. By focusing on specific areas for

disentanglement, the province can set a precedent for broader national efforts.

- 3. Enhance Collaboration Among Governments:** Fostering cooperation between federal, provincial, and municipal governments is crucial. By working together to identify and address areas of overlap, governments can improve service delivery and reduce costs for taxpayers.

By implementing these recommendations, Canada can improve the efficiency of its fiscal federalism system, leading to better governance and more effective public services.

Communicating Policy in a Crisis: Lessons for Ontario Policymakers

Noah Zon



The COVID-19 pandemic has compelled governments worldwide, including Ontario’s, to implement rapid economic relief measures.

However, a policy [paper](#) by Noah Zon highlights that inadequate communication strategies have often compromised the effectiveness of these initiatives.

Key Observations:

- 1. Communication as Policy Implementation:** The paper emphasizes that clear and timely communication is integral to policy success, especially during crises. Uncertainty stemming from delayed or vague messaging can diminish the impact of relief programs and exacerbate economic challenges.
- 2. Impact on Vulnerable Groups:** Ineffective communication has disproportionately affected certain demographics, notably women, who have faced increased challenges in the workforce due to unclear guidance on available support.

Policy Recommendations:

- 1. Enhance Transparency:** Governments should provide regular updates and detailed information about relief programs, ensuring that the public understands the available support and how to access it.
- 2. Scenario Planning:** Sharing potential scenarios and contingency plans can help businesses and individuals prepare for various outcomes, reducing uncertainty and enabling better decision-making.
- 3. Clear Policy Triggers:** Outlining specific conditions that would prompt changes in policy can provide clarity and predictability, allowing stakeholders to anticipate and respond effectively to evolving situations.

By adopting these strategies, Ontario can improve the efficacy of its crisis response, ensuring that economic relief measures are effectively communicated and accessible to all residents.

Meeting in the Middle: How to Increase Cooperation and Get Provincial-Municipal Relations Right
Tomas Hachard and Enid Slack



Ontario’s provincial-municipal dynamics have long been characterized by debates over the division of responsibilities, municipal

autonomy, and revenue adequacy. A policy [brief](#) by Tomas Hachard and Enid Slack emphasizes that the pressing policy challenges today necessitate enhanced intergovernmental collaboration rather than rigid separations of duties.

Historical Context:

The Baldwin Act of 1849 laid the groundwork for municipal governance in Ontario, assigning municipalities responsibilities like local roads, water, and sewers, funded primarily through property taxes. Over time, significant reforms have reshaped this landscape. In 1998, the provincial government undertook

amalgamations, reducing the number of municipalities by nearly half, and realigned services by shifting funding responsibilities for education to the province while downloading costs for services such as social assistance, public health, transit, and social housing to municipalities. Subsequent adjustments, including the Province increasing its share of funding for public health and re-assuming control of GO Transit, have led to a complex and sometimes inconsistent system of cost-sharing and service delivery.

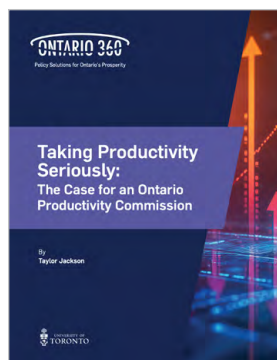
Policy Recommendations:

- 1. Foster Intergovernmental Cooperation:** Recognize that major policy challenges require collaborative approaches between provincial and municipal governments, moving beyond attempts to strictly delineate responsibilities.
- 2. Clarify Roles and Responsibilities:** Undertake a comprehensive review to establish clear guidelines for provincial and municipal duties, ensuring efficient service delivery and accountability.
- 3. Enhance Municipal Autonomy:** Empower municipalities with greater decision-making authority and access to diverse revenue sources to address local needs effectively.
- 4. Implement Principles-Based Reforms:** Adopt reforms grounded in clear policy principles to create a coherent and consistent framework for provincial-municipal relations.

By embracing these strategies, Ontario can strengthen provincial-municipal relations, leading to more effective governance and improved public services for its residents.

Taking Productivity Seriously: The Case for an Ontario Productivity Commission

Taylor Jackson



Ontario's economic prosperity is at risk due to stagnant productivity growth, as highlighted by Taylor Jackson in the policy [paper](#)

“Taking Productivity Seriously: The Case for an Ontario Productivity Commission.” In 2022, Ontario experienced a 2.2 percent decline in business sector labour productivity, placing it fourth among Canadian provinces and below the national average.

Key Challenges:

- 1. Low Business Investment:** Insufficient investment in capital and technology hampers productivity improvements.
- 2. Demographic Shifts:** High immigration rates and an aging population contribute to a service-oriented economy, which often exhibits lower productivity growth.

Policy Recommendation:

The paper advocates for establishing an Ontario Productivity Commission, modelled after Australia's, to address these challenges. This independent body would analyze productivity barriers, engage diverse stakeholders, and develop actionable policy solutions to enhance economic efficiency and growth.

By implementing this recommendation, Ontario aims to revitalize its productivity, ensuring long-term economic prosperity and improved living standards for its residents.

It's Time to Build: Liberalizing Ontario's Land Use Rules to Boost Market-Rate Housing Supply

Chris Spoke



Ontario is grappling with a significant housing crisis characterized by escalating prices and a limited supply, particularly in its most economically

vibrant regions. A policy [brief](#) by Chris Spoke delves into the root causes of this issue and proposes actionable solutions.

Current Housing Landscape:

- 1. Soaring Prices:** The average home price in Ontario has reached approximately one million dollars, with Toronto's average at \$1.3 million. This surge has placed homeownership beyond the reach of many, especially young, middle-class, and immigrant families.
- 2. Limited Supply:** A study by Scotiabank Economics reveals that Canada has the fewest homes per capita among G7 nations, with Ontario tied for the lowest among provinces. This scarcity has intensified competition and driven prices upward.

Identified Challenges:

- 1. Restrictive Land Use Regulations:** Municipal zoning laws often limit housing density. For instance, Toronto's

Residential Detached (RD) Zone predominantly permits only detached houses, restricting the development of higher-density housing options.

- 2. Local Opposition:** Efforts to increase housing density frequently encounter resistance from existing homeowners aiming to preserve neighbourhood character, a phenomenon commonly referred to as NIMBYism (Not In My Backyard).

Policy Recommendations:

- 1. Reform Zoning Laws:** Revise municipal land use regulations to allow for higher-density housing developments, such as multi-unit and mid-rise buildings, in areas currently limited to low-density housing.
- 2. Reduce Municipal Autonomy in Land Use Decisions:** To achieve provincial housing targets, it may be necessary to diminish local control over land use planning, thereby facilitating the approval and construction of new housing projects.
- 3. Set Ambitious Housing Goals:** Establish a provincial objective of completing 1.5 million new housing units over the next decade to align Ontario with the G7 average for homes per capita.

By implementing these strategies, Ontario can address its housing shortage, stabilize market prices, and make homeownership more attainable for its residents.

Tall and Sprawl: The Distribution of Housing Stock Growth in the Greater Toronto Area, 2016 – 2021

Steve LaFleur and Josef Filipowicz



A recent [analysis](#) by Steve LaFleur and Josef Filipowicz reveals a distinctive “donut” pattern in the region’s housing development. Between 2016

and 2021, significant housing growth occurred within a three-kilometre radius of Toronto’s Union Station and on the urban fringes, while areas in between saw notably less development.

Key Findings:

- 1. Core Concentration:** Approximately 21.7 percent of the Greater Toronto Area’s (GTA) housing stock growth was concentrated within three kilometres of Union Station, highlighting a surge in downtown development.
- 2. Peripheral Expansion:** Substantial growth also took place in outer suburbs, including parts of Mississauga, Vaughan, and Markham, contributing to the expansion of the urban fringe.
- 3. Mid-Zone Stagnation:** Neighbourhoods situated between the downtown core and the outer suburbs experienced minimal housing stock

growth, with some areas even reporting a net loss in housing units during this period.

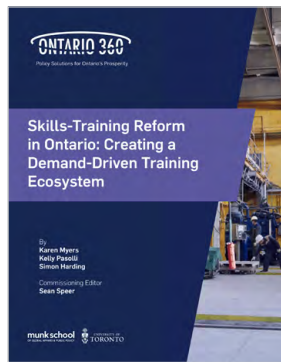
Policy Implications:

- 1. Revitalize Central Neighbourhoods:** The underdevelopment in mid-zone areas suggests the need for policies that encourage housing growth in these regions. This could involve revising zoning laws to permit higher-density developments and investing in infrastructure to support increased population density.
- 2. Address Policy Barriers:** The sharp decline in housing growth immediately outside the downtown core indicates potential policy obstacles hindering development. Identifying and reforming these barriers is essential to facilitate balanced growth across the GTA.
- 3. Promote Balanced Regional Development:** While growth in the urban core and periphery is beneficial, a more evenly distributed development strategy is necessary. Encouraging housing projects in underutilized mid-zone areas can alleviate pressure on both the downtown and suburban fringes.

By implementing these recommendations, policymakers can work towards a more balanced and sustainable housing development model in the Greater Toronto Area, addressing the current disparities and meeting the region’s growing housing demands.

Skills-Training Reform in Ontario: Creating a Demand-Driven Training Ecosystem

Karen Myers, Kelly Pasolli and Simon Harding



Ontario's evolving labour market, influenced by technological advancements and demographic shifts, necessitates a more responsive and demand-

driven skills training ecosystem. A [study](#) by Karen Myers, Kelly Pasolli and Simon Harding outlines strategies to enhance the province's employment and training systems.

Key Challenges:

- 1. Technological Disruption:** Automation and digitalization are transforming job requirements, creating a need for continuous skill development.
- 2. Demographic Changes:** An aging population and shifting workforce demographics demand adaptable training programs to meet diverse needs.

Policy Recommendations:

- 1. Expand Sector-Focused Training:** Build upon initiatives like the SkillsAdvance Ontario pilot to

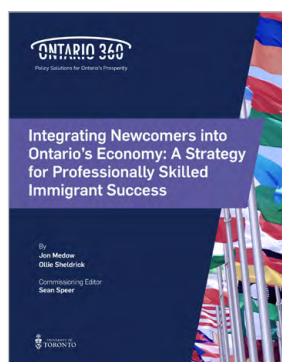
align training programs with specific industry needs, ensuring workers acquire relevant skills.

- 2. Develop Career Pathways:** Encourage partnerships between post-secondary institutions, employment services, and employers to create flexible, shorter credential programs that facilitate lifelong learning and career progression.
- 3. Establish Business-Led Training Networks:** Support the creation of collaborative networks involving educational institutions, employers, industry associations, and labour unions to design and deliver localized, demand-driven training programs.
- 4. Enhance Employer Engagement:** Adopt proactive strategies, similar to Australia's model, to involve employers in identifying training priorities and connecting job seekers with employment opportunities.
- 5. Implement Outcome-Based Metrics:** Focus on sustainable employment outcomes by utilizing metrics that assess the effectiveness of training programs in meeting labour market demands.

By adopting these recommendations, Ontario can create a more flexible and responsive training ecosystem, better preparing its workforce for the challenges of a rapidly changing labour market.

Integrating Newcomers into Ontario's Economy: A Strategy for Professionally Skilled Immigrant Success

Jon Medow and Ollie Sheldrick



Ontario's economic vitality increasingly hinges on the successful integration of professionally skilled immigrants. A [report](#) by Jon

Medow and Ollie Sheldrick underscores the necessity for a comprehensive approach to harness the full potential of this talent pool.

Current Landscape:

Immigration is projected to account for all growth in Ontario's working-age population over the next 25 years. Despite various governmental efforts, many skilled immigrants encounter significant barriers to full economic integration, leading to underemployment and a loss of potential economic contributions.

Policy Recommendations:

1. Enhance Credential Recognition:

The Office of the Fairness Commissioner should adopt best practices from other provinces to improve the recognition process for foreign credentials in regulated professions.

2. Renew Bridge Training Programs:

Revitalize these programs with a focus on strategic human resource development, employing demand-driven, sector-specific strategies. Manage Bridge Training separately from general employment services to maintain specialized support.

3. Expand Eligibility Criteria:

Broaden access to Bridge Training programs to include individuals on work permits and advocate for the federal government to relax eligibility requirements for related programs.

4. Address Barriers in Unregulated Occupations:

Collaborate with employment organizations to develop mechanisms that overcome the "Canadian experience" barrier and address credential recognition challenges in unregulated fields.

By implementing these strategies, Ontario can better utilize the skills of professionally trained immigrants, enhancing their contributions to the province's economy and fostering greater opportunities for newcomers.

Advancing Structural Reforms to the Skilled Trades and Apprenticeships in Ontario

Brian Dijekma and Sean Speer



Ontario is confronting an impending shortage in skilled trades due to demographic shifts and evolving economic demands. A

policy [paper](#) titled “Advancing Structural Reforms to the Skilled Trades and Apprenticeships in Ontario” outlines strategies to modernize the province’s apprenticeship system and attract more individuals to these vital professions.

Current Challenges:

- 1. Declining Apprenticeship Participation:** Despite representing 40 percent of Canada’s population, Ontario accounts for less than 25 percent of the nation’s apprentices, with completion rates hovering below 50 percent.
- 2. Aging Workforce:** An increasing number of tradespeople are approaching retirement, exacerbating the skills gap.

Policy Recommendations:

- 1. Implement a “Skill Sets” Credentialing Model:** Develop a

flexible system that allows apprentices to earn credentials for specific competencies, facilitating continuous learning and adaptability.

- 2. Enhance Educational Pathways:** Promote greater integration between skilled trades training and post-secondary education, enabling seamless transitions and recognition of prior learning.
- 3. Revitalize Youth Apprenticeship Programs:** Expand initiatives like the Ontario Youth Apprenticeship Program to engage more high school students, particularly those less inclined toward traditional academic routes.
- 4. Elevate the Perception of Skilled Trades:** Utilize public campaigns, awards, and endorsements to highlight the value and opportunities within the trades, challenging existing stigmas.
- 5. Foster Collaborative Training Models:** Encourage partnerships among workers, employers, and unions to pool resources for comprehensive skills development.
- 6. Simplify Tax Incentives:** Streamline existing tax credits, such as the Apprenticeship Training Tax Credit, to make them more accessible and beneficial for both apprentices and employers.

By embracing these reforms, Ontario aims to strengthen its skilled trades sector, ensuring a robust and adaptable workforce to meet future economic challenges.

The Future of Work

Elizabeth Dhuey



Ontario’s labour market is undergoing a profound transformation, driven by rapid technological advancements, demographic shifts, and

the lasting impacts of the COVID-19 pandemic. A policy [brief](#) by Elizabeth Dhuey delves into these challenges and offers strategic recommendations to navigate this evolving landscape.

Key Challenges:

1. Automation and Job Polarization:

The Organization for Economic Co-operation and Development (OECD) estimates that nearly 50 percent of jobs in Ontario are susceptible to automation, with rural regions and areas dominated by goods-producing sectors being particularly vulnerable. This shift is leading to a growing divide in job quality and increased social inequality.

2. Skills Mismatch and Labor Shortages:

A significant portion of Ontario’s sectors, approximately 62 percent, are grappling with labour shortages. This issue is exacerbated by skills mismatches, where workers’ abilities do not align with current job requirements, leading to both unfilled positions and underemployment.

3. Underinvestment in Innovation:

Ontario received a “C” grade in the Conference Board of Canada’s Innovation Report Card, indicating lagging innovation compared to countries like Switzerland and Norway. This stagnation hampers economic growth and the province’s ability to adapt to future challenges.

Policy Recommendations:

1. Support Marginalized Workers:

Develop targeted programs to assist underrepresented groups, including women, immigrants, and older workers, ensuring they have access to reskilling and employment opportunities.

2. Facilitate Workforce Transitions:

Implement strategies to help workers from declining industries transition into roles that require similar skill sets, minimizing unemployment and leveraging existing talents.

3. Promote Lifelong Learning:

Encourage employers to provide paid time off for employees to engage in reskilling initiatives, fostering a culture of continuous learning and adaptability.

4. Invest in Education and Care Economy:

Increase funding for primary and secondary education to mitigate learning losses from the pandemic and strengthen the care economy by addressing staffing shortages and improving working conditions.

- 5. **Enhance Innovation:** Proactively support innovation across various sectors to boost economic resilience and ensure that advancements benefit the entire population, thereby reducing inequalities.

By implementing these strategies, Ontario can better prepare its workforce for the future, ensuring economic stability and inclusivity in the face of ongoing changes.

Recent Trends and Long-term Challenges in Ontario's Labour Market

Jacob Greenspon



Ontario's labour market is grappling with significant challenges exacerbated by the COVID-19 pandemic, as detailed in the policy [brief](#)

by Jacob Greenspon.

Pandemic's Uneven Impact:

The pandemic's economic repercussions have been uneven across different demographics. Women aged 25 to 54 experienced a 13.2 percent drop in employment between February and April 2020, with recovery to pre-pandemic levels not occurring until September 2021. This lag is attributed to increased childcare responsibilities and a higher representation

in sectors like retail and hospitality, which faced prolonged shutdowns.

Youth employment also suffered, particularly among females aged 15 to 24, due to their prevalence in adversely affected industries. Additionally, workers in production and non-supervisory roles, such as office support and sales, faced significant job losses during initial lockdowns, with a slower return to pre-pandemic employment levels.

Long-Term Structural Challenges:

Beyond the immediate effects of the pandemic, Ontario confronts enduring issues like an aging population and declining labour force participation rates. These trends threaten the province's economic recovery and future growth.

Policy Recommendations:

1. **Support for Affected Demographics:** Implement targeted programs to reintegrate women and youth into the workforce, focusing on affordable childcare solutions and support for sectors with slow employment recovery.
2. **Promote Immigration:** Leverage immigration policies to counteract the effects of an aging population, ensuring a steady influx of working-age individuals to sustain economic growth.
3. **Reskilling Initiatives:** Invest in training programs to reskill workers displaced by the pandemic, aligning their capabilities with evolving market demands and emerging industries.

By addressing these areas, Ontario can foster a more resilient and inclusive labour market, paving the way for sustainable economic prosperity.

The Workforce Ontario Needs Now: How to Strengthen Skills Development

Kelly Pasolli and Karen Myers



Ontario's labour market is undergoing rapid transformation due to technological innovations, demographic shifts, and environmental

disruptions. The COVID-19 pandemic has further accelerated these changes, highlighting the need for a robust skills development ecosystem. A policy [brief](#) by Kelly Pasolli and Karen Myers delves into these challenges and offers strategic recommendations.

Current Challenges:

1. Labour Market Disruptions:

At the pandemic's peak, Ontario's unemployment rate soared to 13.6 percent, disproportionately affecting youth, women, and service sector employees. Newcomers and visible minorities were overrepresented in the hardest-hit jobs, exacerbating existing inequities.

2. Skills Mismatch: While 64 percent of Canadian entrepreneurs report labour shortages limiting growth, 43 percent of working Canadians are considering job transitions, indicating a significant skills mismatch in the province. The Conference Board of Canada estimates that unfilled skills vacancies cost the Canadian economy \$25 billion in 2020.

Policy Recommendations:

1. Enhance Accessibility of Training Programs:

Revise eligibility criteria to make skills training more accessible, especially for working adults facing potential job disruptions.

2. Promote Lifelong Learning:

Encourage continuous education by supporting flexible, modular learning opportunities that allow workers to upskill or reskill as needed.

3. Strengthen Employer Partnerships:

Collaborate with businesses to align training programs with current labour market demands, ensuring that skills development is responsive to industry needs.

4. Invest in Data Systems:

Develop comprehensive labour market information systems to identify emerging skills gaps and inform policy decisions.

By implementing these strategies, Ontario can build a resilient workforce equipped to navigate the evolving economic landscape. Strengthening the design and delivery of skills development is crucial for both individuals and businesses preparing for the future of work.

Improving Access to Internationally Educated Health Professionals

Sten Ardal and Sabrina Hyde



Ontario is facing critical shortages in healthcare professionals, a situation worsened by the COVID-19 pandemic. Despite the presence of

thousands of internationally educated health professionals (IEHPs) in the province, many encounter prolonged and costly pathways to licensure, delaying their integration into the healthcare system. A policy [brief](#) by Sten Ardal and Sabrina Hyde highlights the urgency of streamlining these processes to bolster Ontario's healthcare workforce.

Current Landscape:

- 1. Nursing Shortfall:** Ontario has over 10,000 internationally educated nurses (IENs) in the registration pipeline, with nearly 8,000 awaiting assessment to determine educational equivalence.
- 2. Physician Bottleneck:** Approximately 13,000 internationally trained medical graduates (IMGs) reside in Ontario but face significant hurdles due to limited residency positions and the absence of a “practice-ready” assessment program.

Policy Recommendations:

- 1. Implement Competency Assessments:** Adopt efficient assessment methods, such as Objective Structured Clinical Examinations (OSCEs), to evaluate IEHPs' readiness for practice. OSCEs have proven effective in assessing competencies and facilitating quicker integration into the workforce.
- 2. Establish Practice-Ready Assessment Programs:** Develop programs that recognize the education and experience of IMGs, enabling them to demonstrate their competencies without the need for traditional residency placements.
- 3. Provide Financial Support:** Offer subsidies or financial assistance to IEHPs to cover assessment and licensure costs, reducing financial barriers that impede timely entry into the healthcare system.

By implementing these strategies, Ontario can effectively tap into the underutilized pool of internationally educated health professionals, alleviating current shortages and enhancing the resilience of its healthcare system.

Employing Ontarians with Criminal Records: Policies to Correct Labour Market Misconceptions

Renze Nauta



Ontario faces a significant challenge: over one million residents possess criminal records, and within two years of release, more than a third of

former inmates re-offend, leading to re-incarceration. Employment is a critical factor in reducing recidivism, yet individuals with criminal records encounter substantial barriers when seeking jobs. A [study](#) by Renze Nauta proposes several strategies to address this issue.

Policy Recommendations:

1. Reframe Employer Perceptions:

- Mandate that police forces and other entities providing criminal record checks include positive, general information about the employability of individuals with criminal records alongside the check results.
- Allow individuals to add personalized, positive information regarding their interactions with the criminal justice system to their criminal record checks.

2. Incentivize Hiring:

- Establish a provincial bonding program offering insurance to employers at no cost to mitigate perceived risks associated with hiring individuals with criminal records.
- Introduce a wage subsidy for employers who hire individuals with criminal records, providing financial incentives to encourage such employment practices.

3. Promote Policy Awareness:

- Actively communicate the benefits of reintegrating individuals with criminal records into the workforce, encouraging employers to consider these candidates and highlighting the positive impact on society.

By implementing these strategies, Ontario aims to dismantle employment barriers for individuals with criminal records, thereby reducing recidivism rates and fostering a more inclusive labour market. These measures not only support the reintegration of these individuals but also contribute to the overall safety and economic well-being of the community.

Post-Secondary Access

Jennifer Robson



Ontario has made [commendable](#) strides in increasing post-secondary education (PSE) participation, particularly among youth

from lower-income families. Between 2001 and 2014, the gap in PSE participation between students from the lowest and highest income quintiles narrowed more in Ontario than in any other Canadian province. Currently, nearly 70 percent of Ontario youth pursue education beyond high school, the highest rate nationwide.

Despite these achievements, significant disparities persist. Only 55 percent of students from families in the bottom income quintile are enrolled in college or university by age 19, compared to over 84 percent from the top quintile. Financial constraints and non-financial barriers, such as early educational disengagement and limited exposure to PSE opportunities, contribute to this divide.

Policy Recommendations:

1. Early Intervention Programs:

Implement initiatives targeting younger students to foster early awareness and interest in PSE. Programs that offer future non-repayable aid commitments to middle and high school students have been shown to improve academic performance and increase PSE enrollment.

2. Enhanced Financial Support:

While Ontario has simplified student financial aid by converting tax credits into direct assistance, further efforts are needed. Expanding grants and reducing reliance on loans can alleviate financial burdens, especially for first-generation PSE students.

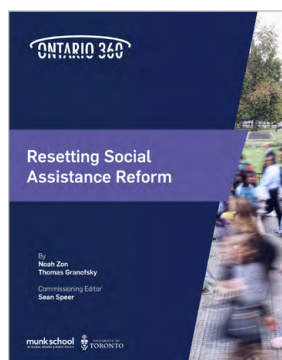
3. Community-Based Outreach:

Develop partnerships with community organizations to provide mentorship and resources, particularly in underrepresented and low-income communities. Such collaborations can address non-financial barriers by offering guidance and support throughout students' educational journeys.

By adopting these strategies, Ontario can build upon its progress and ensure that all students, regardless of socioeconomic background, have equitable access to post-secondary education.

Resetting Social Assistance Reform

Noah Zon and Thomas Granofsky



Ontario's social assistance system, encompassing Ontario Works (OW) and the Ontario Disability Support Program (ODSP), is under scrutiny

for its inefficiencies and the deep poverty experienced by its recipients. A policy [paper](#) by Noah Zon and Thomas Granofsky highlights the pressing need for comprehensive changes to better serve the province's most vulnerable populations.

Current Challenges:

1. Complexity and Red Tape:

The existing system imposes burdensome reporting requirements and monitoring processes on recipients, creating barriers to accessing support and hindering efforts to transition into employment.

2. Inadequate Benefits: Current benefit levels are insufficient, leaving many recipients in deep poverty and unable to meet basic living expenses.

3. Disincentives to Work: The structure of benefit clawbacks discourages recipients from seeking employment, as earnings can lead to significant reductions in assistance, making work financially unviable.

Policy Recommendations:

1. Simplify Administrative Processes:

Streamline reporting and monitoring requirements to reduce bureaucratic hurdles, allowing recipients to focus on improving their circumstances rather than navigating complex procedures.

2. Enhance Benefit Adequacy:

Increase base benefit amounts and consider additional supports tailored to individual needs, ensuring recipients can afford essential living costs.

3. Revise Earnings Clawbacks:

Adjust the thresholds and rates at which earnings are deducted from benefits to encourage workforce participation without immediate financial penalties.

4. Extend Health Benefits During Transitions:

Pilot programs that automatically continue health benefits for individuals exiting OW, supporting a smoother transition into employment without the loss of crucial medical coverage.

5. Address Regional Housing Costs:

Utilize the Canada-Ontario Housing Benefit to provide targeted support that reflects the varying housing expenses across different regions, ensuring assistance aligns with local cost realities.

6. Leverage Digital Solutions:

Implement digital platforms to facilitate easier access to services and benefits, reducing administrative

burdens for both recipients and government agencies.

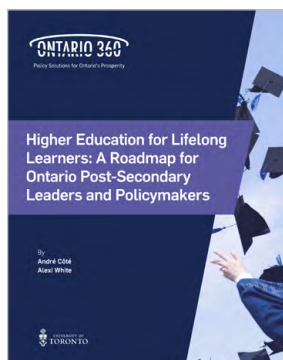
7. Focus on Outcome-Based

Funding: Allocate resources based on the success of programs in achieving positive outcomes for recipients, emphasizing employment support and comprehensive assistance strategies.

By embracing these reforms, Ontario aims to create a more effective and compassionate social assistance system that empowers individuals to achieve financial independence and improved well-being.

Higher Education for Lifelong Learners: A Roadmap for Ontario Post-Secondary Leaders and Policymakers

Andre Cote and Alexi White



Ontario's higher education system is confronting dual crises: longstanding structural challenges and the immediate disruptions caused by the

COVID-19 pandemic. A [study](#) by Andre Cote and Alexi White highlights these issues and proposes strategies to transform the province's post-secondary institutions to better serve working-age learners.

Challenges:

1. **Structural Strain:** Declining domestic enrollment, stagnant public funding, and questions about the relevance of higher education to the job market have strained traditional university and college models.
2. **Pandemic Pressures:** The COVID-19 crisis has intensified financial challenges and accelerated the need for digital learning solutions, exposing the limitations of existing educational frameworks.

Policy Recommendations:

1. **Embrace Lifelong Learning:** Shift focus to include working-age adults by offering flexible, demand-driven education tailored to ongoing career development.
2. **Innovate Program Delivery:** Develop shorter, modular courses and micro-credentials that provide targeted skills aligned with labour market needs, facilitating continuous learning.
3. **Leverage Technology:** Invest in virtual and digital learning platforms to expand access and accommodate the schedules of adult learners, balancing work and personal commitments.
4. **Foster Industry Partnerships:** Collaborate with employers to design curricula that address current skill gaps, ensuring graduates are equipped for immediate workforce integration.

5. Policy Alignment: Encourage provincial policymakers to support reforms in post-secondary and workforce development systems, promoting a cohesive approach to education and employment.

By implementing these strategies, Ontario’s higher education institutions can adapt to the evolving demands of the labour market, support economic recovery, and provide lifelong learning opportunities for all residents.

A Lifelong Learning Strategy for Ontario

André Côté, Alexi White and Michael Cuenco



Ontario’s labour market is undergoing rapid transformation due to technological advancements, demographic shifts, and the evolving nature

of work. A [study](#) by André Côté, Alexi White and Michael Cuenco emphasizes the necessity for the province’s higher education system to adapt, ensuring that working-age adults can continuously upskill and remain competitive.

Current Challenges:

1. Evolving Employment Landscape:

The shift towards freelance, part-time, and gig work has led to increased

job precarity. Many workers face job displacement and skills obsolescence, particularly in low- and medium-skill sectors. Research indicates that nearly half of Canada’s workforce lacks the necessary skills to fully engage in the modern labour market.

2. Educational System Limitations:

Traditional post-secondary programs often fail to meet the needs of adult learners seeking flexible and relevant training opportunities. This gap leaves many working-age adults without viable pathways to acquire new skills or credentials.

Policy Recommendations:

1. Diversify Educational Offerings:

Encourage institutions to develop shorter, flexible, and stackable programs that cater to adult learners. This includes competency-based courses, part-time schedules, online learning, and industry-aligned curricula.

2. Strengthen Employment Services:

Transform Employment Ontario into an integrated, outcomes-focused, and client-centered system. This involves shifting to a performance-funding model delivered through a network of private and non-governmental Service System Managers across various regions.

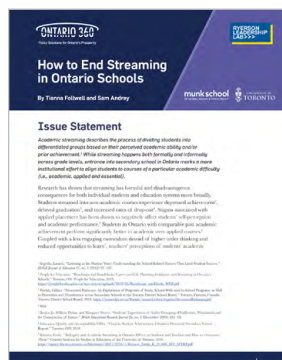
3. Foster Collaboration:

Promote partnerships between educational institutions, employers, and policymakers to ensure that training programs are responsive to labour market demands and effectively support workers in transition.

By implementing these strategies, Ontario can create a more resilient workforce equipped to navigate the challenges of a dynamic economy, ultimately fostering sustained economic growth and individual prosperity.

How to End Streaming in Ontario Schools

Tianna Follwell and Sam Andrey



Ontario’s longstanding practice of academic streaming—dividing students into groups based on perceived ability—has come under

scrutiny for perpetuating educational inequities. A policy [paper](#) by Tianna Follwell and Sam Andrey highlights the detrimental effects of this system and offers strategies for reform.

The Issue:

Streaming often begins in Grade 9, where students are placed into academic, applied, or essential courses. Research indicates that students in non-academic tracks experience lower academic achievement, delayed graduation, and higher dropout rates. The stigma associated with applied courses can negatively impact self-esteem and performance. Notably, students with

similar prior achievements perform better in academic courses than in applied ones. This system disproportionately affects students from racialized and low-income communities, as well as those with special needs.

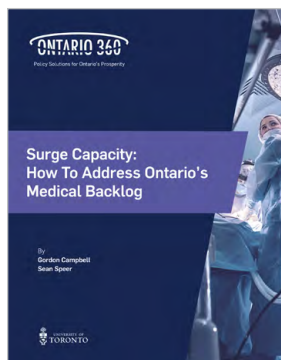
Policy Recommendations:

- 1. Comprehensive De-Streaming:** Eliminate streaming across all subjects, not just in Grade 9 math, to ensure equitable access to educational opportunities.
- 2. Educator Training:** Invest in professional development to equip teachers with strategies for differentiated instruction, allowing them to effectively teach diverse learners in de-streamed classrooms.
- 3. Curriculum Overhaul:** Revise curricula to be more inclusive and engaging, incorporating diverse perspectives and teaching methods that cater to varied learning styles.
- 4. Continuous Monitoring:** Establish mechanisms to regularly assess the impact of de-streaming initiatives, ensuring they effectively promote equity and identify areas for improvement.

By implementing these recommendations, Ontario aims to dismantle systemic barriers in education, fostering a more inclusive environment where all students have the opportunity to succeed.

Surge Capacity: How To Address Ontario's Medical Backlog

Gordon Campbell and Sean Speer



Ontario's healthcare system is grappling with a significant backlog of surgical procedures and diagnostic tests, a situation exacerbated

by the COVID-19 pandemic. A [study](#) by Gordon Campbell and Sean Speer delves into this pressing issue and proposes strategic solutions.

Current Challenges:

1. Pandemic-Induced Backlog:

The Financial Accountability Office of Ontario estimated that by fall 2021, the province could face a backlog of nearly 420,000 surgical procedures and 2.5 million diagnostic tests. This backlog is anticipated to have long-term implications for patient care, including delayed diagnoses and prolonged suffering.

- 2. Pre-Existing Strain:** Even before the pandemic, Ontario's healthcare system struggled to meet patient needs, with significant wait times for procedures like joint replacements and cataract surgeries. The pandemic has further strained these capacities.

Policy Recommendations:

- 1. Leverage Private Clinics:** Emulate provinces like Saskatchewan and British Columbia by integrating private clinics to provide publicly funded surgeries and diagnostic services. This approach can augment the public system's capacity and expedite backlog reduction.
- 2. Transparent Procurement Processes:** Implement open and transparent procurement for qualified private clinics to ensure accountability and maintain public trust.
- 3. Set Specific Targets:** Establish clear goals for reducing the backlog and cutting wait times, guiding evaluations and accountability for public-private partnerships.
- 4. Regular Public Reporting:** Maintain regular public reporting on performance to ensure transparency and continuous improvement.
- 5. Broaden Procedure Scope:** Expand contracted procedures beyond common surgeries to include a wider range of specialties, enhancing overall system efficiency.
- 6. Long-Term Public-Private Partnerships:** Incorporate public-private partnership models into a broader, long-term plan to improve the equity and efficiency of Ontario's healthcare system.

By adopting these strategies, Ontario can effectively address the current medical backlog and strengthen its healthcare system’s resilience against future challenges.

Doing More for Those with Less: How to Strengthen Benefits and Programs for Low-Income Individuals and Families in Ontario

Garima Talwar Kapoor

Ontario’s social assistance framework, encompassing Ontario Works (OW) and the Ontario Disability Support Program (ODSP), is increasingly misaligned with the province’s

evolving socio-economic landscape. A [brief](#) by Garima Talwar Kapoor underscores the pressing need for comprehensive reforms to better support low-income residents.

Current Challenges:

1. Inadequate Benefit Levels: As of 2022, a single adult on OW receives a total monthly benefit of \$733, divided into \$343 for basic needs and \$390 for shelter. These amounts fall short of meeting essential living expenses, leaving recipients in deep poverty.

- 2. Outdated Eligibility Criteria:** The distinction between “employable” individuals for OW and those with disabilities for ODSP is increasingly seen as outdated, failing to account for the complexities of modern labour market attachment.
- 3. Labour Market Realities:** The rise of non-standard employment, including temporary, part-time, and gig work, challenges the assumption that low benefit rates incentivize labour market participation. Many available jobs do not provide income security or benefits, undermining the effectiveness of current policies.

Policy Recommendations:

- 1. Increase Benefit Rates:** Substantially raise OW and ODSP payments to reflect the actual cost of living, ensuring recipients can meet basic needs without resorting to extreme measures.
- 2. Revise Eligibility Criteria:** Modernize the definitions and assessments used to determine eligibility, recognizing the nuanced realities of disability and employment capacity.
- 3. Align with Labor Market Dynamics:** Adjust policies to consider the prevalence of precarious work, ensuring that social assistance programs provide adequate support regardless of employment status.



4. Integrate Support Services:

Enhance access to complementary services such as affordable housing, healthcare, and childcare to address the multifaceted challenges faced by low-income individuals.

By implementing these reforms, Ontario aims to create a more responsive and humane social assistance system, empowering low-income residents to achieve greater economic stability and well-being.

Investing in Housing First

Dr. John Ecker and

Dr. Stephen Hwang



Ontario is grappling with a persistent rise in homelessness, particularly chronic homelessness, which imposes significant burdens on the

province's health, justice, and social service systems. A research [study](#) by Dr. John Ecker and Dr. Stephen Hwang advocates for the implementation of the Housing First model as a solution to this pressing issue.

Current Landscape:

1. Escalating Numbers: The 2018 province-wide Point-in-Time count identified over 21,000 individuals experiencing homelessness in Ontario. Further studies estimate that nearly 55,000 people faced homelessness between 2006 and 2016. Notably, 55

percent of respondents in the 2018 count were chronically homeless, defined as being without stable housing for at least six months in the past year.

2. Resource Allocation: Despite substantial provincial funding—63 percent of all housing and homelessness funding in 2019/20—the majority is directed toward emergency shelter solutions. For instance, Toronto allocates 55 percent of its funding to emergency shelters and only 4 percent to housing with related supports.

Policy Recommendations:

- 1. Adopt the Housing First Model:** Shift from crisis-oriented responses to the Housing First approach, which provides immediate, permanent housing without preconditions, coupled with supportive services. This model has demonstrated effectiveness in reducing chronic homelessness and associated societal costs.
- 2. Reallocate Funding Priorities:** Increase investment in permanent housing solutions and supportive services, reducing reliance on emergency shelters. This reallocation can lead to long-term cost savings and better outcomes for individuals experiencing homelessness.
- 3. Set Clear Targets:** Recommit to the goal of ending chronic homelessness by 2025, aligning with the National Housing Strategy's objective of a 50 percent reduction. Establish measurable benchmarks to monitor progress and ensure accountability.

Implementing these strategies can significantly reduce chronic homelessness in Ontario, alleviate pressures on public systems, and improve the well-being of vulnerable populations.

New Thinking for Newcomers: How Ontario Can Do Right by Its Growing Immigrant Population

Mark Lovewell and Hitu Sood



Ontario is poised to welcome a record number of immigrants, with federal targets set at over 400,000 newcomers annually through 2024. A policy

[brief](#) by Mark Lovewell and Hitu Sood emphasizes the need for the province to enhance its settlement and integration strategies to ensure the successful assimilation of these individuals.

Current Trends:

1. Rising Numbers: After a dip in 2020 due to the COVID-19 pandemic, immigration rebounded in 2021, meeting the federal goal of 401,000 newcomers. Projections for the subsequent years are even higher, with targets of 431,645 in 2022, 447,055 in 2023, and 451,000 in 2024. This influx is driven by Canada’s low fertility rate

and the need to maintain a sustainable dependency ratio.

2. Demographic Shifts: There has been a notable increase in economic immigrants, rising from 50 percent to 65 percent between 2016 and 2021. Additionally, a significant portion of newcomers were previously temporary residents, with this group accounting for over 70 percent of immigrants between 2018 and 2021. The age profile of immigrants is also shifting, with those aged 15 to 29 comprising 42 percent in 2021, up from under 30 percent in 2015.

Policy Recommendations:

- 1. Enhance Provincial Settlement Services:** Given the disparities in federal funding allocations, Ontario should bolster its own settlement and integration services, focusing on language training, employment bridging programs, and comprehensive support systems tailored to the diverse needs of newcomers.
- 2. Support for International Students:** With Ontario hosting nearly half of Canada’s international student population, the province should implement policies that facilitate the transition of these students to permanent residency, recognizing their potential contribution to the labour market and society.
- 3. Inclusive Service Eligibility:** Expand access to provincially funded services to include not only permanent residents but also asylum

seekers and naturalized citizens, ensuring comprehensive support for all newcomers regardless of their immigration status.

By adopting these strategies, Ontario can better accommodate its growing immigrant population, fostering successful integration and contributing to the province's socio-economic prosperity.

An Innovation Pathway to Turn Cancer Discoveries into Transformative Care

Dr. Christine Williams



Ontario boasts world-class cancer researchers and a robust publicly funded healthcare system. However, a significant disconnect exists

between groundbreaking cancer discoveries and their implementation in patient care. A [study](#) by Dr. Christine Williams highlights how this gap hinders Ontarians from accessing the latest advancements in cancer prevention, detection, diagnosis, and treatment.

Challenges Identified:

1. Patient Access: Many patients are compelled to seek innovative treatments outside the province or country, often bearing substantial personal costs. This issue is more

pronounced among remote, rural, and minority populations, leading to disparities in care quality and health outcomes.

2. Government Decision-Making:

The absence of standardized evidence complicates the government's ability to assess and implement new technologies safely, efficiently, and cost-effectively.

3. Clinician Constraints:

Healthcare providers face regulatory hurdles and prolonged accreditation processes, delaying the adoption of new technologies and procedures.

4. Researcher Frustration:

Innovators often encounter opaque regulatory pathways, impeding the translation of their discoveries into clinical applications.

Policy Recommendations:

1. Establish a Cancer Innovation Pathway:

Develop a formal, transparent structure to appraise, evaluate, and implement new technologies and processes in cancer care. This pathway should be nimble, allowing for rapid assessment and integration of innovations that demonstrate clear patient benefits.

2. Leverage Existing Structures:

Utilize and enhance current evaluation mechanisms within Ontario to support the innovation pathway, ensuring efficient use of resources and expertise.

3. Foster Stakeholder Collaboration:

Encourage continuous data sharing among researchers, clinicians, and

patients to create a learning health system where each patient experience informs and improves subsequent care.

By implementing these strategies, Ontario can bridge the gap between research and patient care, ensuring that residents benefit from both local and global advancements in cancer treatment. This approach aims to position Ontario as a leader in equitable and innovative cancer care.

Turning Aces into Assets: The Case for Gambling Reform in Ontario

Johanna Lewis and Brian Dijkema



Ontario's recent expansion into online gambling, marked by the April 2022 launch of iGaming Ontario, has sparked concerns about the

province's reliance on gambling revenues and the associated social costs. A research [brief](#) by Johanna Lewis and Brian Dijkema delves into these issues and proposes strategies for a more equitable approach.

Current Challenges:

1. Regressive Revenue Model:

Gambling functions as a regressive form of taxation, disproportionately affecting low-income households. Data indicates that the lowest-earning fifth of Ontario families allocate nearly

5 percent of their after-tax income to gambling, almost three times the proportion spent by the highest earners. This dynamic exacerbates the financial strain on vulnerable populations.

- 2. Problem Gambling:** A small segment of the population, less than 2 percent, accounts for up to 24 percent of gambling expenditures, highlighting the prevalence of problem gambling. The introduction of iGaming and single-game sports betting raises concerns about increased accessibility and potential addiction, especially among at-risk groups.

Policy Recommendations:

- 1. Redistribute Gambling Profits:** Channel gambling revenues into direct cash transfers or matched savings programs for low-income households. This approach aims to mitigate the regressive nature of gambling profits and support financial stability among vulnerable populations.
- 2. Implement Prize-Linked Savings Programs:** Collaborate with financial institutions to offer savings products that combine the thrill of gambling with the benefits of saving. Participants would have the chance to win prizes instead of earning traditional interest, encouraging saving behaviours while providing a gambling-like incentive.
- 3. Reallocate Marketing Funds:** Reduce the Ontario Lottery and Gaming Corporation's marketing budget and redirect these funds toward

research, prevention, and treatment of problem gambling. In 2018, OLG spent \$282 million on marketing compared to \$64 million on problem gambling initiatives, indicating a need for rebalancing priorities.

By adopting these reforms, Ontario can address the ethical concerns surrounding its gambling revenue model, support vulnerable citizens, and promote a more responsible approach to gambling within the province.

Emergency Preparedness: A Plan for Places of Worship to Stay Open

Andrew Bennett and Andreae Sennyah



During the COVID-19 pandemic, Ontario's places of worship faced stringent restrictions, including outright closures, leading to concerns

about unequal treatment compared to businesses. A [study](#) by Andrew Bennett and Andreae Sennyah addresses these issues and recommends that faith communities continue their essential services during future emergencies.

Key Concerns:

- 1. Unequal Treatment:** In May 2021, Ontario's "Roadmap to Reopen" plan allowed essential retail businesses and liquor stores to operate at 25 percent capacity, while indoor religious services were limited to just 10 people, regardless of the venue's size. For instance, Toronto's St. Michael's Cathedral Basilica, which can accommodate 1,200 individuals, was restricted to 10 attendees despite being able to safely host 300 people at 25 percent capacity.
- 2. Fundamental Freedoms:** The Canadian Charter of Rights and Freedoms guarantees freedom of conscience and religion. The paper argues that during emergencies, these fundamental freedoms should be upheld, allowing places of worship to provide spiritual care, which is vital for community well-being.

Policy Recommendations:

- 1. Active Engagement with Faith Communities:** The provincial government should establish permanent faith community advisory boards to ensure ongoing consultation, especially during emergencies. This engagement would help policymakers understand the essential role of in-person worship and the unique needs of faith communities.

2. Equitable Treatment in

Emergency Planning: Emergency preparedness plans should consider the importance of in-person worship and aim to keep places of worship open, within reasonable limits, during crises. This approach would align with the intent of Ontario’s Emergency Management and Civil Protection Act, which emphasizes protecting health, safety, and welfare in a manner consistent with the Charter of Rights and Freedoms.

By implementing these recommendations, Ontario can better balance public health concerns with the fundamental rights of its citizens, ensuring that places of worship remain accessible during future emergencies.

Penny Wise but Pound Foolish? A Response to the Ontario Government’s Blue-Ribbon Panel Report

André Côté and Tiffany Kwok



Ontario’s Blue-Ribbon Panel on Postsecondary Education Financial Sustainability recently released a report addressing the immediate

fiscal challenges faced by the province’s 24 colleges and 23 universities. While

the panel’s recommendations—such as a one-time 10 percent increase in provincial grant funding and adjustments to tuition frameworks—aim to stabilize finances in the short term, critics argue that these measures may overlook deeper, systemic issues. André Côté and Tiffany Kwok [provide](#) an assessment of the report and its recommendations.

Emerging Challenges:

- 1. Evolving Learner Demographics:** Today’s students exhibit diverse profiles and expectations, necessitating adaptable educational models.
- 2. Technological Advancements:** The rapid digitization of society, including the rise of online learning platforms and the integration of artificial intelligence, demands a re-evaluation of traditional instructional methods.
- 3. Competitive Pressures:** The emergence of global digital education providers and new institutional entrants intensifies competition, challenging Ontario’s postsecondary institutions to innovate continually.

Policy Recommendations:

- 1. Embrace Lifelong Learning:** Institutions should expand their focus beyond traditional degree programs to include continuous education opportunities that cater to working adults and non-traditional learners.
- 2. Leverage Technology:** Adopt and integrate advanced technologies to enhance learning experiences,

improve accessibility, and maintain competitiveness in a global education market.

- 3. Foster Collaboration:** Encourage partnerships between institutions, industry, and government to align educational offerings with evolving labour market demands and to share resources effectively.

By implementing these forward-thinking strategies, Ontario can ensure that its postsecondary education system remains resilient, relevant, and capable of meeting the challenges of a rapidly changing educational landscape.

ONTARIO 360

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