



November 13, 2008

Ms. Katch Koch
Clerk, Standing Committee on Social Policy
Room 1405, Whitney Block
Queen's Park
Toronto, ON M7A 1A2

Dear Ms. Koch:

The Ontario Chamber of Commerce (OCC) is a federation of 160 local chambers of commerce and boards of trade in the Province of Ontario, representing 60,000 businesses of all sizes, in all economic sectors and from every area of the province. The OCC's mandate is to advocate strong policies on issues that affect its membership throughout Ontario's business community.

The OCC is writing to you in regards to Bill 119, An Act to amend the Workplace Safety and Insurance Act, 1997 - making it mandatory for individuals working in the construction industry to be covered by the Workplace Safety & Insurance Board (WSIB). Indeed, the OCC and its membership supports the government's goal of making Ontario's workplaces the safest in the world and creating "a level playing field" for all employers in the construction industry. However, the OCC and its membership believe the proposed legislation has not clearly articulated how it will accomplish this goal.

The OCC believes that it is important to ensure that in these challenging economic times, legislation and regulation in Ontario do not create further financial burdens on small business operators - particularly in the construction industry as it relates to Bill 119.

The OCC is discouraged to note that minimal time has been allotted to public review and legislative debate on this important issue. We fail to see the logic behind such a condensed process, considering the legislation is not expected to take effect until 2012.

Underground Economy

The government has stated that mandatory WSIB coverage for all members of the construction industry will help combat the "underground economy". The OCC and its membership support initiatives that will aid in ending this illegal activity. However,

the OCC questions whether requiring all individuals to pay WSIB insurance premiums will accomplish such an objective. The current system requires an independent operator to register with WSIB and take an organization test to determine whether or not a contractor is considered an independent operator. Therefore, those being impacted by this legislation are already clearly playing by the rules. The OCC questions whether this enforcement may in fact actually deter some independent operators from registering as they will now be forced to pay insurance premiums they may not be able to afford, therefore, unintentionally creating a larger underground economy. On the contrary, the OCC also questions how this proposed legislation will provide those already working in the “underground economy” the incentive to register with WSIB. The OCC and its membership believe that the government, in conjunction with WSIB should further investigate this proposal and explore other avenues to assist in combating the underground economy in the construction sector.

WSIB mandatory insurance

Currently, there are many small employers in the construction industry who do not carry WSIB insurance but hold insurance through private companies for themselves and their employees. Bill 119 proposes that all workers in the construction sector be insured by WSIB and that private insurance will no longer be permitted as coverage. As a result, employers who are currently paying for insurance through a private sector company will be forced to cancel these policies and alternatively pay WSIB insurance premiums. This will not only cause private insurers to lose business but also places them in an unfair disadvantage towards a system that favours a legislated monopoly.

The OCC and its membership do not support a legislated monopoly for the WSIB on workplace insurance and believe it is not the only or even the best answer for enhancing workplace safety and protecting workers’ income. The OCC and its membership strongly support competition in the marketplace and the ability of employers to choose from a wide range of options to achieve these results. If the WSIB model truly represents the best coverage at the lowest price, employers will choose WSIB coverage over others. Competition, flexibility and choice are the hallmarks of a good system.

Economic implications

The OCC and its membership are pleased the government has proposed to exempt individuals who exclusively perform home renovation work for those who are retained directly by the occupant. However, we are extremely concerned with the financial burden this proposed legislation may unintentionally cause those small independent operators who are not classified under this exemption. At a time when Ontario’s economy is in turmoil any added expense can, without a doubt, impact an employer’s ability to continue to operate. The OCC recommends that further study be undertaken to determine how much this proposed legislation will cost employers to ensure there will be no financial hardship incurred by small business operators.

Conclusion

The OCC broadly represents business and industry across the province of Ontario. Communities across the province are voicing their concerns to us in regards to Bill 119. As a direct result of what we are hearing from our members, the OCC suggests that it would behoove the government to further review this Bill, to ensure that this Bill is capable of achieving the goals and results the government has set out for it to accomplish.

The OCC urges the government to responsibly delay the process in regards to Bill 119 and to ensure that it is not creating further financial burden on small business operators in the construction industry. We sincerely hope that the government will agree not to rush the legislative process but to allow adequate time for input and careful consideration.

If you have any further questions or comments your staff may wish to call Stuart Johnston, Vice President, Policy and Government Relations at (416) 482-5222, extension 232, to arrange a meeting.

Thank you for the opportunity to provide our input on this important issue.

Yours sincerely,



Len Crispino
President & CEO

Cc: The Honourable Peter Fonseca, Minister of Labour
Mr. John Tory, Leader PC Party of Ontario
Mr. Bob Runciman, MPP, Interim Leader of the Official Opposition
Dr. Shafiq Qaadri, MPP, Chair Standing Committee on Social Policy
Mr. Vic Dhillon, MPP, Vice-Chair Standing Committee on Social Policy
Ms. Laurie Scott, MPP, Member Standing Committee on Social Policy
Mr. Khalil Ramal, MPP, Member Standing Committee on Social Policy
Ms. Laurel Broten, MPP, Member Standing Committee on Social Policy
Ms. Cheri DiNovo, MPP, Member Standing Committee on Social Policy
Ms. Helena Jaczek, MPP, Member Standing Committee on Social Policy
Mr. Dave Levac, MPP, Member Standing Committee on Social Policy
Mr. Peter Sherman, MPP, Member Standing Committee on Social Policy
OCC Membership