2019 OCC AGM PROPOSED POLICY RESOLUTIONS COMPENDIUM

Preface

This booklet contains the proposed policy resolutions for debate at the Annual General Meeting of the Ontario Chamber of Commerce on May 4, 2019. These resolutions were developed and submitted by our network of chambers of commerce and boards of trade.

Each resolution has been reviewed by the Policy and Advocacy Committee (PAC), a subcommittee of the OCC's Board of Directors, comprised of representatives from both our chamber and corporate memberships

The PAC is mandated to ensure that all resolutions presented on the floor for discussion are:

- Provincial in scope or impact;
- An important matter of principle that requires the OCC to be on the public record;
- Deemed important enough to be on the legislative agenda of the government or be of considerable concern to a majority of members; and
- Not duplicative of any existing resolutions.

During the debate, resolutions will be discussed before voting delegates are asked to **approve, defeat, or refer the resolution to the Board of Directors for further study.**

Policy resolutions do not become official positions of the OCC unless and until they have been approved by a two-thirds vote of the delegates at the AGM after which the resolutions will become part of the Ontario Chamber's advocacy agenda for the next three years.

The resolutions contained within this book are also available on the OCC website at occ.ca

Resolutions Debate Procedures

Prior to debating the proposed resolutions, a motion will be presented to place the entire policy book on the floor (this prevents the need for a motion to adopt each resolution as it comes up).

Resolution Debate

1. The discussion of each resolution will open with the moderator naming the resolution. A representative of the sponsoring group (submitting chamber/board of trade) is entitled to make a brief comment (approximately one minute) to amplify or clarify their resolutions. The sponsor's representative should be waiting at one of the microphones for immediate recognition by the moderator. If the OCC PAC has indicated that they do not support the proposed resolution, a committee representative will be offered an opportunity to comment briefly before the resolution is opened for discussion by all delegates.
2. Although everyone is allowed to participate in the debate, only voting delegates have the right to move or second motions, amendments or other motions to vote.
3. When participating in the debate, attendees must always use the microphones located in the aisles. This not only helps to maintain order, but also for the benefit of others who may be unable to hear the speaker.
4. When at a microphone, wait to be recognized by the moderator and then identify yourself and your organization before you begin your remarks.
5. Due to limited time for policy debates, we encourage all delegates to keep their commentary concise.

6. You are responsible to make your voting decisions in accordance with your beliefs about what is in the best interests of the Ontario Chamber of Commerce policy agenda. Delegates have three possible courses of action for each resolution:
    a. **To adopt it** – with or without amendments – thus making it official OCC policy
    b. **To defeat it**; or
    c. **To refer it to the Board of Directors for further study**. While this third item precludes the item from becoming official policy at the time of the AGM, it does permit the board to act upon it.
7. The policy debate is governed by Robert's Rules of Order. It is OCC policy to require a 50% plus one of the voting delegates to pass any motion or amendment.

Rules for Debate

All Registered Delegates can participate in the debate. Only Accredited Voting Delegates have the right to Move Motions, Second Amendments, and to VOTE.

Accredited Voting Delegate – as per OCC Bylaws - "Organization Members",

1. **Speech Limits in Debate**
    - You may speak twice on any debatable motion
    - Speak for maximum two minutes as per OCC

2. **Who Gets Preference in Recognition to Debate**
    - Sponsor of the motion has one-time preference to speak usually immediately following the motion is stated by moderator
    - Some one who has not yet spoken has preference over anyone who has already spoken
    - Alternate between supporters and opponents - If there has been a speech in favour the next speakers preference (if possible) is given to those taking a contrary position).

3. **Stick to the Subject**
    - Your points must relate to the recommendations and not the background and be relevant - <u>going off on irrelevant topics is not in order</u>.

4. **Debate Issues not Personalities**
    - Speaker should address the moderator this decreases the danger that debate will become personal rules of debate call for certain formalities of speech that may seem unusual to many people, the most important is that in debate you speak as though you are talking to the chair, not directly to other members.

    Example "Jim, that argument you just made is ridiculous".

    <u>Instead you might say,</u> "Mr. Chair, the last speaker's final point doesn't really make sense" thus taking away the personality.

Rules for Amendments

<u>Only Accredited Voting Delegates</u> have the right to Move Motions, Second Amendments and to VOTE.

Amendments should say EXACTLY where in the main motion change is to be made, and precisely what words.

Complete Sentences or Paragraphs – Submit Change in Writing
Robert's Rules deals with this and the norm is to have the mover <u>submit the change in writing for accuracy.</u> This is fair not only to the scribe but also the Delegates.

Simple Word Changes– On or two word Changes
Insert or Add Words, Strike out Words, Strike Out and Insert Words. One word or two changes can be handled from the floor however, as the presenter of the change you need to be precise as to the change

Example
Main Motion is "That the Glen Abby Golf Club establish a division open to members of the Chamber of Commerce".
You want the motion to read "That the Glen Abby Golf Club establish a division open to members of the Chambers of Commerce in Halton Region".
This requires inserting the words "in Halton Region" after the word Commerce

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Improving the Process for Establishing Regulations That Impact Business

Authored by the Burlington Chamber of Commerce

This is a sunsetting resolution.

Issue

New and existing regulations invoked by the Ontario Government that affect business can unintentionally place businesses in jeopardy of survival. This could arise due to failing to consult and consider the implications of a regulation to the operation of a business, it could arise due to conflicting regulations with no clarity on which regulation supersedes, or it could arise from costs being in excess of social or economic benefits to be gained.

Background

There have been instances where poorly developed laws and regulations have meant considerable expense to businesses.

A recent example involves a restaurant caught in the middle of two provincial commissions – Ontario Human Rights and the Ontario Alcohol and Gaming. Ontario Human Rights has determined that a patron has the right to smoke 'medical marijuana' at the doors of the restaurant while Ontario Alcohol and Gaming will revoke the restaurant's license if alcohol is served to an individual known to have used a controlled substance.

In this particular case the restaurant owner incurred thousands of dollars in legal fees in trying to determine what avenues were available to him in the near impossible task of meeting the conflicting requirements of the Commissions. The goal of the business was to prevent the smoking of a controlled substance within the immediate outdoor space of the restaurant while abiding by the alcohol serving rules. Additionally, the taxpayers have to fund the Ontario Rights Commission and the Alcohol & Gaming Commission in them defending their respective regulations while neither have an obligation to assist in finding a solution.

In a situation like this, the cost will fall on the business to try to resolve such a situation. The real shortcoming is in the process for development of legislation.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Move to a regulatory model whereby all proposed legislation and regulations must be supported by a cost-benefit analysis and an analysis on the impact on business.
2. Move to a regulatory model whereby all legislation and regulations must be reviewed for their degree of conflict and integration with existing legislation.
3. Work with the federal government to adopt a standard of regulatory harmonization between the two levels of government.

OCC Policy Committee Position: The committee supports this resolution.

Support Ontario's Steel Industry and its Supply Chain Clusters

Authored by the Hamilton Chamber of Commerce and the Sault Ste. Marie Chamber of Commerce

This is a sunsetting resolution.

Issue

The Ontario steel industry, includes steel producers as well as manufacturing industries within its value chain and geographical clusters and has long been a cornerstone of the provincial economy. Recently, a combination of illegal tariffs, instability in the global market economy, and foreign competition from industries benefiting from unfair economic advantages has led to a sharp decline in their ability to compete globally. The Ontario government needs to focus public policy and investment efforts towards supporting this important industry, clusters and the innovation it creates.

Background

Steel is a versatile material whose local production is essential to supporting local industries, consumer products, building and maintenance of our transportation and physical infrastructure. Ontario is home to more than 70% of Canada's steel production capacity. Our steel industry directly employs 16,000 and indirectly employs about 53,000 Ontarians.[1] Ontario's steel industry thereby has a multiplier of approximately 3.3:1; that is, there are 3.3 jobs outside of the steel industry for every direct job within the industry. Beyond contributing to overall employment, Ontario steel makers contribute to supply chains within the broader manufacturing sector in the province. In particular, steel makers play a crucial role in Ontario's 400-km automotive corridor, with direct impacts on the province's auto assemblers, and over 1,200 auto parts suppliers.[2] Challenges faced by this industry have a notable ripple effect across the province on related SME companies, suppliers, and manufacturers.

The rise of the steel industry was integral part of Canada's development as a world-class economy in the 20th century. From Algoma in Sault Ste Marie to Dofasco and Stelco in Hamilton, Ontario firms especially distinguished themselves as centers of excellence and advancement in new varieties of steel. Steel producers by principle agree to compete against imports on a fair commercial basis but are in global competition against foreign government subsidies, state-owned enterprises, and other forms of support that run counter to the trade rules. The United States announced illegal tariffs of 25% on imports of Canadian steel would take effect on June 1, 2018, under Section 232 of the Trade Expansion Act 1962, suggesting Canadian steel products pose a national security threat to the U.S. In response to the unprecedented tariffs, Canada imposed retaliatory countermeasures on imports of steel from the United States.[3] Market conditions are jeopardized by an ongoing violations of WTO practices, the ineffectiveness of trade remedy laws and lack of full reciprocation within trade treaties.

While the majority of media coverage has focused on the decline of the industry, tariffs, foreign competition and oversupply in the existing market, experts remain optimistic that fundamental forces, which if harnessed, will continue to support the prosperity and global demand for Ontario steel. While

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[1] Ontario Newsroom https://news.ontario.ca/medg/en/2018/04/ontario-supporting-4700-jobs-in-hamiltons-steel-industry.html

[2] Ontario Newsroom https://news.ontario.ca/medg/en/2018/04/ontario-supporting-4700-jobs-in-hamiltons-steel-industry.html

[3] Global Affairs Canada https://international.gc.ca/trade-commerce/controls-controles/steel_alum-acier_alum.aspx?lang=eng

challenges related to international markets remain a federal issue, the province can still play a critical role in:

1. Supporting investments for organizations in new technologies under various funding envelopes;
2. Working with the federal government to negotiate more equitable trade regimes and adjudications processes;
3. Incentivizing the development of a skilled workforce equipped to participate in the transition to advanced manufacturing;
4. Easing goods movement infrastructure bottlenecks, especially near trading hubs;
5. Incentivizing the development and participation of steel industry clusters and value chains.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Taking inspiration from the European Steel Technology Platform, work with the federal government to develop a coordinated steel manufacturing strategy that especially prioritizes investment in trade-enabling infrastructure near major clusters.

2. Explore the legislated and voluntary expansion of procurement tools to include fair and preferential treatment for Canadian steel products where the exported alternative doesn't meet or exceed Canadian and provincial environmental, health and safety regulations and does not allow similar, fair and equal access to their markets for the same product.

3. Given their role as suppliers of high-performance material in the manufacturing supply chain and in flowing down R&D improvements,[4] prioritize allocation of the newly announced Ontario Carbon Trust funds to help energy-intensive businesses like steel industry to invest in low-carbon processes, technology and innovation and other capital investments.[5]

4. Work with the Government of Canada by pursuing diplomatic channels to eliminate the remaining U.S. tariffs on Canadian steel products.

5. Strongly encourage that local suppliers and domestic steel content be used in all provincially and federally funded projects if the materials can be supplied from domestic sources.

OCC Policy Committee Position: The committee supports this resolution.

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[4] Birnbaum, Cohen, Harris and Warrian (2009) Ontario Manufacturing, Supply Chains and Knowledge Networks: A Report to the Toronto Regional Research Alliance (TRRA), Toronto: TRRA October 2009

[5] Government of Ontario https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf

Supporting Ontario to Become a Leader in Global Mining Innovation

Authored by the Greater Sudbury Chamber of Commerce. Co-sponsored by Sault Ste. Marie Chamber of Commerce, Thunder Bay Chamber of Commerce, North Bay Chamber of Commerce, and Huron Chamber of Commerce

This is a sunsetting resolution.

Issue

The current commodity volatility is impacting the competitiveness of Ontario's mining sector. Strategic government investments in areas such as mining research and innovation is needed to stimulate this sector in a challenging economic time and to position the province for success when global mining fortunes begin to turn for the better.

Background

Mining is a competitive advantage for the province.

Ontario's mineral production and related activities contributes $12 billion to Canadian GDP and creates 78,800 jobs.[6] The Ontario Mining Association estimates that there are approximately 900 mining supply and service sector companies in Ontario, that combined to contribute an economic impact of $6.6 billion.[7] The City of Toronto is the mining finance capital of the world, and Ontario's expertise in mineral production, mining supply and services, finance, and innovation are in global demand.

It is essential that the provincial government take active steps, such as investing in innovation to maintain Ontario's competitive advantage and to ensure the mining sector's continued role as an economic driver for the province. In face of a difficult economic environment, innovation and creative ideas are needed more than ever to reduce costs and increase production. Mining innovation allows for the development of new technologies, products, and business processes necessary for Ontario firms to stay competitive. With mines becoming deeper and more remote, research and innovation is increasingly essential to developing new tools and techniques to address these challenges.

Ontario is home to a number of nation-leading mining research and innovation groups and initiatives, including the Centre for Excellence in Mining Innovation (CEMI), the Mining Innovation Rehabilitation and Applied Research Corporation (MIRARCO), the Northern Centre for Advanced Technology (NORCAT), and important mining programs at postsecondary institutions including those offered at the University of Toronto's Lassonde Institute of Mining, Laurentian University's Goodman School of Mines, and Lakehead University's Centre for Excellence in Sustainable Mining and Exploration. The Northern Ontario Mining Supply and Services Association (SAMSSA) also represents the largest concentration of expertise in mining supply/products and services including innovation.

Direct government investment is necessary to leverage the capabilities of these institutions. Although we are encouraged by the 2015 Ontario Mineral Development Strategy which includes innovation objectives, we believe specific and measurable action items are needed to bring this vision into reality. Improved funding flows and ratios as well as a broader vision of innovation will both contribute to

[6] https://www.oma.on.ca/en/ontariomining/EconomicContribution.asp
[7] https://www.oma.on.ca/en/ontariomining/facts_figures.asp

sustaining mining innovation throughout the downturn and enhancing Ontario's mining innovation expertise on the global stage.

The success of mining innovation is impacted by the time it takes for funding to flow and the government-to-industry ratio of funding. In some jurisdictions, proposals can take over a year to be processed and it can take another year before approved funding begins to flow. The time required impacts the momentum of the project as a whole, available talent and resources, as well as the delay in the potential economic impact and adoption. It also impacts the willingness of management within industry to commit to funds. Most managers and business leaders are willing to commit funds for projects that accrue benefits within their "lifetime" in a particular position, generally between 1-3 years. This incentivizes shorter term thinking, unless the commitments are approved at the highest levels.

Generally, Ontario mining companies and the government contribute research and innovation funds on a 1:1 ratio. Matching investments are provided regardless of the type of project. With fewer resources available from industry, this skews investments towards cheaper and lower risk research projects, and away from the innovation and commercialization projects that are necessary to realize productivity gains in the sector. In order to attract funds and partnership from global mining companies, the Government of Ontario needs to consider adjusting its funding ratios and consider options such as increasing ratios to 4:1 or 5:1 to provide incentives to support larger-scale, longer-term, visionary provincial mining innovation projects given that the ventures have a strong business case and a high return on investment. Increasing the relative government-to-industry ratio for innovation and commercialization projects will incentivize greater industry investment in higher risk projects and boost productivity enhancing activity in Ontario during this downturn in the mining cycle. The Ontario Government is also encouraged to work with the federal government to enhance funding ratios in mining innovation to better leverage private sector funds.

Further, for innovation to work, it must be adopted. Mining innovations need to be demonstrated and implemented as workable beyond the theoretical, but also show commercial viability. The lack of commercialization is one of the reasons why so little of the funding for mining research has impacted mine operations. The majority of funding in the province is targeted at research in academia that may not necessarily translate into industry-relevant innovation or commercialization. While university-based research is essential, research in operating mines and with suppliers is equally important. The Research, Demonstration and Implementation (RD+I) approach to focus on practical applications, distinct from academic research, was developed by the Centre for Excellence in Mining Innovation (CEMI) in 2011, and is aimed at addressing this very important issue. Mining service and supply firms also make significant contributions to the commercialization process and their efforts should be supported in an integrated manner. Funding and programming in such areas will further encourage commercialization and industry adoption of important mining innovations.

In face of the current economic environment and competition from jurisdictions with lower wages, operating costs, and less stringent environmental regulations, Ontario has little choice but to innovate. Given the relative strength and coherence of the mining industry, research and innovation organizations and our mining supply and service sector in Ontario, we have a tremendous opportunity to become a global powerhouse in this field – so long as all the factors for success are in place in which mining innovators can thrive. Conventional approaches are failing to deliver new mines at greater depths and in more remote locations; innovation is essential if we are to sustain our strength in mining.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Increase the relative government-to-industry funding ratio for innovation and commercialization projects, and manage funding flows as appropriate based on the size and timeframe of such projects.

2. Provide funding for mining innovation projects that go beyond academic research and incorporate the mining industry, the supply and service industries, and other cross-sector industries to support implementation and commercialization requirements.

OCC Policy Committee Position: The OCC committee supports this resolution.

Addressing Local Labour Market Needs through the Ontario Immigrant Nominee Program

Authored by the Thunder Bay Chamber of Commerce, Co-Sponsored by Greater Sudbury Chamber of Commerce, Timmins Chamber of Commerce, North Bay & District Chamber of Commerce, and Sault Ste. Marie Chamber of Commerce

This is a sunsetting resolution.

Issue

Employers across Ontario, but particularly in small cities of under 200,000 population and rural areas, are experiencing a shortage of qualified employees and a shrinking labour market. This challenge will continue to grow as existing workers retire.

Background

Many employers are already facing a shortage of qualified employees and communities are struggling with a shrinking labour market. According to research by the Ontario Chamber of Commerce, finding someone with proper qualifications is the top challenge for businesses looking to recruit new staff.[8]

One part of the solution to the skills shortage challenge is through progressive immigration policies and processes. The current Ontario Immigrant Nominee Program (OINP) is one area where Ontario's policies put us at a disadvantage in attracting migrants to meet our labour market needs. The list of eligible professions is narrow and does not include many of the professions that are experiencing shortages such as plumbers, chefs, personal support workers, and truck drivers.

To add further challenges, the OINP requires employers to obtain a labour market impact assessment (LMIA) prior to offering a job to a recent migrant. This LMIA uses provincial information in determining whether a job can be offered to an immigrant. Employers in small and rural communities who are unable to attract Canadian citizens from major urban centres are often denied the opportunity to hire an immigrant because the LMIA data shows that sufficient Canadian citizens are available to fill the role but does not consider whether Canadian citizens are willing to relocate to that area.

A third area of concern is that the OINP does not allocate any of its 6,600 nominated spots to support regional immigration. Between 2011 and 2016 more than three-quarters of all immigrants to Ontario (both Federal & OINP) arrived in the Greater Toronto Area. The OINP would be best utilized by supporting the attraction efforts of communities outside of the GTA.

The Manitoba Immigrant Nomination Program demonstrates the efficacy of being flexible. It includes a much broader list of eligible professions, does not require a LMIA, and provides local communities the opportunity to nominate a certain number of migrants to address local labour shortages. This approach has seen positive results. Each year, some 15,000 immigrants arrive in Manitoba. According to provincial data, 90 percent of Manitoba nominees are employed within their first year and over 130,000 Provincial Nominees have landed since 1998 with a 90 percent retention rate.

The expansion of the list of in-demand jobs to include NOC skill level C, the elimination of the need for a labour market impact assessment for small and rural communities, and the allocation of a percentage of

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[8] Ontario Chamber of Commerce. 2017. *Talent in Transition: Addressing the Skills Mismatch in Ontario*. https://occ.ca/wp-content/uploads/Talent-in-Transition.pdf.

nominee spots by region would improve the ability of small and rural communities to address labour shortages through the OINP.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement changes to the Ontario Immigrant Nominee Program by:
    a. expanding the list of eligible professions to include NOC skill level C positions that are in demand in each community;
    b. allocating OINP spots on a regional basis to address labour market needs; and
    c. working with the Federal Government to eliminate the requirement for a labour market impact assessment for OINP participants to be hired in Ontario communities with populations under 200,000.

OCC Policy Committee Position: The committee supports this resolution.

Address the Growing Labour Force Disconnect by Creating a Stronger Business/Commerce Curriculum

Authored by the Greater Kingston Chamber of Commerce and Sarnia Lambton Chamber of Commerce

This is a sunsetting resolution.

Issue

The long-term competitiveness and productivity of the Ontario economy will largely depend on the skill level of our workforce. Financial literacy is in high demand by employers, however, the Government of Ontario has yet to introduce and mandate an essential financial literacy course in the secondary school curriculum to prepare students to make informed business decisions in the workforce.

Background

The new Ontario economy requires businesses to embrace innovation and seize opportunity to remain competitive. Innovation involves investing in technology or modifying the work process to do things more efficiently, requiring less labour for the same output. This can make it difficult for local manufacturing companies to compete with the labour rates of emerging economies. While the core business may remain in Ontario, much of the lower level work will be done abroad.

These trends will cause the new Ontario economy to require relatively fewer employees and more business owners. Many citizens, including people with non-traditional business backgrounds such as the trades, will need to run their own business.

Ontario's future economy will also require residents to be better money managers. Currently, middle- and high-income households are not saving enough for retirement, although most have the tools to do so, as noted by the government's 2014 Budget and Long-Term Report on the Economy.[9] Canadian household debt hit record levels in 2015 with roughly 80% of the population in debt.[10]

Including a mandatory introduction to business and commerce course with financial literacy components as a compulsory credit to obtain the Ontario Secondary School Diploma will provide all high school students with a basic understanding of how to run a business and manage household finances. Key concepts could include how the different forms of debt and investments work and how to construct a business plan and how to create a budget.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create a mandatory grade eleven Introduction to Business and Commerce course from existing business and family economics curriculum and designate it as a compulsory credit to obtain the Ontario Secondary School Diploma.

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[9] Ontario Ministry of Finance. 2014. *Ontario's Long-Term Report on the Economy*. https://www.fin.gov.on.ca/en/economy/ltr/2014/ltr2014.pdf.

[10] Bank of Montreal. 2015. "The Canadian Debt Picture: Home and Auto Buying, Renovations and Education Top List of Household Debt Contributors." https://newsroom.bmo.com/2015-08-12-The-Canadian-Debt-Picture-Home-and-Auto-Buying-Renovations-and-Education-Top-List-of-Household-Debt-Contributors.

2. Dedicate a specific section of the course to financial literacy. This would include but not be limited to personal and family budgeting, the value of credit, mortgages, insurance, debt management, and accountability to pay.

3. Promote in all school districts in the province, the Specialist High Skills Majors (SHSM) program, a ministry-approved specialized program that allows students to focus their learning on a specific economic sector while meeting the requirements to graduate from secondary school.

OCC Policy Committee Position: The OCC committee supports this resolution.

Improve Workforce Competitiveness for Rural Communities and Small Urban Centres by Creating a Flexible Apprenticeship Program

Authored by the Greater Peterborough Chamber of Commerce. Co-Sponsored by: Thunder Bay Chamber of Commerce, Sudbury Chamber of Commerce, Ajax-Pickering Board of Trade, Guelph Chamber of Commerce

This is a sunsetting resolution.

Issue

Rural communities and small urban centers are under great pressure to attract and retain workforce talent. A flexible apprenticeship system is a way to meet that challenge and have a positive impact on Ontario's economic output.

Background

Expanding Ontario's skilled trades labour pool is critical to the continued transformation of Ontario's economy. Skilled trades are fundamental to creating value as a base for economic activity in all businesses in the province. However, some businesses in the skilled trades sector are at a disadvantage because of the reality of limited opportunities in the geographic region in which they operate. Discussion around rural and smaller urban center opportunities vs. larger urban center opportunities in the skilled trades sector has led to a general consensus that the need is simply different in the smaller urban centers and rural communities and the opportunity to take on more apprentices is reflective of a different workload and pace between smaller and larger communities.

In November 2018, the provincial government announced that all ratios for all trades would become 1:1 – one journeyperson to one apprentice. This 1:1 would apply across the board, so that a business with two journeypersons could have two apprentices. This was not the case for many years and our Chamber membership recognizes and welcomes the government's stance as an important step forward to mitigating the skilled trades gap that currently exists.

That said, the reality is that the 1:1 ratio status is not the only solution. The apprenticeship system needs to continue to demonstrate flexibility, particularly for businesses in smaller urban and rural centers. Not only would this flexibility support employers but create more opportunity for the people of Ontario to live and work in their home communities.

In a previous policy resolution (Improve Workforce Competitiveness for Rural Communities and Small Urban Centres by creating a Flexible Apprenticeship Program, 2016), we suggested a pilot program for Ontario that mimics a program in Nova Scotia.

In Nova Scotia, where they have a 1:1 ratio, employers can apply for a ratio increase for the number of apprentices per journeyperson on a per project basis. A form is submitted online and reviewed by the Nova Scotia Apprenticeship Agency (NSAA) based on the following criteria:

- Geographic location of the employer to determine if there is a limited capability to locate and employ journeypersons;
- Steps undertaken by the employer to hire more journeypersons;
- Whether the employer has previously requested ratio adjustments and has been denied such requests;

- Whether previous ratio adjustments were cancelled because of a violation in the terms and/or conditions;
- The availability of senior level apprentices (note: senior level refers to final level apprentices); and
- The attendance of registered apprentices in technical training.

This program has been in place for over a decade and the NSAA says it receives 40-50 requests per year. While the NSAA was unable to provide statistics on the program, they did say that ratio variances are generally approved.[11]

Flexibility in the apprenticeship system is also evident in Alberta, Saskatchewan and Newfoundland where there is a ratio of one journeyperson to two apprentices to reflect demand; and as highlighted in the Tony Dean Review on the Ontario College of Trades, British Columbia has never had mandatory ratios.

As they did in 2016, employers in 2018 continued to identify workforce as the key to success. In the Ontario Chamber of Commerce's 2017 Business Confidence Survey, 77% of employers identified the ability to recruit and retain talent as being critical to their competitiveness.

Between the Dean Review and a Ministry of Advanced Education and Skills Development report in early 2018 on the apprenticeship system, there has been ongoing agreement between stakeholders that change is required.

Currently, apprentices need to rely on journeypersons and employers to help them with their education and training, which in turn helps the apprentice to successfully write their Certificate of Qualification and to become certified in their trade. In smaller urban and rural communities where the pool of employers and journeypersons is much smaller, having a flexible ratio system is critical to workforce development in the skilled trades, and to long term and sustainable economic growth across Ontario.

The proposed pilot project, based on the Nova Scotia model is an opportunity, in the short term, to gather data and assess the need of small and medium-sized employers in different regional and geographic areas of the province.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement a three-year pilot project that would allow small and medium-sized employers in rural communities and small urban centers across Ontario to apply for an apprenticeship ratio increase.
2. Compile and assess the data from the pilot project to inform future programming and policies.

OCC Policy Committee Position: The committee supports this resolution.

[11] Email correspondence with Kim Kennedy, Nova Scotia Apprenticeship Agency received December 16, 2018.

Changes to Alcohol Retail in Ontario Need to Support Local Industry and Jobs in the Wine and Grape Sector

Authored by the Windsor-Essex Regional Chamber of Commerce. Co-sponsored by the Leamington Chamber of Commerce, Prince Edward County Chamber of Commerce, Greater Niagara Chamber of Commerce, and Grimsby Chamber of Commerce.

Issue

As the Ontario government considers new retail for wine in the province it is essential that the government uses this opportunity to ensure Ontario grape growers and wineries are able to grow their businesses, contribute to the provincial and regional economies and create local jobs. Key to ensuring the future growth of the Ontario grape and wine sector is:

- Eliminating the 35% import tax currently imposed on local Ontario wineries;
- Eliminating the 6.1% retail store tax on domestically produced wine;
- Ensure direct delivery of all Ontario wine to new retail opportunities; and,
- Not trading the current retail monopoly for a grocery led oligopoly.

Background

In 2015, the Ontario wine and grape industry contributed $4.4 billion to the Ontario economy, supported 18,000 jobs, hundreds of small family-owned businesses in Ontario communities and attracted over 2.4 million tourists to wine country every year.[12] This in itself accounted for nearly half of Canada's wine and grape industry. An average bottle of Ontario wine sold generates $29.69 of business revenue, $5.23 of tax revenue and $8.71 of wages. For every $1.00 spent on Canadian wine in Ontario, $3.95 in GDP is generated across the province.

In 2015, there were approximately 456 grape growers operating in Ontario with a combined acreage of 18,383 grape-bearing acres. There were also approximately 180 wineries in Ontario that sold over 8.3 million nine-litre equivalent cases of wine. Total winery revenue representing wine sales, wine kit sales and non-wine revenue such as merchandise, events, etc. was $562.9 million.

The wine and grape industry is a key economic driver in Ontario but is especially important to the Niagara, Lake Erie North Shore and Prince Edward County areas. Windsor-Essex County alone has 17 wineries due to its unique maritime climate which allows it to have longer sun hours and greater heat units than any other area in Canada. This unique climate contributes to the production of award-winning wines created from the finest locally grown vinifera and French hybrid wine grapes.[13]

Ontario is already one of the most open wine jurisdictions in the world. At the LCBO, Ontario wines hold only a 24 percent market share. Other wine producing nations around the world dominate their own market. Spain, South Africa, Argentina and Chile each own over 90% of their domestic market. Italy owns over 80%, Australia over 75%, the USA over 60% and even Russia is at 50% ownership of their own market. Major wine producing countries such as Spain, Italy, France, America and Australia provide hundreds of millions of dollars in subsidies particularly for marketing abroad. These subsidies are often directed by the foreign wineries at maintaining and growing market share in Canada and Ontario.

[12] https://wgao.ca/economic-impact/

[13] https://www.epicwineries.com/wineries/

Alongside limited market share, Ontario wineries pay the 35% import tax that is also levied against foreign wineries. The elimination of this tax would allow Ontario wineries and grape growers to create more jobs in rural Ontario, keep protecting the Greenbelt and continuously invest in the Ontario economy.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Eliminate the Import Tax on Domestic Wines: Ontario wineries currently pay a 35% import tax through the LCBO markup structure. Ontario wineries are seeking a 35% permanent tax credit that is predictable.

2. Allow Direct Delivery to retail stores: Provide Ontario wineries the ability to deliver directly to any new retail store channel similar to US wineries. It is the best way to ensure a fair and reasonable margin on wine sales in new retail channels.

3. Eliminate the Retail Store Tax: No other Ontario business has a 6.1% tax on top of the other sales taxes the government collects. Reduce the Retail Store Tax by 6.1%.

4. Prevent Private Oligopolies from Arising: Ensure market is accessible to retailers of all sizes, including independent licenses for specialty wine shops i.e. a license enabling independent stores with no chains or ability to consolidate.

5. Work with other provinces to enable Ontario wineries to better serve their customers. Enable cross border shipping so Ontario wineries can ship purchased products home to customers in provinces including Quebec, Saskatchewan and Alberta.

OCC Policy Committee Position: The submitting chamber amended the resolution based on suggestions made by the Policy Committee. The committee supports the resolution as amended.

Ensuring Access to Export Markets for SMEs

Authored by the Richmond Hill Board of Trade

Issue

Ontario SME Export Businesses lack affordable access to insurance products to allow them to compete outside of Canada.

Background

In order to do business on the World Stage in general, and in particular, in the European Union and United States, business must carry sufficient insurance products to be able to even come to the table to qualify to sell their products. This situation exists particularly in large corporations and purchasing blocks with Vendor Management Organizations that rapidly exclude Ontario Startup in sectors including technology and financial technology.

Typical insurance requirements are, as separate items[14]:

- Commercial Blanket Bond for Deliverables - US$25Million
- Technology Errors and Omissions Insurance – US$10Million[15]
- Media Errors and Omissions Insurance – US$10Million
- Privacy and Network Security Insurance - US$10Million
- Commercial General Liability Insurance - US$2Million (this is available)

The authors, as an exercise, attempted to obtain the above insurance in 2017, were quoted US$1Million per year.

Without these insurance products, at affordable levels, any investment in SME technology companies that expect to export their products will face undue hardships and must resort to indirect sales through local agents, that directly impacts companies' bottom lines, and puts their viability and growth at risk.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with the Insurance Industry to come up with affordable and available products that allow Ontario SME businesses to export and compete outside of Ontario and Canada.

OCC Policy Committee Position: The committee supports this resolution.

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[14] Typical VMO survey done in 2017 by member to Large US Bank (names cannot be disclosed).

[15] This level of insurance is not available in Ontario based on communication with major local insurance companies.

Fair Business Practices to Ensure Ontario Stays Competitive
Authored by the London Chamber of Commerce

Issue
In a time when the political climate is becoming increasingly polarized, it is important that private companies engaging with government know where they stand. Governments change through the political will of the people and when that change occurs, it is imperative that businesses partnering with the government are treated fairly.

Background
While changing circumstances or political climate may necessitate the cancellation or modification of policy or regulations that impact the government's contractual commitments, every effort must first be made to understand and respect the impact of such changes on Ontario's businesses and the economy.

To the extent that affected parties to a contract are not treated fairly and in accordance with corporate and commercial law and the terms of their contract, this failure will have ongoing negative consequences for future government procurement. Future bidding entities will exit the Ontario marketplace and diminish the competitiveness of the remaining players, and those remaining will build this kind of political risk into the pricing of their product or service.

We live in a world where attracting talent and business opportunities is becoming increasingly competitive between jurisdictions and it is important Ontario be viewed as a province that supports business. The impact on the Venezuelan economy arising from politics taking advantage of the business community demonstrates the risks that Ontario runs when cancelling contracts without adequate compensation. Since 2007 oil production in Venezuela has been on a steep decline, despite oil prices that were regularly above $100/bbl. In 2015 Venezuela's oil production had fallen to 2.6 million BPD, a decrease of more than 20% below 2006 levels. By comparison, the U.S. oil production has risen by 86% during the same period. In 2007 Venezuela demanded changes to the agreements made by the international oil companies like ExxonMobil, BP, Chevron, Total and ConocoPhillips that would give the government majority control of the projects. Total, Chevron, Statoil and BP agreed and retained minority interests in their Venezuelan projects. ExxonMobil and ConocoPhillips refused, and as a result, their assets were expropriated. The result of stripping the rewards from the industry without fair compensation was to stifle future investment and this should serve as a warning.

Cancelling contracts and not honouring agreements can lead to the voting public losing faith that they will be treated fairly when the political winds of another special interest group conflict with their own interest.

The large international companies may be able to withstand the impacts of political changes; however, this may not be the case for small entrepreneurs. During the start up phase of a new business many entrepreneurs are betting their personal savings on the success of the contracts they enter into with government and others. Knowing that the government has a track record of cancelling contracts without sufficiently compensating the individuals involved will increase the perceived risk and lead to less entrepreneurial activities developing through interaction with the government.

We understand and respect the enthusiasm with which the new Ontario Government has moved to attempt to correct many of the ill-conceived energy programs that they inherited from their predecessors. However, in doing so, the Government must exercise every caution to ensure that their actions, although laudable in their intent, do not inadvertently cause more harm than good.

In 2018, the Ontario government proceeded to direct the Independent Electricity System Operator (IESO) to cancel 758 renewable energy contracts in the Province. Large Renewable Power contracts cancelled include hydroelectric, solar and wind projects. Feed-In-Tariff (FIT) contracts cancelled included solar, biomass, biogas and hydroelectric projects. Most cancelled projects had not yet received their notices to proceed from the IESO.

In a separate move, the Province enacted the White Pines Cancellation Act (Act), cancelling the Project's FIT Contract and regulatory approval, and required White Pines to decommission the project, after major equipment had been ordered and construction had begun. The Act does include provisions for some cost recovery for expenses incurred in the development and decommissioning of the Project; however, it does not compensate for any lost revenues.

It is unclear what, if any, compensation will be made available to other developers.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Create policies to reasonably compensate parties for cancelled contracts ideally including a formula that takes into account the opportunity cost of the investments made by developers;

2. Disclose the cost (or an estimate thereof) of cancelling a project to the public when such a cancellation occurs;

3. Designate and empower by statute the Auditor General for Ontario to review contract cancellation costs incurred and to provide an independent analysis of the actual costs versus benefits achieved by governments as a result of a contract cancellation;

4. Upon entering contracts where more than half of the contract is to be performed during a new government include terms of possible cancellation; and,

5. Where possible enter contracts in phases with terms coincidental to the political election cycle.

OCC Policy Committee Position: The committee supports this resolution.

Keeping Ontario's Small Business Support Services Strong

Authored by the Vaughan Chamber of Commerce and Newmarket Chamber of Commerce and co-sponsored by the Timmins Chamber of Commerce.

Issue

Ontario's small businesses and entrepreneurs rely on the hands-on training and support they receive from the Province's Small Business Enterprise Centres (SBEC) to start and grow their business. Many of these businesses go on to become important members of Ontario's chambers of commerce and boards of trade. The future of this network, funded by the Province of Ontario's Ministry of Economic Development, Job Creation and Trade (MEDJCT) and host municipalities, is crucial for the success of communities across Ontario. This network requires long term, sustained resources.

Background

Ontario's 47 SBECs are in every corner of the Province. They provide business advisory services like consultation and seminars, along with Province of Ontario programming, to locals interested in starting and growing a business. Their local expertise has made the difference for countless Ontario businesses.

Ontario's SBECs have been the Province's primary resource for main street businesses and entrepreneurs since the 1990s. Small businesses represent 98% of Ontario business. To the more than 400,000 small enterprises employing fewer than 100 people in Ontario, SBECs offer:

- free consultations with a qualified business consultant
- access to business research
- review of business plans
- referrals to local support resources like chambers of commerce
- workshops and seminars
- guidance on licenses, permits, registration, regulations and other documents you need to start a business
- import and export information
- information on patents, copyright and trademarks
- mentoring and networking opportunities

Over the most recent fiscal year, April 2017 to March 2018, SBECs responded to over 198,000 individual public inquiries and helped over 8,300 businesses start or grow, leading to the direct creation of almost 9,500 jobs. This is the result of support delivered in over 27,000 one-on-one business consultations. Furthermore, SBECs referred nearly 1,400 growing businesses to chambers of commerce to help those entrepreneurs on their journey.[16]

The chambers of commerce in Ontario would like to express their support for SBECs as important local partners in business development. Ontario's small businesses and entrepreneurs would greatly benefit from the SBEC network's continued work, backed by long term support from the Province of Ontario.

[16] Ministry of Economic Development, Job Creation and Trade, *Enterprise Centre Reporting*, (April 1, 2017 – March 31, 2018).

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement dedicated long-term and stable funding through the Ministry of Economic Development, Job Creation and Trade for Ontario’s Small Business Enterprise Centres (SBECs), recognizing that they have been important resources for Ontarians as they start and grow businesses since the late 1990s.

OCC Policy Committee Position: The committee supports this resolution.

Reducing Permitting Delays in Mining Exploration

Authored by the Timmins Chamber of Commerce. Co-sponsored by the Greater Sudbury Chamber of Commerce, North Bay District Chamber of Commerce, Huron Chamber of Commerce, and the Sault Ste. Marie Chamber of Commerce.

Issue

Given their importance to the economy, and fluctuations in metal markets, it is crucial for mining exploration projects to receive permits in a timely fashion. It is therefore increasingly problematic that Ontario routinely fails to provide these permits within a reasonable timeframe.

Background

Valued at nearly $10 billion in 2017[17], Ontario's mineral production is essential to its overall economic success. However, this success story is the result of ongoing, diligent efforts by junior firms and major companies alike to conduct exploration, which carries significant risk: the process of developing a single mine can often require 500-1,000 grassroots exploration projects.[18] Given their importance to the economy, and fluctuations in metal markets, it is crucial for mining exploration projects to receive permits in a timely fashion. It is therefore increasingly problematic that Ontario routinely fails to provide these permits within a reasonable timeframe.

Frustrations related to this issue have been widely and increasingly shared in the media in recent years, as growing numbers of mining exploration firms have publicly aired their concerns that delays were extending to such a duration that projects become less economically viable[19]; this punishes existing investors while providing less confidence to prospective investors.

This issue is not purely anecdotal: Permit Times for Mining Exploration in 2017 specifically finds that investors are losing confidence in the mineral exploration permit process in many Canadian provinces—including British Columbia, Ontario and Quebec—which has grown longer over the past 10 years and less transparent.[20] In fact, the report indicated that exploration companies routinely experienced longer waiting times for permits than in competing provinces, and that Ontario "also offered less transparency and certainty throughout the permitting process."

This also impacts perception of industry participants regarding Ontario's friendliness as a mining jurisdiction: nearly 40 percent of mining-sector representatives who participated in the Fraser Institute report indicated they expected to wait in excess of six months for the required exploration permits, with 7 per cent anticipating the process would take in excess of two years. In turn, this affects firms' certainty of receiving their permits; without that confidence, firms are less likely to invest. Notably, 20 percent of mining firms have "no confidence" of receiving their required permits, according to the Fraser Institute.

Moreover, 43 percent also felt that the lack of transparency in Ontario's permitting process served as either a mild or strong deterrent to investment.

Similar concerns apply to the delays surrounding environmental assessments, which have had a considerable impact on numerous projects throughout the province. The most visible example of this

[17] https://www.oma.on.ca/en/ontariomining/facts_figures.asp
[18] Roderick Eggert, "Mineral Exploration and Development: Risk and Reward", 2010
[19] http://www.miningmarkets.ca/news/ontario-permitting-delays-irk-northern-graphite/
[20] https://www.fraserinstitute.org/sites/default/files/permit-times-for-mining-exploration-2017.pdf

issue has been within the so-called Ring of Fire, a multi-mineral deposit in the James Bay Lowlands whose potential value is estimated at $60 billion by the Ontario Chamber of Commerce.[21] However, progress has been very slow on numerous fronts for many of the exploration firms active in the region, in part due to the many ongoing delays in the environmental assessment process.[22]

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Dedicate sufficient resources to streamline and improve the process for reviewing and approving exploration permits and environmental assessments; and

2. Work with the federal government to address the duplication of regulatory requirements and processes required for mining exploration, including environmental assessments.

OCC Policy Committee Position: The committee supports this resolution.

[21] Jed Chong, "Resource Development in Canada: A Case Study on the Ring of Fire"; Parliament of Canada, 2014
[22] Liam McGuinty, "Where are we now? A Report Card on the Ring of Fire"; Ontario Chamber of Commerce, 2015

Support for free market opportunities to address high electricity prices

Authored by the Ottawa Board of Trade

Issue

Electricity prices in Ontario are the highest in the country, undercutting the competitiveness of businesses in the province and reducing the attractiveness of the province as a destination for investment. It is the responsibility of the Government of Ontario to explore opportunities for businesses and residents to obtain relief from these pressures.

Background

Between 2008 and 2015, due to a myriad of factors, electricity prices in Ontario rose by 71%, outpacing the growth of Ontario's economy by a factor greater than four.[23] Its impact on businesses has been well-documented by this chamber. This resolution will attempt to provide a constructive free-market solution to this challenge – virtual net metering.

Virtual net metering is a billing arrangement which allows multiple homeowners or businesses to participate in the same net metered electricity generation system and share the output from a single facility that is not physically connected to their property (or their meter). Under this arrangement, the electricity generated from a single project creates bill credits which can be used by one or more participating customers to account for a portion of their total electricity needs.

The supplier is partnered with the local utility to ensure the monthly energy (kWh) produced by the project is netted off of the participants' electricity bill proportionally based on their level of ownership in the project. As many of these projects deploy electricity generation that produces power at peak-demand times, this will allow subscribers to take advantage of the 'peaking' nature of the 'time-of-use' period, which will significantly reduce their electricity bills.

The move to deregulate the electricity grid in Ontario was the correct one, but the province has yet to truly harness the potential of the free market opportunities that will provide businesses in Ontario with the open, fair, and competitive electricity options that will enable lower prices and long-term resiliency of the grid.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Commit to continue with Time-of-Use pricing and investigate opportunities to enable ratepayers in the province to enter in to virtual net metering arrangement under a time-of-use/production pricing scheme.

2. Amend O Reg 541/05 (the Net Metering Regulation) to allow for virtual net metering.

OCC Policy Committee Position: The committee supports this resolution.

[23] Jackson, Taylor, et. al., *Evaluating Electricity Price Growth in Ontario*. The Fraser Institute, 2017

Auto Insurance Reform: Making Premiums Affordable
Authored by the Brampton Board of Trade

Issue
Auto insurance premiums rise as accidents decline.

Background
Auto insurance rates continue to climb while the rate of auto accidents continue to fall. In Ontario, auto insurance is mandatory and is provided by the private sector. The overall goal of insurance companies is to provide a good auto insurance product to the customer – at a competitive price- that allows for adequate indemnification in the event of an accident. Yet the insurance companies need to be profitable. In order to maintain their profit levels they have continually raised rates over the last few years to cover the rising cost of claims.

The cost of claims continues to be the driving factor for the increasing rates. The technology now used in most vehicles has proven costly to replace and repair while, at the same time, the cost of auto insurance fraud in Ontario was estimated to be up to $1.6 billion annually.[24] Furthermore, according to a review conducted by David Marshall for the Government of Ontario, a third of the insurance premium benefits do not even go to the customers as indemnification or for treatment.[25]

A crisis has developed and the need to make a change is urgent. Customers can't afford the higher premiums, while insurance companies can't afford the higher pay outs. It's a vicious cycle and something has to give.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Simplify the accident benefit and tort systems to ensure that these systems are accessible without legal representation except in the most complicated cases. Claimants should receive maximum amount of benefits while reducing the cost of administrative fees.

2. Conduct a review of the present auto insurance product and make meaningful changes that will fairly indemnify individuals for their loss and keep the product affordable.

3. Continue initiatives that assist the insurance industry in fighting fraud.

OCC Policy Committee Position: The committee supports this resolution.

[24] Liam McFarlane. 2012. *Ontario Automobile Insurance Anti-Fraud Task Force: Preliminary Review of KPMG Forensic Report Dated June 13, 2012.* Ernst & Young LLP. https://www.fin.gov.on.ca/en/autoinsurance/forensic-ey.pdf.
[25] David Marshall. 2017. *Fair Benefits Fairly Delivered: A Review of the Auto Insurance System in Ontario*. https://www.fin.gov.on.ca/en/autoinsurance/fair-benefits.html.

Elimination of Industrial Development Charges

Authored by the Greater Barrie Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Orillia Chamber of Commerce, Oro-Medonte Chamber of Commerce

Issue

Development charges add additional and unnecessary costs to new industrial building construction. This puts Ontario businesses at a competitive disadvantage.

Background

Development charges are usually collected by municipalities at the time of building permit issuance. They are typically set at different amounts for commercial, industrial and residential property classes and are intended to assist municipalities pay for infrastructure and services associated with each property class. In the case of industrial development charges, they are either a pass-through cost to tenants in the form of increased rents or paid directly by business owners. Many other jurisdictions in North America either do not have industrial development charges or they are negligible.

Industrial development charges do not consider the economic benefits that municipalities enjoy from industrial development. Effectively they are an industrial business tax that directly affects operating costs for new and expanding businesses and indirectly affects operating costs for existing industrial businesses.

Many industrial businesses require newly constructed space because old industrial stock does not have the required attributes such as AODA compliance, ceiling height, energy efficiency and access to transit infrastructure. Industrial development charges distort the industrial real estate market in an unintended and harmful way. Directly, they drive up development costs for industrial buildings creating a cost barrier to new industrial construction. This means fewer industrial buildings are constructed and results in decreased availability of industrial space in the marketplace. Indirectly, they drive up rent costs in existing industrial buildings due to this lower availability of industrial space. These factors not only negatively affect new or expanding industrial business seeking new premises but also existing industrial businesses that lease premises because rent charges are typically adjusted to market rates at regular intervals during the term of an industrial tenancy.

The net effect of industrial development charges is that all industrial businesses bear increased costs to operate in Ontario because they must pay more rent.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Exempt all industrial development from all development charges under the Development Charges Act to strengthen Ontario's competitiveness in the industrial sector.

OCC Policy Committee Position: The committee does not support this resolution due to concerns about the impact it would have on the fiscal capacity of municipalities.

Getting Ontario Back to Fiscal Balance
Authored by the London Chamber of Commerce. Co-sponsored by the Tillsonburg District Chamber of Commerce.

Issue
Ontario's debt continues to grow and is expected to reach $347 billion in 2018-19. The Province has reported deficits in 24 of the last 29 years resulting in Ontario becoming the most indebted sub-nation in the world.[26] The public debt burden becomes even more sizeable once Ontario's portion of the federal debt is factored in, an estimated $300 billion out of a total of $779 billion.[27] Interest on the provincial debt is expected to reach $12.5 billion in the current year making it the fourth largest line item on the government's expense statement. With interest rates forecasted to continue an upward trajectory, the cost to service the debt will only increase, thereby diverting funds from essential services such as housing, education, and healthcare. The provincial government's economic and fiscal review released in November 2018 indicates that the government is keenly aware of the dire situation that Ontario faces fiscally, and it has taken strong steps to tackle out of control spending. It fails, however, to include a concrete plan to tackle the debt and provide a timeline of when the government expects to bring the province back to fiscal balance.

Background
While running deficits in years of sluggish growth or during recessionary periods is considered a reasonable fiscal approach, Ontario's economy has been growing at rates of about 3%+ over the past few years. Although growth rates are forecasted to decrease below 2% over the short term, and well below the levels experienced before the Great Recession of 2008-2009, this only means that Ontario will have to do more with less. The size of Ontario's debt during 2009-10 was $194 billion or about 32% of GDP.[28] Since then, $153 billion more was added reaching a net Debt-to-GDP ratio of almost 41%. This unprecedented level of borrowing took place during a period of positive economic growth, albeit not one as booming as the years prior to the Great Recession. Lower rates of growth have widely been accepted as the new norm in the new economy, but government spending has not adjusted accordingly.

In a recent update released by the IMF in December 2018, the organization warns that another global recession is just around the corner and governments around the world are ill prepared to deal with another downturn. BlackRock, the world's largest money management firm puts the chances of another recession happening in 2021 at 54%.[29] Ontario's current financial position has prompted Moody's to recently downgrade the province's credit rating from Aa3 to Aa2,[30] therefore compromising the province's ability to raise funds in case of a severe downturn.

The Chamber applauds the government's recent efforts to bring accountability back to the province's finances and we're encouraged to see that some of the Chamber's recommendations are being implemented. The Chamber has long advocated for governments to apply more rigour to regularly

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[26] Ontario's Economic And Fiscal Outlook Fall 2018
[27] Fraser Institute, Livio Do Matteo, https://www.fraserinstitute.org/article/the-trudeau-and-ford-governments-two-fiscal-statements-one-debt-problem
[28] Fraser Institute, https://www.fraserinstitute.org/article/brief-history-of-ontario-public-debt
[29] CBC News, Jonathon Gatehouse, The National, http://www.cbc.ca/amp/1.4939070
[30] Financial Post, https://business.financialpost.com/news/economy/moodys-downgrades-ontarios-credit-rating-from-aa3-to-aa2-citing-deficit

mandated program reviews across all ministries and departments. The Auditor General's office has also been tirelessly working to untangle the complexity of various government mandated programs, and to bring transparency to the government's often opaque process of reporting. We are pleased that the government is taking the Auditor General's recommendations to task in its efforts to uncover waste and irregularities.

Current levels of debt and deficit within the province are a threat to Ontario's economic prosperity. With the millennial generation being more mobile than any generation prior to it, Ontario runs the risk of losing much of its top talent if it cannot sustain a reasonably high standard of living. Furthermore, business in Ontario will find it increasingly difficult to attract new talent from other provinces and countries as the provincial debt makes Ontario less and less competitive.

The recent findings that the current deficit had been understated by $8 billion as a result of the government's borrowing to reduce hydro bills, begs the question of what else might be underreported and what the true size of the deficit is. Furthermore, the current environment of rising interest rates will only make servicing the debt more expensive. And, Canada's shrinking demographic of working age Canadians means that the debt burden will fall on fewer shoulders now, and in the future.

It is, therefore, critical that the government act to immediately put in place a concrete plan that addresses the current deficit, brings the province's finances back to balance, and works towards reducing the provincial debt.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Implement an action plan that sets targets to reduce the debt-to-GDP ratio to a minimum of 30% over the next five years. Although it may seem a lofty goal, we believe the seriousness of Ontario's debt/deficit situation warrants it, and even if the government fails to meet the 30% target, they will ultimately be better served by reaching for a more ambitious goal than for a vague measure of success.

2. While the government has made some progress in this area, we urge that they continue the review of government funded programs, and measure the spending of public dollars against value-added metrics, and/or return on investment.

3. Build upon the progress that has been made to date by continuing to review the Province's handling of surplus properties. Ontario is the second largest property owner in the country, behind only the federal government. According to the Auditor General of Ontario the province owns 4,838 buildings of which 812 are vacant costing the province about $19 million a year to maintain. During the five year period ending in 2016/17 the government sold properties worth $229 million.[31] However, the process of selling surplus properties is slow and behind schedule.

[31] Office of the Auditor General of Ontario, 2017 Annual Report http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_311en17.pdf

a) Funds generated from the sale of assets should go directly toward paying down the debt.
b) Revenues generated from repurposing assets should be invested to enhance other economic activities.

4. Expand Alternative Service Delivery (ASD) in areas of government where service quality can be improved. By opening up service delivery to the private and not-for-profit sectors, ASD models take advantage of market incentives to enhance productivity, achieve greater efficiencies, and harness new technology.

OCC Policy Committee Position: The committee did not reach a consensus. Though supportive of the spirit of the resolution, several members are concerned that the 30% debt-to-ratio target is unworkable.

Encouraging Municipal Government Collaboration to Address Transit Needs and Gaps

Authored by the Halton Hills Chamber of Commerce. Co-sponsored by Milton Chamber of Commerce

Issue

The lack of adequate or any transit options in small and rural communities impacts business competitiveness and the mobility of residents. Greater collaboration between adjacent municipalities with and without adequate transit solutions could help address transit gaps by extending or building on existing transit systems.

Background

Public transit in small towns and rural communities is often either insufficient or non-existent. Limited mobility negatively impacts business productivity by hindering its talent pool and potential for growth. Limited and/or insufficient transit puts communities at a disadvantage when it comes to attracting and retaining industry and investment. Access to affordable, public transit would allow local businesses to remain competitive, and residents to maintain independence with access to healthcare providers, employment and community hubs.

For example, Toronto Premium Outlets, located in Halton Hills, is a very popular shopping destination, attracting tourists from around the world. Located directly off of Highway 401, they employ over 900 full-time workers. During peak seasons, Toronto Premium Outlets employs over 2000 workers, the majority of which reside in the neighbouring municipalities of Brampton, Milton and Mississauga. At any given time, as many as 50% of all employees at the mall are part-time workers, many of whom are students. Transit from both Brampton and Milton terminate approximately five kilometers from Toronto Premium Outlets. Consequently, workers must drive to work, be dropped off, take a taxi or a ride hailing service like Uber, which is costly and contributes to congestion on the 401, Steeles Avenue, and the Trafalgar Road.

Since it is not feasible for every municipality, especially more rural and/or remote communities to invest in community-wide public transit nor for the province to directly subsidize every municipality's transit needs, the Government of Ontario is encouraged to put in place the necessary policies, infrastructure and/or funding to make it feasible for neighbouring municipalities to develop and implement innovative solutions that address transit challenges and gaps that exist across municipal boundaries.

Encouraging or building on existing cross-municipal collaboration adjacent municipalities may opt to extend existing transit systems to service a wider geographic region, specifically into regions that lack transit options and service key employment zones. Addressing cross-municipal transit needs has spillover benefits for surrounding municipalities and economies as workers, commuters, and residents of both, can travel more seamlessly between regions and be significantly better connected.

Municipal government collaboration on current transit gaps in regions lacking transit options, would address the last-mile problem facing residents and commuters, and provide a more cost-effective alternative to owning a personal vehicle.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Put in place the necessary policies to encourage and streamline transit project collaborations between municipalities and regions. Example: Work with insurance companies to understand and support extensions of transit service into adjacent municipalities.

2. Put in place the necessary infrastructure and/or funding that make it feasible for municipalities and/or regions to identify transit gaps and build on or extend existing transit service across municipal boundaries into adjacent municipalities that lack adequate transit options.

3. Urge the federal government to invest in multi-municipalities or regional transportation plans.

4. Expand the Community Transportation Grant Program (announced January 25, 2019) to encourage and specifically support this kind of municipal collaboration.

OCC Policy Committee Position: The submitting chamber amended the resolution based on suggestions made by the Policy Committee. The committee supports the resolution as amended.

Enhancing Highway Connectivity

Authored by the Greater Barrie Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Orillia Chamber of Commerce, Oro-Medonte Chamber of Commerce, Whitby Chamber of Commerce

Issue

Connecting Highways 400 and 404 is critical to supporting economic development in Ontario.

Background

Highways 400 and 404 serve as backbones of Ontario's economy, together carrying all North/South traffic across the province.

The current lack of connectivity between these two highways is limiting Ontario's economic productivity. Whenever there is an accident that closes down the 400, all North/South movement of goods and people is disrupted for several hours.[32]

Congestion along Highway 400 is likely to increase considerably by 2041 as Simcoe and York regions experience explosive population and employment growth.[33] Appropriate transportation infrastructure is needed to support regional economic growth.

The Highway 400-404 Connecting Link is a proposed 16.2 kilometre, four-lane highway extension.[34] The project would result in a significant economic impact through reduced traffic congestion, more efficient transport of goods and services, faster access to airports, back-up options for emergency shut downs, and new employment and investment opportunities.

The reduction in delay costs associated with accidents alone would be significant, with each hour of delay costing an estimated $25 per car and hundreds of accidents occurring along the 400 each year.[35]

The Connecting Link has passed Ontario's Environmental Assessment process. Prioritizing its completion is fundamental to Ontario's economic development.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Complete the extension of Highway 404 to intersect with Highway 400 in Simcoe County by 2022.

OCC Policy Committee Position: The committee supports this resolution.

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[32] Freeman, J., 2017, "Frustrated drivers trapped for hours after Hwy. 400 shut down for chemical spill," https://www.cp24.com/news/frustrated-drivers-trapped-for-hours-after-hwy-400-shut-down-for-chemical-spill-1.3511876.

[33] "Highway 400-404 Connecting Link," http://www.eastgwillimbury.ca/Government/Highway_400-404_Connecting_Link.htm.

[34] Ibid.

[35] Huen, K., Tighe, S., and McCabe, B, 2005, "Incorporating User Delay Cost in Project Selection: A Canadian Case Study," http://www.civil.uwaterloo.ca/cpatt/AISIM/PAPERS/Paper%20-%20Huen,%20Ken.pdf.

Improve Ontario's Transportation System with Better Quality Roadways
Authored by the Sarnia Lambton Chamber of Commerce

Issue
Premature and repetitive road maintenance creates traffic congestion, increased truck fleet maintenance and repair costs, as well as increased carbon emissions. By improving and enforcing standards for quality asphalt, these economic and environmental costs can be reduced.

Background
According to the 2016 Annual Report of the Office of the Auditor General of Ontario, an audit conducted by the Ministry of Transportation in 2000 found "significant problems throughout the province with pavement cracking years before it was expected to, resulting in increased cost to taxpayers for highways having to be repaired or repaved sooner than expected, and increased inconveniences and time lost for drivers due to more frequent road work."[36] Poor quality asphalt that cannot withstand Ontario's winter conditions was found to be the cause. Since 2007, the Ministry has "in essence, allowed the Ministry's suppliers to determine the quality of materials that they would supply, even though premature cracking would result in additional revenue for the industry as a whole and incur additional costs for taxpayers."[37]

As noted by the Auditor General, poor-quality asphalt contributes to additional costs to taxpayers. Repairing cracked pavements alone has almost tripled the Ministry of Transportation's budget since 2007 from $45 million to $125 million per year. Damaged asphalt costs the transportation industry as well. It can cause increased roll resistance, adding to fuel costs, and premature deterioration of vehicles, which increases repair and maintenance costs. Traffic congestion is worsened due to continuous road repairs and resulting traffic delays, which impacts the ability and increases cost of companies offering "Just in Time Delivery". Overall highway safety and efficiency is degraded.

Higher asphalt standards and quality testing are needed. The Ministry of Transportation plans and budgets for paving of highways every 15 to 20 years, but the Auditor General reports there are numerous instances of Ontario highways being replaced in five to eight years and premature cracks being found as early in the first year. This was tracked by Ministry staff in its Central Region, however typically the Ministry does not measure the performance of asphalt. Its Pavement Condition Index measures only current conditions, not how often it cracks or is in need of repair. Since 2007, the Extended Aging test was recommended for implementation, but only started being phased in in 2015, giving the construction industry time to adapt.

The Government of Ontario could save money, improve highway safety, reduce congestion and support transportation efficiency by establishing and enforcing minimum asphalt standards and measuring asphalt performance.

[36] 2016 Annual Report of the Office of the Auditor General of Ontario, Chapters 3 and 4. http://www.auditor.on.ca/en/content/annualreports/arreports/en16/v1_310en16.pdf.
[37] Ibid.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Encourage the Ministry of Transport to work with the transport industry to improve the quality of roadways in Ontario.
2. Improve and enforce minimum asphalt standards for all paving contracts taking into consideration the impacts of weather conditions for each region.
3. Work with industry to review and update the Pavement Condition Index to include lifetime performance metrics.

OCC Policy Committee Position: The committee supports this resolution.

Investing in Northern Ontario's Highway Infrastructure
Authored by the Greater Sudbury Chamber of Commerce, Co-sponsored by Sault Ste. Marie Chamber of Commerce, Brantford Brant Chamber of Commerce, and Greater Barrie Chamber of Commerce

Issue
Northern Ontario suffers from an infrastructure deficit. Continuing investment to complete the four-laning of Highway 69 (Highway 400 North) should be the first step to rectifying a critical infrastructure shortage that has limited Ontario's economic potential, ability to attract and retain workers, and connectivity both within the province and across Canada.

Background
Highway 69 is the main connective road between Northern and Southern Ontario. It connects Highway 400 North with the City of Greater Sudbury (the largest municipality in Northern Ontario), where it meets Highway 17 West headed toward Sault Ste. Marie and further on to Western Canada. It acts as the funnel for Southern Ontario people, businesses, and tourists heading North and vice versa. Moreover, it is an integral link in the Trans-Canada Highway, connecting the Greater Toronto Area and Northern Ontario to Western Canada.

Despite its importance, the Highway still suffers from a lack of necessary investment to realize its full economic potential. The Highway, between Highway 559 north of Parry Sound to Highway 607 south of Sudbury, is an 81 km stretch of narrow, hilly, winding two-lane road that offers little maneuverability. In recent years, work commenced on the four-laning of a 14 km stretch of Highway 69 from Highway 607 to Highway 522, and it is expected to be completed by 2020. Plans to expand Highway 69 were originally announced in 1991, however, since that point, the project has been paused, modified and forgotten by successive provincial governments.

The provincial government should commit to completing the four-laning of Highway 69 to:

- first and foremost, unlock Ontario's economic potential;
- reduce highway closures due to accidents (often with fatalities) and inclement weather;
- help businesses who depend on this highway get their goods to market;
- improve Ontario's inter- and intra-provincial connectivity; and
- reverse Northern Ontario's declining population trends.

Unlocking Ontario's Economic Potential:

Investment in highway infrastructure has long been recognized as a viable method of creating good-paying, middle class jobs. Investing in Northern Ontario's highway infrastructure would create well-paying jobs that would contribute not just to local communities, but to the province's economy as a whole, during the project and for many decades after. A 2011 study by the U.S. Council of Economic Advisers found that every $1 billion in highway investment could support 13,000 direct, indirect, and induced jobs.[38]

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[38] https://www.fhwa.dot.gov/policy/otps/pubs/impacts/

Even while Ontario's economy has improved significantly over the past few decades, most of those gains have remained contained in Southern Ontario and have not been realized in the North. In 2016, the Northern Policy Institute estimated that Northern Ontario has seen six years of negative GDP growth since 2000, while Southern Ontario only saw two.[39] Investing in Northern Ontario's highway infrastructure can help revitalize regional economies, which in turn can help unlock Ontario's economic potential.

Whether due to weather conditions or fatal collisions on the narrow, undivided road, Highway 69 is often closed for extended periods of time, adding hours to commutes and disrupting reliable access to and from Northern Ontario for businesses, residents, and tourists.[40] A safer and more reliable Highway 69 would have a positive impact on regional and provincial productivity by improving ease of access and mobility and reducing the time it takes to transport materials or finished goods, especially for businesses reliant on "just in time" delivery to achieve maximum productivity efficiencies. Four-laning Highway 69 would have a positive cascading effect on not just the economies around the Highway, but all of Ontario.

Improving Ontario's Inter- and Intra-Provincial Connectivity:

Successful inter- and intra-provincial trade is foremost dependent on the existence of a safe, reliable, and convenient highway network that allows passengers, heavy transports, and tourists to travel across the province and country. The Highway was originally designed at a time when the majority of freight traffic was still being transported by railway, and the two-lane highway cannot accommodate the increased heavy transport traffic. Frequent highway closures due to accidents, which often result in fatalities, can have a significant adverse impact on commercial activity, act as an economic and tourist deterrent, and are unsafe for drivers. Completing the four-laning of Highway 69 will help improve traffic flow, safety, and reliability for drivers and improve access for passengers driving on the highway. In its current two-lane state, the Highway negatively impacts residents, businesses, and the supply chain of the entire province.

Reversing Northern Ontario's Declining Population Trends:

A 2018 study commissioned by the City of Greater Sudbury estimated that Greater Sudbury is the only major urban centre in Northern Ontario expected to grow its population by 2046; every other Northern Ontario city of comparable size has been experiencing either declining or stagnant population growth since 2001.[41] It is difficult to attract and retain people and investment to Northern Ontario when safe and convenient transportation to Southern Ontario and other parts of Canada is inadequate. With the federal government's changes to aviation regulations risking reduced flight service in Northern Ontario, and little to no passenger rail service, building a robust highway connecting Northern and Southern Ontario is not only critical to the region's economy but to the sustainability of Northern Ontario's

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[39] https://www.northernpolicy.ca/article/getting-the-small-things-right-how-data-suppression-distorts-northern-realities-9167.asp
[40] https://bmcpublichealth.biomedcentral.com/track/pdf/10.1186/1471-2458-12-1125
[41] https://vmcdn.ca/files/sudbury/pdfs-for-web/planningcommittee_agenda_180409_16_full_report.pdf

communities as well. The province cannot afford to neglect such alarming trends in Northern communities, as they are critical to Ontario's economy.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Commit to investing in Northern Ontario's transportation infrastructure, namely by announcing an expeditious completion timeline for the four-laning of Highway 69;

2. Adopt the recommendations of the Northern Ontario Multimodal Transportation Strategy, which include the need for connected, safe and reliable transportation systems in the region; and

3. Consider traffic volumes in relation to the rate of accidents, injury, deaths, economic advantage, and regional and northern development, as well as the potential for increased traffic volumes and economic benefits of increased volumes, when highway upgrades and improvements are studied.

OCC Policy Committee Position: The committee supports this resolution.

Addressing Ontario's Skills Gap at the Secondary School Level

Authored by the Timmins Chamber of Commerce. Co-sponsored by the Huron Chamber of Commerce – Goderich, Central and North Huron, the Newmarket and Vaughan Chamber, the North Bay and District Chamber of Commerce, and the Greater Sudbury Chamber of Commerce.

Issue

Widespread concerns have been expressed over the potential supply of workers in the trades. Currently, Ontario is facing a skills gap as the number of young tradespersons has dropped and fewer still are enrolling in college programs to replace an aging workforce.[42] With stigmas surrounding trades work and fewer secondary schools offering skilled workshop programs, Ontario is in need of a service skills strategy to promote career pathways in the skilled trades.

Background

Employing just over 925,000, the trades industry is one of Ontario's largest employers.[43] In the next few years, it is estimated that 60,000 workers will be required to replace those retiring, who will take essential technical, supervisory, and management skills with them. Furthermore, an additional 75,000 workers will be needed to fill positions related to new projects.[44] The construction and maintenance industry will also need to hire, train, and retain almost 103,900 additional workers as just over 90,000 of Ontario's current construction labour force are expected to retire.[45]

Available work in support services levelled out in 2017, and unemployment rates in mining, quarrying, and oil and gas extraction returned to historically low levels in 2017.[46] There will be a 47 percent gap for technical occupations, 56 percent for supervisors and foremen, 18 percent for skilled trades and 10 percent for production workers. The industry will need to hire roughly 18,000 people in these occupations from 2018 to 2027, but is only expected to secure 8,500 new entrants, leaving a total gap of 9,500 – meaning about half of all vacancies will go unfilled.[47]

However, enrollment trends are exacerbating this issue: Ontario's colleges are seeing a decline in enrollment in the trades as only 26 percent of young adults are considering a career in the skilled trades.[48] There are stigmas that present barriers when attracting youth to the trades- the perception that the sector offers limited opportunities for learning, growth and social mobility impacts their decisions in choosing career pathways in the trades. Having long been perpetuated by parents, students are still adhering to a "university-first" culture much to the detriment of Ontario's economic requirements. Ontario needs tradespeople who can build, repair and maintain its infrastructure and systems.[49] [50]

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[42] http://www.mining.com/mining-jobs-canada-go-begging-mihr-report/

[43] https://www.ontario.ca/page/labour-market-report-december-2018

[44] https://www.rainbowschools.ca/wp-content/uploads/2016/04/SHSM_Construction.pdf

[45] Buildforce Canada, "Construction & Maintenance Looking Forward", Jan. 2019

[46] https://www.northernontariobusiness.com/industry-news/mining/thousands-of-mining-workers-needed-to-meet-demand-in-next-decade-report-1125120

[47] Ibid.

[48] http://rescon.com/reports/files/DAWSON-REPORT-OHBA-report.pdf

[49] Canadian Apprenticeship Forum, "Making Apprenticeship a National Skills Priority", Aug. 2018. http://caf-fca.org/wp-content/uploads/2018/08/FINA_Aug2018.pdf

[50] https://www.collegeoftrades.ca/wp-content/uploads/Trades_Today_Spring_2016_Web_Final-2.pdf

Furthermore, enrolment in undergraduate mining engineering programs dropped 12 per cent between 2015 and 2016 – the largest decline of all engineering programs. The evidence shows that there are skills gaps in important areas of the economy, owing largely to changes to the province's industrial and technological profile. Moreover, given longer-term demographic trends, skills gaps will widen and labour shortages will continue to emerge.

That skills gap comes at a significant cost for Ontario, costing the provincial economy up to $24.3 billion in forgone GDP and $3.7 billion in provincial tax revenues- a result of too many young Ontarians being encouraged to pursue a university education over a career in the skilled trades.[51]

The province cannot afford a failure to maximize its human capital potential through insufficient or poorly aligned training and education. Even with Ontarians' high level of post-secondary education, more is needed, along with better efforts to align skills development with skills requirements and encourage secondary school students to choose career pathways in the skilled trades. Failure to take action on skills gaps will have enormous impacts on the economy, firm performance, and economic well-being.

Historically, the Province has provided support to employers with internships for hiring secondary student through the Northern Ontario Heritage Fund internship programs which was efficient in encouraging employers to help individuals build skills.[52]

Ontario needs to act proactively to mitigate future labour market pressures. Generating new interest in the trades in Ontario is crucial, as an aging workforce looks to retirement.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Develop and implement strategies and initiatives that enhance exposure to the trades at the secondary school level.

2. Work with Ontario's employer community and post-secondary institutions to determine and promote in-demand skilled trades to secondary schools.

3. Develop trades camps for youth in partnership with secondary schools and local colleges to further enhance exposure to the trades.

4. Provide financial assistance and insurance for employers who take secondary school students on trades-related placements.

OCC Policy Committee Position: The committee supports this resolution.

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[51] https://www.collegesontario.org/Need_to_Make_Skills_Work_Report_June_2013.pdf

[52] Ontario College of Trades, "Trades Play a Leading Role", 2016

Keeping the Best Pieces of the Ontario College of Trades in the Wind Down

Authored by the Greater Peterborough Chamber of Commerce. Co-Sponsored by: Kingston Chamber of Commerce

Issue

There were some pieces of the Ontario College of Trades that were working and should be kept as the program is repatriated to the Ministry of Training, Colleges and Universities.

Background

With the passing of Bill 47, the *Making Ontario Open for Business Act, 2018*, the call to wind down the Ontario College of Trades was made official. Since the College started operation in 2013, there has been concern from the skilled trades and the Chamber Network as to its true value to the employer, the trades, and the public.

That said, we have since learned that there were parts of the College that our Chamber members found useful to their business and to their customers, the people of Ontario.

One of these parts was the public registry. The registry that indicates whether or not the business or person is in good standing with their qualifications, how long they've been active and is reflective of all members in the compulsory and voluntary trades in Ontario.

"If keeping the registry helps increase the professionalism of the trades without driving the costs of being a tradesperson up then I am fully behind it."[53]

"We often direct potential customers to the register as a way to confirm that our company was in good standing."[54]

Both members also see it as a way to discourage the underground economy if set up in a way that is advantageous to tradespeople and not prohibitive, particularly around cost.

If promoting the skilled trades continues to be a mandate of the new regime then a public registry would go a long way toward fulfilling that mandate.

The second area that our members felt was a benefit to their profession was the commitment to reduce barriers for internationally qualified tradespeople to become qualified in Ontario. It is anticipated that most of Ontario's workforce of the future will be coming to our province through immigration channels. Creating clear pathways for assessing certification and capabilities in a timely manner will allow more new Canadians to work in the skilled trades economy sooner.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Keep the public registry for skilled tradespeople operational.

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[53] Email correspondence with Chamber Member on Monday, December 10, 2018.

[54] In-person meeting with Chamber Member on Monday, November 5, 2018

2. Create clear pathways for international skilled tradespeople to transition smoothly into the Ontario economy.

OCC Policy Committee Position: The committee supports this resolution.

Strengthen Connectivity Between Businesses and Post-Secondary Institutions

Authored by the Whitby Chamber of Commerce and the London Chamber of Commerce. Co-sponsored by the Brock Board of Trade

Issue

Skills and workforce development remains a top issue for a thriving business climate. Ontario businesses require access to job ready and experienced graduates who meet their needs in order to scale up and grow. The provincial government can support stronger linkages between post-secondary institutions and businesses to ensure the supply of skilled employers meets the demand of businesses.

Background

Upon hire, small businesses require new graduates to have the right skills and experience in order to hit the ground running and to contribute to the business as quickly as possible. Ensuring students in college and university receive hands-on learning opportunities while still attending school presents a huge advantage to both parties and the economy as a whole.

Many small and medium-sized enterprises (SMEs) perceive barriers to providing these experiential learning opportunities to students, such as, costs of student compensation and training and other administrative and operational requirements.

As a result, these barriers limit the number of opportunities for experiential learning to be gained, thereby limiting the potential for businesses to have access to the experienced talent they otherwise could.

On the one hand, businesses benefit from new post-secondary graduates being adaptable and prepared for the unknown jobs of the future, and armed with a skillset that includes critical thinking, problem solving, communication and teamwork. These skills help workers thrive in changing environments and are seen as critical to success in any business.

A greater number of small businesses, in particular, stand to benefit from new thinking and ideas based on emerging research gained through deeper ties with post-secondary institutions. These initiatives also provide small businesses with access to high quality employees and strengthen their ability to recruit graduates equipped with the skills they are looking for.

On the other hand, a post-secondary education that offers both rigorous academic programs and hands-on experiential learning[55] has been proven to help develop the adaptable skills employers need. Eighty-six per cent of current students and recent graduates in Canada have said experiential learning led to an easier transition from post-secondary to a successful career.[56]

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[55] Experiential learning is when students learn by doing, using their theoretical knowledge in practical, real-life, or work-related situations. There are many types of experiential learning opportunities designed to give students practical skills, including co-ops, work placements and internships, as well as projects in which students work on finding solutions for employer or industry challenges.

[56] “Work Integrated Learning And Post-Secondary Education: What Students Think.” Abacus Data, Fall 2016

While universities and colleges have developed vital services and programs to engage employers and students in experiential learning, providing an adequate supply of these opportunities to meet student demand is a continuing challenge.

That is why early and strong collaboration between post-secondary institutions and business will help ensure students graduate with the skills necessary for today's employers and the jobs of tomorrow.

Increasing the supply of experiential learning opportunities is also an opportunity for small businesses. Small businesses make up 98 per cent of total businesses and two-thirds of private sector employment in Ontario.[57] Their involvement is particularly critical, as the SME category includes a growing number of start-ups arising from innovation and entrepreneurial activities across the province.

There is an opportunity for government to facilitate more linkages between small businesses and post-secondary institutions to create more hands-on learning opportunities for students.

This can be achieved by building upon existing programs that incentivize small businesses to hire students and recent graduates, as well as exploring new programs that encourage employers to work with universities and colleges to offer additional experiential learning initiatives.

There is also an opportunity for the government to prioritize the marketing of existing programs to employers to help raise awareness of these opportunities.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. In collaboration with small businesses and post-secondary institutions, explore new programs to incentivize greater employer participation in experiential learning initiatives, including, but not limited to, co-op education, work placements, internships, industry-recognized in-class projects, mentorship programs and incubators, accelerators and innovation hubs.

2. Expand the Co-operative Education Tax Credit.

3. Introduce a tax credit available to employers who hire graduates of a co-operative education program that allows employers to claim a percentage of co-op graduates' net wages and salaries for the first two consecutive years of full-time employment.

4. Direct business-facing Ministries to prioritize communicating new and existing opportunities to support experiential learning opportunities and the associated benefits.

OCC Policy Committee Position: The committee supports this resolution.

[57] Statistics Canada. 2016. Key Small Business Statistics – June 2016. http://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html#figure2-1-1.

Addressing Employment Standards Act

Authored by the Ajax Pickering Board of Trade, Co-sponsored by the Greater Oshawa Chamber of Commerce, the Mississauga Board of Trade, the Thunder Bay Chamber of Commerce, the Windsor-Essex Regional Chamber of Commerce, and the Whitby Chamber of Commerce

Issue

Currently, when a claim is filed with the Ministry of Labour, the employer does not receive it. Instead, the employer only receives a letter identifying by bullet points the category of each issue (e.g. “wages”, “vacation pay”, etc.). The current policy of the Ministry of Labour to refuse to disclose the claim runs contrary to the efforts for an early settlement and the fundamental rights enriched by our justice system.

Background

The Ontario Ministry of Labour receives on average approximately 15,000 claims per fiscal year.[58] However, in some years, the number of claims has exceeded 23,000. Of the complaints that are filed, roughly 90% are filed by employees who are no longer employed by the employer in issue.[59]

When the Ministry of Labour receives a claim, it then sends out a letter to the employer notifying them of the claim. The letter solely details the nature of the claim by providing the category of each issue (e.g. “wages” or “vacation pay” or “termination pay”). The actual amounts claimed under each category are not normally provided. Enclosed with the letter is a package recommending settlement discussions and a template form to confirm any settlement reached.

At the same time that the letter is sent out, the claim is then placed in queue to be assigned to an Employment Standards Officer, which can often take several months to occur. The claim will be either assigned to an Employment Standards Officer 1 (who can only mediate a settlement) or will be immediately escalated to an Employment Standards Officer 2 (who can mediate a settlement and can issue orders). During the waiting period, the employer can reach out to the employee (if their current contact information is known), but the employee is not obligated to discuss the matter or to provide the claim. Once the Employment Standards Officer is assigned, if a resolution cannot be reached, then the matter will eventually be investigated and an order or a refusal to issue an order issued.

At no point during this entire process is the employer allowed to be provided with the claim from the Ministry of Labour due to its policy. In fact, the employer can only obtain a copy of the claim from the Ministry of Labour if, after an order is rendered, the employer appeals the decision to the Ontario Labour Relations Board and moves for an order for its production.[60] As a result of the refusal to produce the claim, the employer is often unable to address the issues prior to the Employment Standards Officer being assigned. Further, once the Employment Standards Officer is assigned, the employer may not fully appreciate the issues or the source of any misunderstanding.

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[58] Ontario Ministry of Labour <https://www.ontario.ca/page/published-plans-and-annual-reports-2017-2018-ministry-labour?_ga=2.89487003.1632369137.1547212240-492227812.1491401077> , Published: August 16, 2017

[59] Toronto Star <https://www.thestar.com/news/queenspark/2018/10/25/ministry-of-labour-puts-hold-on-proactive-workplace-inspections-internal-memo-says.html> , Published: October 25, 2018

[60] Friedrich Schiller Schule Inc. (Friedrich Schiller Schule) v. Adam, 2013 CanLII 2654 (ON LRB)

While essentially all other claim processes in Ontario (including applications before the Human Rights Tribunal) require the claim to be provided to the respondent, the Ministry of Labour has declined to accept this fundamental principle of justice. As a result of this failure to disclose, settlement discussions are hindered and employers are at a disadvantage in responding to claims. The claims process should be improved by requiring that, upon being filed with the Ministry of Labour, a copy of the claim is to be provided to the employer.

Recommendations:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Revise the policy of the Ministry of Labour to require that a copy of any claim filed under the Employment Standards Act be provided forthwith to the responding employer.

OCC Policy Committee Position: The committee supports this resolution.

Balanced Species at Risk Policy Needed to Provide Jobs and Economic Opportunity

Authored by the Thunder Bay Chamber of Commerce, Co-sponsored by North Bay & District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, and Greater Sudbury Chamber of Commerce.

Issue

Species at risk policy continues to threaten the social, environmental, and economic sustainability of northern and rural communities. A long-term and workable solution is needed to truly open Ontario for business.

Background

Ontario is recognized as a world leader in sustainable forest management. Harvesting 0.2% of Ontario's renewable resource annually, Ontario's forest products sector directly employs over 150,000 hardworking men and women in every corner of the province.

The Crown Forest Sustainability Act (CFSA) is an equivalent process to the Endangered Species Act (ESA) and provides for continuous supply of species at risk habitat over space and time. In recognition of this, forestry-based businesses and communities have been requesting from government a need for a permanent solution to ESA for the forest sector; that is, to allow the sector to operate under one act, the CFSA. Extensions made to the current regulation under previous governments have not provided any long-term certainty. The sector needs a permanent, long-term solution and it is hoped that this discussion paper is the beginning of a constructive path forward.

The Ontario government is currently undertaking a review of the ESA to "improve protections for species at risk, consider modern and innovative approaches to achieve positive outcomes for species at risk, as well as to look for ways to streamline approvals and provide clarity to support economic development."[61]

As part of this review, changes made to the ESA must include the consideration of climate change on habitat on all species at risk policy and recognize the cumulative impact of all species at risk policy on a healthy economy; and socio-economic impact analysis must be completed and shared with impacted stakeholders and Indigenous communities prior to any species at risk policy being implemented.

Furthermore, under a permanent regulation or legislative change to the ESA recognizing equivalency, species at risk policy and prescriptions delivered under the CFSA must consider the impacts of climate change and the cumulative social and economic impacts.

Ontario has a window of opportunity to ensure a workable outcome on species at risk policy that provides a long-term solution that protects jobs and the economy. However, there is a concern that the federal government could step into non-federal lands and prescribe how forests will be managed through an unworkable Section 11 Conservation Agreement under the Species at Risk Act or Emergency Protection Order.

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[61] https://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTM2NTM2&statusId=MjA4MDg1&language=en

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Recognize equivalency between the ESA and CFSA through a permanent section 55 regulation or legislative change to the ESA.

2. While working under the CFSA, ensure all species at risk policy and prescriptions take into account the impacts of climate change and the cumulative social and economic impacts.

OCC Policy Committee Position: The committee supports this resolution.

Brownfield Act Overhaul

Authored by the Greater Barrie Chamber of Commerce

Issue

The *Brownfields Statute Law Amendment Act, 2011* and companion regulations came into full effect as of October 1, 2004. This legislation was designed to remove barriers relating to regulatory liability, financing and planning and in fact had the complete opposite effect.

Background

The 1996 Guideline for use at Contaminated Sites in Ontario served as the forerunner to the current Record of Site Condition (RSC, Brownfields Regulation) and was established to remove barriers relating to regulatory liability, finance and planning and promote the redevelopment of brownfield sites. The legislation has evolved over time and most recently has seen an extensive revision to the Regulation which came into force in 2011 (O.Reg. 511/09). While filings from 2004 to 2011 were challenging; the most recent revisions have basically stifled the intended goals of this legislation.

This is noted because the design of the current regulatory process follows a prescriptive standard that affords absolutely no discretion in its application. It is premised on an impeccable standard that affords no uncertainty and which has manifested the red tape it had originally intended to avoid. The 2009 revision recognized "… Brownfields are underdeveloped or previously developed properties that may be contaminated. They are often, but not always, former industrial or commercial properties …". The implied goal was to introduce legislation that would promote revitalization of such historic lands.

The prescribed process demands a myriad of requirements including legal interpretations, legal surveys, comprehensive technical interpretations and often considerable environmental sampling to characterize the Site Condition to the current standards. This arduous site screening process has significantly increased redevelopment costs and timelines to achieve these prescriptive standards. It is these issues that stifle this type of urban revitalization. Under this process it is far simpler to develop the outlying urban fringe than revitalize the urban core; especially historic manufacturing precincts. Cost and time inequalities favour the urban sprawl fundamentally discouraged by government. However, the legislation prohibits Municipalities from issuing any Building Permit pending the issuance of Provincial acceptance of the RSC where any gentrification is contemplated.

In the extreme, winter maintenance salt spread across sidewalks and parking lots (for safety purposes) is a *de facto* contaminant which can suspend any redevelopment until all aspects of the Regulation are resolved. Yet there is essentially no reasonable remediation technique to abate salt concentrations above Provincial Standards. A protractive risk assessment process must be undertaken which results in no meaningful change to the Site Condition once completed; but is costly to pursue and inevitably stalls any brownfield development for months or longer.

Even the Ministry has recognized the futility of this and several other of the most obvious deficient situations within these prescriptive standards and have proposed changes to the existing legislation as has been incorporated into the Excess Soil Management regulatory proposal (ERO No.: 013-2774). Immediate acceptance of these changes would represent an easy fix and first accomplishment for this government.

The demanded standard of care would appear unique to all other MECP submission standards. Competent professionals evaluating brownfield properties are frequently informed by the MECP following a 45-day review period that even the smallest inaccuracy necessitates resubmission. The perception has become that a thesis level dissertation document is required. From a risk assessment perspective, the submission standards are more arduous than the drug evaluation process through Health Canada / FDA. The process is also unique in that no pre-consultation is involved.

Legislation is not written to address all possible circumstances. In contrast it provides guiding principles. For example, we recognize that laws are not written to prevent all motorists from exceeding posted limits; but it guides acceptable use and seeks to dissuade aberrant behaviour. However, the distinctive nature of the Brownfield legislation as is exists currently subscribes to a utopian standard.

Finally, at the conclusion of this process a series of documents are issued by the MECP which can include a Certificate of Property Use (CPU) which often imposes very restrictive site development conditions. For example, any changes to the site development plan can conceivably result in re-evaluation and at a minimum requires MECP Director approval for any and all changes regardless of their nature. As a result, the MECP has unwittingly become a partner in the revitalization process.

Any doubt about this is realized when comparing these standards to that used in the financial community. Banks and other financial lending institutes are risk adverse industries yet there has been no appetite to demand the RSC standards. These agencies continue to use the former standards to facilitate reasonable and timely vetting of this process. Furthermore, the CSA in reviewing these standards has not made any substantial changes toward the RSC requirements. It is perplexing to the Chamber why this dual standard between the public and private sector persists and leads to a common sense conclusion that regulatory over-reach exists with this matter.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Overhaul of the Brownfields Legislation to address barriers to brownfield redevelopment
    a. Immediate introduction of Brownfield regulatory changes outlined in the Excess Soil Management regulation proposal (ERO No.: 013-2774) into the legislature;

    b. Shorten timelines for regulatory completion since they are inconsistent with the private sector (*i.e.,* financial lending sector);

        Consider a variety of alternatives like the possibly of an external peer review process that could expedite the review process without a loss of integrity (*i.e.,* Qualified Reviewer in addition to Qualified Person);

    c. Alleviate superfluous costs to brownfield redevelopment where they exist;

        Consider the practicality of achieving an acceptable burden of proof within the comprehensive prescriptive standard;

    d. Alleviate impediments to brownfield redevelopment where they exist in this legislation;

        Given the process typically involved with urban municipal Site Plan approval, permit a parallel process to a reasonable interim point as opposed to barring any development consideration until RSC completion even if limited to certain redevelopment property uses;

OCC Policy Committee Position: The submitting chamber amended the resolution based on suggestions made by the Policy Committee. The committee supports the resolution as amended.

Forestry Strategy: Fireproofing Communities through Public Forest Access Roads
Authored by the Timmins Chamber of Commerce. Co-sponsored by the Greater Sudbury Chamber of Commerce.

Issue
Forest fires can occur anywhere in Ontario, but most large fires occur in the boreal forest. They can threaten human safety, destroy property or disrupt economic activities.[62] However, wildfires are also an important natural process in Ontario's forest ecosystems. Managing forest fires in Ontario is about balancing the benefits of forest fires, and protecting public safety and communities. Introducing a Forestry Strategy Program will help protect communities against the threat of wildfires while increased funding for forest access roads will support the infrastructure needed in rural and northern Ontario to provide access for firefighting efforts as we face intensifying fire seasons.

Background
Prolonged dry conditions throughout Ontario made 2018 one of the most active forest fire seasons in almost a decade, with more than 1,300 forest fires burning over 265,000 hectares of forest, nearly double the 10-year average.[63]

The impact wildfires have on communities can be devastating. Solutions and mitigative approaches to reduce the hazard posed by interface fire to communities exist by implementing vegetation management strategies.[64] The Provincial Government can look to create greater partnerships with the forestry industry and the Ministry of Natural Resources and Forestry to assist in forest management and combat the economic impacts wildfires have on communities.

The forest industry can work with governments, First Nations and local communities, to apply strategies that will minimize climate change risks to our forests and forest communities in the years to come. Ontario's Forest Access Roads Funding Program (a cost-sharing program with industry that supports the construction and maintenance of access roads in Crown forests) will provide a critical infrastructure to ensure that communities and forests are accessible for firefighting efforts.

A good example of this was the major Timmins area forest fire of 2012, which forced the closure of Highway 144 for days. Fortunately, the 100 km Papakomeka/Grassy River forest access road network was able to provide a critical link from Timmins to Sudbury and served as a crucial route for emergency and fire response during the disaster. This road is maintained with support from Ontario's forest access roads funding program.

Forest access roads also play a critical role in the movement of goods and people, supporting natural resource industries as well as the people who live, work and play in rural and northern Ontario.[65] Roads on Crown land provide access for industries such as forestry, mining, prospecting, trapping and tourism, while facilitating the maintenance of critical infrastructure such as power grids, telephone lines, railways and pipelines.

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[62] https://www.oafc.on.ca/sites/default/files/attachments/page/2507/FMS_Discussion_Paper%20(2)-1.pdf
[63] https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan_1.pdf
[64] https://www.firesmartcanada.ca/images/uploads/resources/FireSmart-Protecting-Your-Community.pdf
[65] https://www.ontario.ca/page/state-ontarios-natural-resources-forests-2016

In addition, many of Ontario's First Nations communities rely exclusively upon public forest access roads to transport goods and to reach vital outside services such as healthcare and education. This public infrastructure is, and will continue to be, relied upon by all Ontarians, especially during emergencies like forest fires.

Fireproofing communities can significantly reduce the risk that wildfires pose and mitigate the socioeconomic impacts from damages caused by wildfires.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Protect against wildland fire incidents through the ongoing development of Community Wildfire Protection Plans.

2. Reinstate the Public Forest Access Roads program funding to the original 2006 level of $75 million.

OCC Policy Committee Position: The committee supports this resolution.

Taking a Principled Approach to Growth and the Planning Process
Authored by the Oakville Chamber of Commerce

Issue
Growth presents a tremendous opportunity for Ontario, however this growth will require navigating complex planning challenges. The Province must take this opportunity to create a streamlined and integrated planning framework to accommodate this growth and maximize the economic growth potential of this province. Impacts on the business community must be considered.

Background
In recent advocacy surveys, Oakville Chamber members have identified four pillars of policy priorities, Business Competitiveness, Transportation, Recruiting and Retaining Talent and Innovation.

Taxation, and red tape remain barriers to business success and the cost of housing and getting employees to and from work have been cited by Chamber members as challenges to attracting and retaining talent.

Growth and the planning process are integral to each of these four pillar priorities. The Ontario government is currently conducting a review of the Places to Grow Plan, the Planning Act, the Provincial Policy Statement as well as the Local Planning Appeal Tribunal (LPAT).

These reviews must ensure that the impacts on population growth, housing affordability, infrastructure productivity, the labour market and the regional economy are directly considered in growth management and are fostered and supported in the planning of our communities. A new innovative business friendly approach must be encouraged and facilitated by all levels of government to ensure the success of our business communities.

Over the next few decades, the Greater Golden Horseshoe (GGH) is expected to experience incredible growth. Ontario has been, and continue to be, one of the fastest growing jurisdictions in North America. By 2041, the population is projected to grow by 50 percent, to 13.5 million, in the GGH alone.[66] Similarly, the number of jobs in the region is expected to grow from 4.5 million to 6.3 million.

The Residential and Civil Construction Alliance of Ontario (RCCAO) released a benchmarking report examining the implications of the new LPAT on housing and growth targets for Ontario.

According to the report released by RCCAO (December 2018), The Greater Toronto and Hamilton Area (GTHA) is at risk of missing provincial population targets. This would potentially result in 7,200 fewer new homes being built each year until 2041.

If current rates of construction continue, up to 165,600 homes are at risk of not being built over the next 23 years. That's equal to an annual loss of $1.95 billion in GDP from residential construction activity if various constraints continue to inhibit the goals set by the provincial growth plan, Places to Grow.[67]

[66] Brad Graham and Tom McCormack, "Improving the Growth Plan: A commentary, "September 2015 http://ohba.ca/system/documents/documents/340/original/improving_the_Growth_Plan_PDF.pdf?1441817423
[67] The GTHA's Housing Stock: Benchmarking Ontario's New LPAT System, An independent research study prepared for the Residential and Civil Construction Alliance of Ontario (RCCAO) BY: CANCEA – Canadian Centre for Economic Analysis, DECEMBER 2018, http://rccao.com/research/files/RCCAO_LPAT_REPORT_2018.pdf

Similarly, infrastructure plays a critical role supporting the economic and demographic growth of a region. Investment in infrastructure assets such as roads, and transit is required to meet the needs of a growing population. In addition, infrastructure is crucial to attract and retail industry and employment by providing the ability to move goods and services.

Since 2011, infrastructure investment in Ontario (as a percentage of GDP) has fallen or remained flat. In fact, it was below 3.0% for the 2015 – 2017 period, falling below 2.5% in 2016. It remains considerably below the target of 5.1% of GDP identified in the 2011 report. The lower levels of infrastructure investment are making it harder to achieve greater GDP growth in the long-term. To achieve maximum growth over the next 50 years, the average level of infrastructure investment will now have to increase to 5.4% of GDP. [68]

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Continue to undertake significant reviews of the Places to Grow Plan, the Planning Act, the Provincial Policy Statement as well as the Local Planning Appeal Tribunal, with a view to further reducing red tape and ensuring the tools are in place to facilitate economic growth and support our communities.

OCC Policy Committee Position: The submitting chamber amended the resolution based on suggestions made by the Policy Committee. The committee supports the resolution as amended.

[68] Infrastructure Update 2018: Ontario Infrastructure Investment – Federal and Provincial Risks & Rewards http://rccao.com/news/files/RCCAO_Infrastructure-Update-2018.pdf

Improving Support for Employers

Authored by the Ajax Pickering Board of Trade, Co-sponsored by the Mississauga Board of Trade and the Windsor-Essex Regional Chamber of Commerce

Issue

Currently, the Office of the Employer Advisor (the "OEA") provides complimentary expert guidance to employers in regard to the Workplace Safety and Insurance Act and reprisal issues in regard to the Occupational Health and Safety Act. However, in guiding employers as to their obligations, the OEA does not address the employer's obligations under the Ontario Human Rights Code. As a result, the advice given by the OEA may unintentionally cause the employer to violate the Human Rights Code.

Background

The OEA provides "Ontario employers with expert, free and confidential advice, representation, and education on all workers' compensation issues under the Workplace Safety and Insurance Act, and on unjust reprisal issues under the Occupational Health and Safety Act".[69] On average, in a given fiscal year, the OEA has roughly 3,000 instances of providing advice.[70] The advice may be provided over a few minutes or several hours. Of the cases handled, 51% were in regard to entitlement issues (e.g. whether there is a leave entitlement) and 15% were in regard to return to work issues (e.g. what obligations are there for when an employee returns from a leave).

In providing this advice, the OEA does not address the employer's obligations under the Ontario Human Rights Code. For example, if an employer had a worker who was returning after a leave of absence, the OEA would address the requirements under the Workplace Safety and Insurance Act. However, the OEA would not advise that the employer also has an ongoing obligation under the Human Rights Code to provide needed accommodation, up to the point of undue hardship. As a result, the employer may unintentionally violate the employee's rights under the Human Rights Code when handling her return to work.

The absence of advice regarding human rights obligations is particularly alarming when you consider the fact that 70% of applications before the Ontario Human Rights Tribunal are in regard to alleged employment related discrimination.[71] Further, the lack of assistance on human rights obligations is compounded by the fact that the Human Rights Legal Support Centre (which is funded by the Government of Ontario) only provides assistance to individual applicants, not employer respondents.[72] Employers should be confident in knowing that the advice the OEA provides is consistent and complete in review of all legal obligations.

Recommendation

The Ontario Chamber of Commerce urges the Government of Ontario to:

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[69] Ontario Office of the Employer Adviser, <http://www.employeradviser.ca/en/>

[70] Ontario Office of the Employer Adviser, Annual Report 2017 – 2018, <http://www.employeradviser.ca/wp-content/uploads/2018/10/OEA-Annual-Report-2017-18-final-English.pdf>, at pg. 7.

[71] Social Justice Tribunals Ontario, 2017 – 2018 Annual Report < http://www.sjto.gov.on.ca/documents/sjto/2017-18%20Annual%20Report.html#hrto4>

[72] Human Rights Legal Support Centre, , <http://www.hrlsc.on.ca/en/about-us>

1. Expand the mandate of the Office of the Employer Advisor to include providing expert, free and confidential advice on worker disability and leave related issues under the Ontario Human Rights Code.

OCC Policy Committee Position: The committee supports this resolution.

Promoting Economic Development through Balanced Municipal Taxation and Sustainable Housing Growth

Authored by the Greater Oshawa Chamber of Commerce

Issue

A shrinking industrial and commercial tax base is increasingly creating unsustainable residential tax burdens, longer commutes, traffic congestion, infrastructure problems and public transit woes.

Background

High energy costs, poor tax planning and a lacklustre economic development program, which in some cases amounts to an anti-business mindset across all levels of government over the past decade, has led to a shrinking industrial and commercial tax base. This shrinkage has had the unfortunate effect of driving municipalities to place an unhealthy emphasis on residential taxation, new housing starts and the development charges they bring. While politicians may tout these, in some cases astronomical, development charge windfalls the reality is that housing gets further and further from places of employment. Thus, forcing people into longer commutes, more traffic congestion, more infrastructure costs, lower quality of life, less affordable housing and ultimately pressure for more municipal services, like policing, emergency personnel, firefighters, roads and sewers and broadband access. This less than virtuous cycle at the same time creates an unsustainable growth in residential tax burdens because, there is nowhere else for municipalities to grow their income to meet the increased public demand for the host of services they've come to expect. Ultimately, this situation makes it harder for businesses to find and keep good employees.

In past decades and sunnier times, municipalities had fewer obligations downloaded to them and had greater access to higher tax revenues from more industries and heavy commercial enterprises. This more balanced economy, led to a more balanced tax burden which could and often did result in a split of about 60/40 with the commercial/industrial component being the lion's share. Increasingly, municipalities are seeing an erosion of that balance to the point where it may be 90/10 with the 90 representing the residential tax component. This is an unsustainable pattern.

Municipalities, whether Regional governments or lower tier, are all creatures of Provincial statute and as such can be regulated where necessary by the Provincial legislature. Municipalities need the support of the Provincial government to curb rising energy costs, spend money more wisely, and be more creative in using their taxing powers to incentivize businesses and entrepreneurs to locate and grow in Ontario. Municipalities must do the same, either voluntarily or through mandates from the Provincial Government. Only by taking (or being forced to take) greater responsibility and accountability can municipalities break the unsustainable cycle that drives residential taxes to the breaking point and fosters support for the small and medium size businesses and industries that create economic growth.

Recommendations

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Provide incentives, positive or negative, to municipalities to ensure that an appropriate percentage of new housing starts and development approvals include lower income housing.

2. Mandate municipalities to match new residential development with new or expanded business and job opportunities, in a similar way that housing developments now require a certain amount of green space.

3. Mandate that the percentage split between residential, business and industrial tax rates for municipal taxes be no greater than 80/20 with 80 representing the residential component and that the Province support this mandate with a commitment not to download any additional service costs on the municipalities.

OCC Policy Committee Position: The committee does not support this resolution because it involves undue interference by the Government of Ontario in municipal planning.