

City of London

Submission to Standing Committee on Finance and Economic Affairs

2013 ONTARIO PRE-BUDGET CONSULTATION

March 2013



INTRODUCTION

The City of London has been hit particularly hard during this economic downturn. The unemployment rate in London is currently 9.1% - one of the highest in Canada. This, in turn, has increased the number of those individuals and families relying on the social safety net, thereby placing a heavy burden on our already strained social services. The City of London is working with key partners to improve its local economy and trusts that the Province of Ontario can continue to be a contributor to the region's future success.

The City of London is calling for all governments to continue to make key infrastructure investments to attract new jobs; create the kinds of economic conditions that attract new businesses and jobs; provide social safety nets to support those most affected in this economic downturn; and work together to ensure that all governments have the resources they require to deliver the services people rely on. London is asking the province to build on its commitments with the city to restore prosperity to the city and region.

The City of London is also a long-standing member of the Association of Municipalities of Ontario (AMO) and fully supports the recommendations in AMO's 2013 pre-budget submission.

PARTNERING FOR ECONOMIC PROSPERITY

London City Council has made economic development and jobs one of its primary areas of focus. The City recently undertook a community-wide consultation to seek input on a 10 year plan for long-term prosperity. The main objectives of the plan are to: create jobs; leverage investment; stimulate economic spin-offs; build beneficial partnerships; and fuel transformational change in London's economy. To ensure success, the City needs all orders of government to partner with it on key initiatives.

A major challenge that London faces is the lack of appropriate "shovel ready" lands necessary to attract key businesses to the area. One of the key recommendations of the City's prosperity plan is to acquire and service key industrial land along the Highway 401 corridor. The City will make key investments over 10 years and is developing a business case for both the provincial and federal governments to partner at similar levels. Analysis indicates that servicing land along the 401 corridor could generate \$1 billion in new investment over 10 years creating much needed jobs for Londoners. It would also complement other key investments made in the busiest Canada-US trade corridor.

The City of London welcomes the government's commitment to the Southwestern Ontario Development Fund. This funding combined with leveraged investment, offers the possibility of positive economic spinoffs in London. The City is aware of and actively supporting several London-based proposals submitted into this fund and hopes that they will be successful.

Recommendations:

1. Upon review of the City of London's business case to acquire and service lands along the Highway 401 corridor, the Province should enter into a partnership with the City of London to partially fund this initiative, helping attract much needed jobs to London.

2. The province should continue to support a Southwestern Ontario Development Fund and in the evaluation of project proposals take into consideration the unemployment rates of applicant cities.

INVESTING IN SKILLS DEVELOPMENT

With an unemployment rate of 9.1%, some unemployed workers in London will need to upgrade their skills or retrain to gain future employment. The Second Career Program offered by the Province has been very successful in London. Fanshawe College has been playing an integral role in welcoming students through this program. The Province contributes approximately \$1.6 million to Fanshawe College to administer this program. It is London's hope that funding for this program will continue and that unemployed and underemployed London residents can acquire the skills they need to once again be gainfully employed. The city is also struggling with a high unemployment rate amongst its youth. Ontario's Summer Jobs Strategy and the Premier's Council on Youth Opportunities are welcome initiatives to assist our youth.

Recommendation:

3. Given the success of the Second Career Program, the Province should ensure that current funding levels are maintained or built upon to meet the growing needs in some regions of the Province.
4. The Province should continue to develop programs to address youth unemployment.

ATTRACTING AND RETAINING NEWCOMERS AND INTERNATIONAL STUDENTS

The City of London sees immigration as fundamental to its labour market strategy. Not only does it present opportunities around diversity, but it is critical to population growth and filling skills shortages while complementing the existing labour force. The City wants to attract more skilled workers while ensuring other newcomers – such as refugee class or family class – have access to the resources they require to integrate into the community and contribute to the economy. Immigration is instrumental to the City of London's future growth and success.

The City supports the Ontario Immigration Strategy and encourages the Province to work with the federal government to negotiate a new Canada-Ontario Immigration Agreement (COIA). Such an agreement should provide a clear intergovernmental framework that not only outlines key funding sources, but provides certainty and direction to the wider settlement sector. A comprehensive approach to attraction and retention is needed that develops strategies to attract newcomers of different classes – skilled workers, international students, entrepreneurs and investors, family class and refugees.

The City has very strong relationships with Western University and Fanshawe College and sees the attraction and retention of international students as an integral component of London's immigration and economic development strategy. The Province needs to ensure that post-secondary institutions have access to the most up to date information regarding immigration processes and settlement services as they relate to international students. Consideration could be given to establishing settlement offices in post-secondary institutions to provide a one-stop-shop for international students.

The City of London and its partners want to retain international students post-graduation. Ontario is losing many international students to other provinces since they offer shorter time frames to obtain permanent residency. Ontario should review other provincial approaches to permanent residency and settlement services for international students and either match or exceed them. International students coming to Ontario also face longer visa processing times compared to other Canadian jurisdictions. To remain competitive in attracting this talent, Ontario needs to work with the federal government to simplify visa processing times.

Recommendations:

5. The Province should begin negotiations with the federal government to develop a renewed Canada-Ontario Immigration Agreement.
6. The Province should work with the City of London and its academic partners to attract more international students to the region and provide them with the tools they require to integrate successfully.

SUPPORTING KEY ECONOMIC SECTORS

London is fortunate to have several key sectors comprising a diversified economy. Local innovation is being fostered through partnerships between the City of London, Western University, Fanshawe College and our business community. There are numerous initiatives underway that could help the province meet broader economic development goals in key sectors if the right investments were made; partnerships forged; and certain obstacles removed. The green energy sector and the water sector are two such opportunities.

Removing barriers to support a green energy sector in London

Green energy is a sector that the City and its partners want to foster in London. There is an active Mayor's Sustainable Energy Council with representatives from across the City; Western University has several research facilities conducting work on green energy and alternative fuel sources; and Fanshawe College has an active Renewable Energy Technologist Program. The challenge is that despite these initiatives and programs, the City cannot attract new companies in this sector due to capacity issues in the hydro transmission corridor and with local transformer stations.

The FIT Program not only encourages alternative energy sources to be developed, but also helps create green jobs. Unfortunately London is missing out. According to London Hydro, the City's infrastructure is only 45% open for incorporating green energy projects, it is 55% closed due to the lack of capacity at 3 out of 5 Hydro One owned bulk transformer stations. Due to capacity issues with the transmission lines, the City is unable to connect any green energy into the grid. Both require significant electrical infrastructure to address these challenges. While the City is appreciative that Hydro One updated a transformer station in 2012 and have committed to developing a transmission line west of London, more is required. When the new Samsung plant comes online, the newly developed capacity will be absorbed by Samsung.

London Hydro reported in January 2013 that in the 2 years since the FIT program was introduced that due to transmission corridor and transfer station capacity issues, it has only been able to approve 16 of 406 applications for renewable projects in the FIT or larger category. It has turned down 13 out of 70 microFIT applications. This translates to lost jobs in an economy that is in desperate need of them.

Local estimates indicate that it would cost approximately \$10 - \$13 million to upgrade the 3 transformer stations that have reached capacity and roughly \$20-30 million to upgrade the transmission corridor. The London Economic Development Corporation (LEDC) has indicated that the City is losing business due to these infrastructure challenges. In past discussions with the Province both London Hydro and LEDC have indicated that they would consider opportunities in providing assistance for these upgrades.

Recommendation:

7. The province should commit to upgrade the 3 transformer stations and transmission lines that serve London as soon as possible to ensure London, with willing partners, is able to participate in the FIT programs and contribute to the green economy.
8. The province should enter into discussions with London Hydro and LEDC to discuss possible partnerships.

Build on success of the London Node of Southern Ontario Water Consortium

The City is encouraged by the Province's Water Sector Strategy and Great Lakes Strategy. Both speak to establishing Ontario as an expert in water technology. The Southern Ontario Water Consortium and the London Node in particular, are prime examples of innovation in water technology and strategic collaboration between universities, private sector and municipal governments. The City believes there are still many opportunities to explore at the London Node and through the wider partnership.

The Thames River Clear Water Revival is a multi-year, multimillion dollar regional wastewater initiative designed to assist all communities along the Thames River make major capital improvements in the watershed. The partnership and innovation and desired outcomes of this initiative could also inform both the Great Lakes and Water Sector Strategy.

Recommendation:

9. The province should continue to support the London Node of the Southern Ontario Water Consortium and work closely with the network to identify mutual opportunities outlined in the Water Sector and Great Lakes strategies.
10. The province should continue to partner with the members of the Thames River Clear Water Revival project.

Investing in Research and Innovation

London is a hub for research and innovation. London's Research Row is home to a large number of London's research-based institutions and employs nearly 2,000 researchers and conducts over \$330 million in research annually. The row connects Western's Research Park, London Health Sciences Centre – University Hospital (LHSC), Robarts, St. Joseph's Hospital, south to the Children's Health Research Institute and London Regional Cancer Program located at LHSC, Victoria Hospital and Parkwood Hospital.

In addition to excellence in health sciences research, the city through Western University and other partners, contributes significantly to research in the areas of biotechnology, energy, agriculture, chemical and industrial processing and advanced composite materials.

Recommendation:

11. The Province should continue to invest in advanced research and its commercialization. Efforts should be made to ensure that the benefits of research funds are shared across the province.

INVEST IN STRATEGIC INFRASTRUCTURE

London Gateway

An integral component of London's Economic Strategy is establishing the City as the trade and transportation hub of Southwestern Ontario. Improved access to a key highway NAFTA trade corridor will stimulate the proposed Highway 401/402 development and will further enhance London's ability to recruit leading edge manufacturers. The partnership between the Ministry of Transportation and City of London in delivering improved access through a new interchange at Wonderland Road and improved interchanges at Veterans Memorial Parkway, Highbury Avenue and Colonel Talbot Road as identified in the provincial Southern Highways Program was reaffirmed through City Council's approval of a formal agreement related to cost sharing, timing of improvements and responsibilities. These projects are supported by the City's Industrial Land Development Strategy and will provide London with a continued growth opportunity and take advantage of its strategic location and opportunities on the 401 corridor.

Recommendation:

12. Maintain the commitment in the Southern Highway Plan for 401 interchange improvements in the London area and support further investment through an Infrastructure Investment Fund for leveraging economic opportunities.

Long Term Infrastructure Plan

The City of London has adopted a Strategic Plan that strives for a stronger economy, a green and growing city, and sustainable infrastructure. The City's Infrastructure Plans have identified a significant capital investment in core economic infrastructure (transportation, water, wastewater). These investments will strengthen and promote the industrial base, provide for economic growth, shape our community and provide residents with a better quality of life.

The City's new Transportation Master Plan (TMP) is based on expanding options for London commuters through enhanced active transportation and public transit service improvements providing a better balance between all modes of transportation and supporting the cost effectiveness of transportation infrastructure. The implementation of the plan is a critical strategic priority. The TMP calls for the implementation of a nodes and corridors strategy for public transit employing a Bus Rapid Transit (BRT) platform. To meet the objectives in the Strategic Plan and the TMP in a manner that provides transportation mobility choices while ensuring that roads and bridges remain safe and in good repair, an investment of \$800 M in transportation and \$380 M in the BRT system have been identified.

The TMP will make a significant contribution to London and Southwest Ontario's growth prospects and economic competitiveness while providing broader public mobility, quality of life and environmental benefits. The London Transit Commission and the City are working on developing a business case supporting investment from the Provincial and Federal governments for the BRT.

The cost of transforming and expanding London's public transit system is beyond the capacity of property taxes and transit fare revenues alone. Additional government support and targeted, cost-shared infrastructure funding is required given that there is no long-term, predictable transit investment program. The financial model being developed as part of the business case is based on a multiple account evaluation that includes an analysis of the economic, environmental and social objectives of the project.

The City is updating its Official Plan via the ReThink process to implement the recommended changes in the TMP, developing short term transit improvement plans and will initiate BRT implementation studies upon the approval of the business case and upon securing the funding.

Recommendations:

13. Provide a commitment to the long-term sustainable funding of transportation infrastructure needs. The Province should review opportunities for new revenue generating tools that may be used by the municipality to support the implementation of transportation infrastructure needs.
14. The implementation of the bus rapid transit component of the TMP will require capital investment commitment of one third funding of the \$380 M from the Province through Ontario's long-term infrastructure plan. The Province should support and actively engage the federal government for bus rapid transit capital investment.

Public Transit

The provision of affordable and accessible public transit is an integral component of a healthy economy. It ensures workers can get to work and alleviates traffic on major transportation routes that could inhibit the efficient movement of goods between markets. The City commends the Province on its commitment to public transit demonstrated through the provincial gas tax allocation for transit and other programs. These programs have been successful in London - over the past 15 years combined ridership growth on conventional and specialized transit has increased by 78% or 10.5 million trips, which is virtually twice the national and provincial average over the same period. Together all governments need to invest in transit to keep the economy and its workers moving.

Recommendations:

15. Make the dedicated provincial gas tax allocation for public transit funding permanent, and as a minimum, maintain it at the current level of \$0.02 per litre and continue to provide flexibility on its use without taxing new program requirements.
16. As the economy improves and/or opportunities become available the City urges the Province to increase the current \$0.02 per litre of dedicated transit funding recognizing the growing demands for transit services.
17. The Province should work with municipal governments and other provinces to engage the federal government to fully participate in funding transit through a National Transit Strategy.

High Speed Rail – Windsor-Quebec City Corridor

The City of London supports the proposal for a high speed rail corridor from Windsor to Quebec City. The government must consider the economic benefits that would result from construction of the entire corridor prior to reaching a decision on implementation. London supports the construction of the entire corridor and would like the opportunity to be involved in a public engagement process on the implementation of high speed rail.

At a regional level, Southwestern Ontario is facing challenges with inter-regional train service. The City is calling on provincial support to stay connected with regular train service to Sarnia, Windsor, the GTA and beyond. As the hub of southwestern Ontario, we need to be well connected to seize on economic opportunities for the province. In this vein, we would like to explore opportunities for regular transit connections to smaller centres throughout our region, including St. Thomas, Port Stanley, Ilderton, St. Mary's and Stratford.

Recommendations:

18. The Province should explore the development of high-speed rail along the Windsor-Quebec Corridor.
19. The Province should work with the federal government to improve passenger rail in Southwestern Ontario.

PARTNERING TO PROVIDE A SOCIAL SAFETY NET

All governments have a responsibility to provide support for the most vulnerable in society. The City of London strives to be a caring community and this is reflected in the 2011-2014 Strategic Plan. Key strategies have been developed to address housing and homelessness, poverty reduction, and public health. While the City is making great strides in these areas, its work requires ongoing Provincial legislative, policy, structural, and funding framework changes to advance provincial-municipal co-ordination in these areas.

Invest in Social and Affordable Housing

The City of London is committed to ensuring that integrated and effective community-based housing supports are in place for those in need. The City's Community Housing Strategy and Community Plan on Homelessness provide a framework to tackle housing challenges and homelessness prevention in the city. Meeting the plan's goals requires support across all orders of government. The City of London would like to work in partnership with the provincial and federal governments to establish the broad legislative and policy framework for housing, including an outcome based accountability framework which clearly identifies respective roles in housing. Provincial support in the areas of affordable housing, social housing, homelessness programs and shelter support would make a difference in London.

Affordable & Social Housing Funding and Administration

The City thanks the Province for the commitments and increased flexibility announced in the Investment in Affordable Housing Program. The City supports the approach to consolidating housing and homelessness programs and continues to advocate for an increase in funding allocations to achieve the ultimate goal of sustainable and accessible housing. The City is hoping for increased partnership with provincial agencies working in the health or criminal justice system to help tackle homelessness.

Recommendation:

20. Agencies involved with the provincial health care or criminal justice systems should develop policies to ensure that no one is discharged into homelessness.

Social Housing

Social Housing tenants on Ontario Works (OW) and Ontario Disability Support Program (ODSP) have their rent-g geared-to-income (RGI) determined by using a rent scale (by household size) established by the Province, which cannot be adjusted locally. These rent scales have not changed since 1993. Approximately 58% of tenants in Social Housing are on OW and ODSP.

OW / ODSP tenant households in the private sector receive a maximum shelter allowance which is considerably higher than the Social Housing rent scales and is 86% provincially and 14% municipally funded. This discrepancy has resulted in a negative revenue growth for Social Housing Providers and in particular those Housing Providers who are at 100% RGI units. It also represents a subsidy provided from the local property tax base of over \$4M annually.

Recommendation:

21. Social Housing rents should be changed to the maximum shelter allowance used in the private sector rather than the legislated rent scales and the funding should be moved from 100% municipal to an 86/14 cost share.

PARTNER TO END POVERTY

Anti-Poverty Initiatives

The City of London applauds the Ontario Government's approval of a Poverty Reduction Strategy and its progress on income related measures including the introduction of the Ontario Child Benefit, increasing the minimum wage and Ontario Works benefits, however, more needs to be done. The City of London and the broader community have done their part through a focus on economic development, the provision of social safety net services and the commitment to poverty reduction outlined in London's Child and Youth Agenda. Together with the province more needs to be done to ease the impact of living in poverty and break the cycle of generational poverty. Key provincial initiatives on labour market work and poverty reduction are critical to ensuring that the economic renewal includes those living in poverty. The City strongly encourages the Ontario Government to continue its work through the Poverty Reduction Strategy and look forward to working with and supporting the province in the development of a new Poverty Reduction Strategy in 2013. The City praises the work of the Commission on Social Assistance Reform for the development of *Brighter Prospects* and looks forward to engaging in continued dialogue to successfully implement change and mitigate risks to municipalities and social assistance recipients.

Recommendations:

22. In 2013, the province should continue implementing the social assistance reform recommendations outlined in *Brighter Prospects*. The following recommendations if implemented, can make life better for low income Ontarians:
 - Allow social assistance recipients to keep 100% of first \$200 they earn each month (including income from self-employment)
 - Increase asset levels for those on Ontario Works (OW) to current Ontario Disability Support Program (ODSP) levels and exempting additional assets such as primary vehicle, RRSP's, and other financial instruments up to a total of \$60,000
 - Exempt 50% of child support payments for purposes of income assessment
23. The Province should implement and continue to invest in the following programs identified in Ontario's Poverty Reduction Strategy 2012 Annual Report:
 - Recommendations for transforming social assistance in Ontario with ongoing dialogue with communities as part of this implementation
 - An Ontario Youth Strategy
 - A new Poverty Reduction Strategy in collaboration with communities across Ontario
 - Childcare modernization in the province
 - Continued investment and support for Best Start Child and Family Centres, with a focus on integration of services at the neighbourhood level
 - Employment Ontario strategy – enhanced training and re-skilling initiatives
 - Completion of the rationalization of housing and homelessness programs

Invest in Community & Public Health

London is engaged in many components of public health and broader community health supports. The City urges the Province to partner in the service and delivery of certain programs.

Mental Health and Addictions

In July 2011, London Council endorsed a local Mental Health and Addiction (MH&A) Strategy aimed at increasing the Local Health Integration Network's (LHIN) focus of attention on those individuals living with multiple vulnerabilities and not appropriately attached to MH&A services. In 2012 the SWLHIN released the report "The Time is Now - A plan for Enhancing Community based Mental Health and Addiction Services". Recommendations from this report guide local funding allocations. The City is encouraged by the increased attention and investment within the Ministry of Health and Long Term Care related to addiction services, and retains a strong interest in working directly with the Ministry on evidence-based programs such as a residential managed alcohol program, methadone treatment and opioid treatment.

Recommendation:

24. The Province through the Ministry of Health & Long-Term Care and the SWLHIN should partner with the City of London to deliver evidence based programs to address housing and community support needs of those living with mental illness and addictions.

PARTNERING TO INCREASE MUNICIPAL FINANCIAL CAPACITY

Implement a 100% HST rebate for municipalities

After the rebate of 78% on the 8% PST portion on the Harmonised Sales Tax (HST), the current provincial portion of the HST will still transfer approximately \$8.5 million annually to the provincial government from property taxes in the City of London. In addition, there is staff time taken to prepare returns, undertake audits and submit claims/payments where required. This transfers resources from providing much needed services to local tax payers. The federal government sees merit in fully rebating GST to municipalities. With the implementation of the (HST), we suggest a 100% rebate of the HST in order to release money to communities to protect existing services and infrastructure.

Recommendation:

25. The province should explore granting a 100% rebate of the HST to municipal governments.

Heads and Beds

Since 1987, the Heads and Beds payment has been set at an annual rate of \$75 per head. Some of Ontario's municipalities are asking that the Province adjust the current rate to \$146 per head to reflect inflation from 1987 to 2012. The Heads and Beds levy is a payment that a municipality charges universities, colleges, hospitals and correctional facilities in lieu of property taxes. In 2012, the City of London collected \$3.2 million in heads and beds levies from applicable institutions; the vast majority, approximately 93%, from Western University, its affiliated university colleges, and Fanshawe College. An increase in the levy would address existing inequalities that have arisen since 1987. If the Heads and Beds levy were adjusted to \$146 per bed, this would provide the City of London with an additional \$8.5 million per year.

Recommendation:

26. The province should adjust the Heads and Beds levy to \$146 per bed to reflect inflation costs between 1987 and 2012.

Administration Costs of Public Health

The Walker Report recommended that the Ontario Government provide 100% funding for all communicable disease programs and that the cost sharing agreements with municipalities be restructured to move to a provincial envelope of between 75% and 100% of public health costs. The City welcomes the Ontario Government's implementation of measures to move in this direction. Given the universal aspects of public health and the need for coordinated approaches to deal with cross-border issues, the City recommends that the Province assume 100% of public health costs.

Recommendation:

27. The Province should assume 100% of the costs for public health.

Upload Land Ambulance Costs

While municipal governments currently deliver and pay for land ambulance services, they do not receive a share of the fee which is billed by the hospitals, and shared between hospitals and Province. User fees in other jurisdictions are much higher and more accurately reflect land ambulance service costs. While cost sharing is being returned to the 50/50 split originally in place, the City's goal is for a full upload of ambulance costs to the Province.

Recommendation:

28. The province should upload the costs of land ambulance services.

Support Long-Term Care

Over the past five years, the City of London's share of operating costs for our Long Term Care Dearness Home has risen from 18% to 26% of total costs. On a per bed/day basis, municipal costs have tripled while the Provincial share has not even doubled. *The Long Term Care Homes Act, 2006* will drive local costs even higher. The current funding model does not reflect actual costs to operate the Dearness Home. While the Dearness Case Mix Index (CMI) has varied by up to 10 points in the past several years, costs have risen consistently. All indications are the new legislation will continue to drive up costs, which will accrue 100% to municipalities and other long term care home providers.

Recommendation:

29. The Province should develop a new provincial cost sharing and delivery model to support long-term care homes.

LOW-COST POLICY CHANGES WITH REPRESENT SAVINGS TO MUNICIPALITIES

Work Together to Reduce Labour Costs

The City of London is facing increasing financial pressure from ever-increasing labour costs. Labour accounts for a significant portion of budgets and unfortunately means that fewer resources can be allocated to other priorities such as economic development, infrastructure renewal, affordable housing and others. The City is committed to providing fair wages and

benefits to its employees but is facing increasing challenges with the ability to pay due to external factors such as provincial arbitration settlements and provincial regulations or taxes. The City is asking that the province look at a few of its key policies and practices to help London and other municipalities control labour costs, providing them the fiscal capacity to further invest in their communities. Changes with respect to interest arbitration and clarification on who pays for the Ontario Health Premium would result in major savings for the City of London.

Recommendations:

30. Any new legislation with respect to interest arbitration should include:
 - Streamlining the process and creating a 12 month timeline for completion;
 - Clear, measurable criteria for evaluating the fiscal health of a community; and
 - Requiring that arbitrators give priority to and provide clear, written explanation of how the fiscal health of a community was considered.
31. The Province should adopt legislation that clearly states that the Ontario Health Premium is an employee responsibility and not the responsibility of employers.

ADDRESS UNINTENDED CONSEQUENCES & COSTS FROM NEW LEGISLATION AND REGULATIONS

The province has the ability to help municipal governments with their bottom line by addressing unintended consequences or barriers presented by various provincial legislation and regulations. These low-cost investments by the province would reduce municipal costs – present and future – thereby allowing municipalities to make other important community investments.

Waste diversion and extended producer responsibility

The Province of Ontario's waste strategy, supporting legislation and regulations do not provide the strategic direction and alignment to effectively manage residual waste, waste diversion programs or the waste management hierarchy including the role for new, emerging and next generation technologies. This results in increasingly costly challenges for London becoming more costly each year. The Province's Blue Box and Municipal Household Special Waste (MHSW) programs, policies and management structure do not provide sustainable funding or predictability for London to effectively deliver its waste diversion programs.

There is a lack of strategic alignment of policy objectives, *Waste Diversion Act* requirements and supporting regulations. Extended producer responsibility (EPR) needs to be implemented in a manner that balances the challenges and opportunities for taxpayers, businesses that produce the products and packages, green jobs and strengthening the Ontario economy. The lack of movement on EPR in Ontario, as initially proposed by the Province, is costing London taxpayers between \$2 and \$4 million per year.

The *Environmental Assessment Act* continues to provide a high level of uncertainty and associated costs which may push some municipalities into a waste disposal crisis. If these items are not addressed in the near future, this will become increasingly problematic for London. The Province needs to make this a priority because inaction is proving very costly for the Ontario taxpayer and reducing our competitiveness. Studies show that Ontario's green economy can grow through wise decisions in the waste management sector.

Recommendation:

32. The Province needs to work with waste management professionals through the Association of Municipalities of Ontario (AMO), the Regional Public Works Commissioners of Ontario (RPWCO) and the Ontario Waste Management association (OWMA) to address the challenges with the current system.

Development Charges Act (DCA)

Development charges are one of the primary tools to help municipal governments build new infrastructure to support growth. Unfortunately the current *Development Charges Act* presents several barriers for municipalities that do not allow the full cost of growth to be recouped. The City of London and the London Transit Commission have for many years requested a review of the Development Charges Act to remove some of the statutory exemptions and other barriers to full funding of growth related costs and to explicitly ensure municipalities are the beneficiaries of new sources of revenue. The Development Charges Act limits the inclusion of certain costs in development charges calculations, and exempts some development from paying DC charges entirely. The City believes the 10% statutory reduction has no place in the provincial legislation and that the province did not intend to prevent the ability for growth to pay for growth. A review of the Act should also include a re-examination regarding “soft services” (especially Transit) since municipalities should have the discretion to plan farther into the future than the ten year limitation imposed by the Act.

Recommendation:

33. The province should undertake a review of the Development Charges Act in close consultation with municipalities to permit the collection of development charges that pay for the fair share of growth costs without “claw-back” resulting from federal and provincial government funding. The statutory 10% reduction should be removed from the legislation.

CONCLUSION

The City of London appreciates the strong partnership it has developed with the Government of Ontario. In these difficult economic times, the need for close collaboration is even more important. Together we have already made significant steps towards shifting the social service burden from the property tax and are collaborating to invest in Ontario’s future and stimulate Ontario’s economy, while providing policies for providing clean water and effective waste management. Our collaborative work is not complete. Together, the City of London and the Government of Ontario need to continue to make investments that will lead to greater economic prosperity; protect current gains; provide a social safety net; and minimize costs. The City has offered a number of recommendations for the government to consider. The City believes that these recommendations have the potential to drive the economy, while helping those in need. The recommendations are a combination of new investment and low-cost solutions. It is the City’s hope that we can work together to stimulate our economy and provide the safety net and quality of life that the residents of Southwestern Ontario deserve.