



Thursday, September 21, 2023

Remarks by Noah Farber, Director, Corporate & Government Affairs, Mondelēz Canada, to the City of Toronto Economic & Community Development Committee

Check against delivery

Good morning, everyone. I am pleased to be here today to speak with you on behalf of the Toronto Industry Network. My name is Noah Farber, I lead Corporate & Government Affairs for Mondelez Canada. Also joining me is Paul Scrivener, Director of External Relations for TIN. Our Canadian team of makers and bakers are proud to call Toronto home. We employ more than 1800 people across four of our manufacturing facilities located across the city, one of which also includes our Canadian Headquarters. Our employees create some of Torontonians favourite treats right here at home, including Oreo, Ritz, Cadbury and Halls.

As I mentioned, I'm also here on behalf of the Toronto Industry Network, an organization deeply committed to the prosperity and growth of our city. Manufacturing holds a special place in Toronto's economic landscape, not only as an essential component but also as a source of family-sustaining jobs. Our diverse membership encompasses a wide range of manufacturing sectors, from food and beverage processing to pharmaceuticals, and everything in between, all contributing to the economic vitality of our great city.

These products, proudly made in Toronto, have a dual impact. They not only serve the needs of Torontonians directly but also find their way to national and international markets, enriching our city's economic prosperity. TIN's mission is to advocate for the manufacturing sector in Toronto, both within Canada and on the global stage. We work tirelessly to ensure that Toronto remains competitive in the industrial landscape, providing a strong voice at City Hall, actively participating in the formulation of policies that impact industrial operations.



Manufacturing is the lifeblood of our city's economy. There are 23 Areas of Employment where manufacturing thrives in Toronto, containing 89.4% of all manufacturing jobs in 2022. These Areas of Employment account for nearly 400,000 jobs or 26.8% of all city-wide employment. What's more, 93% of the more than 127,000 persons employed in the manufacturing sector held full-time positions. Manufacturing accounted for 8.7% of total direct employment, and during the pandemic, it remained stable, a testament to its essential nature.

Furthermore, manufacturing in Toronto not only offers employment opportunities but also pays an average annual wage of \$66,800, along with benefits. This is not just a statistic; it represents real, meaningful livelihoods for our fellow Torontonians and their families. We are proud of these achievements and remain committed to ensuring that manufacturing in Toronto continues to thrive and contribute to our city's economic vibrancy.

However, the manufacturing sector in Toronto is more challenged today than at any previous point in our history. Covid-19 and ongoing global tensions have exposed fundamental challenges in global supply chains that are forcing industry to make difficult decisions about where to manufacture their goods. We are experiencing labour shortages due to a rapidly aging workforce, particularly when it comes to skilled labour. And government regulations, at all levels, are proceeding at a record pace, imposing new costs and administrative pressures across industry at a time when it can least afford it.

Land has become a scarce resource. With pressures to build more housing across the city, employment lands are under siege. In fact, Toronto has lost more than 500 hectares or 6 percent of its employment lands over the last 18 years. Creating a barrier for further business growth and investment within the city. With each approved conversion request we are losing opportunities for new jobs and economic growth in our city that we will never be able to get back.

Like many other TIN members, I represent the Canadian division of a large global business. We are proud to manufacture in Canada more than half of what we sell across the country. Yet, as a global business we are constantly in competition internally with other markets for strategic investment in our supply chain network. As our city



representatives, it is our collective responsibility to ensure that Toronto remains a competitive destination for businesses, including manufacturers.

As you continue this important dialogue on the City's long-term financial future, please ask yourself – how does the city value its manufacturing industry and its contribution to the greater city economy?

At the July Council meeting, during the debate on conversions, the Chief Planner and others pointed to the need to intensify the manufacturing use of employment lands to provide more jobs and make products for use by Torontonians as well as to generate wealth through exports. Retaining and increasing manufacturing capability is an important revenue generator for the city.

We understand that among the measures under consideration include the future application of development charges; how the Imagination, Manufacturing, Innovation and Technology (IMIT) program might be improved; assessing the impact of a proposed commercial parking levy as well as the implementation of stormwater and administrative charges.

As you consider these measures, I am pleased to share some thoughts on how the City can work collaboratively with the manufacturing sector to keep good paying jobs right here at home.

Toronto is unique among neighbouring jurisdictions in that it does not levy Development Charges for new industrial construction. Not only does this provide a competitive advantage in the region, but it also complements the need to intensify manufacturing. With a surge of vacant office space across the city, there is a growing move toward vertical manufacturing that currently would be subject to development charges. Vacant office space in the city may lend itself well to specialized manufacturing, which according to the staff report, would be subject to development charges. It's important that the City maintain its current policy regarding new industrial construction.

For many years, TIN has requested that water bills reflect the true cost of water being consumed, rather than have non-consumption costs embedded within water bills. This is a common practice in other jurisdictions, is a fair practice, and should be part of the competitiveness package the city offers to large water users.



Some time ago, Toronto Council made the decision to gradually close the gap regarding the tax ratio that was out of step with 905 communities. The gap is closing and compliments the Development Charges and IMIT programs. It is this kind of policy that helps the City maintain and grow industrial investment here.

Having stability and predictability in the policy and regulatory environments of our governments is critical. Dramatic changes in policy without consultation causes uncertainty and mistrust. This really impacts on critical decisions industry make concerning investment in Toronto. The stability of our industrial neighbourhoods is essential for manufacturing in Toronto.

It is important that the city consults with its stakeholders in a meaningful and productive fashion as it shapes its financial future. In your deliberations, we encourage you to involve industry as a partner in consultations that impact all of us. We have a great deal of expertise and experience that we are happy to share. Together, we are all aligned in a common goal, to make Toronto a great place to live and work.