

Ontario Government Taking Bold Action to Make the Province Open for Business: North Bay & District Chamber of Commerce and Ontario Chamber of Commerce

North Bay, ON - October 23, 2018 – Today, the North Bay & District Chamber of Commerce is pleased to present the Ontario Chamber of Commerce (OCC) statements in response to the Government of Ontario’s announcement regarding the *Making Ontario Open for Business Act*. The announcement included a near full repeal of Bill 148, dissolution of the Ontario College of Trades (the College), and improvements to the journeyman-to-apprentice ratio.

Bill 148, *Fair Workplaces, Better Jobs Act*, 2017

“The Government of Ontario is taking the right steps in building labour legislation that is both reasonable for employers and fair to workers. As Ontario’s business advocate, our position has always been clear: Bill 148 was too much, too fast. The compounding labour reforms and unintended consequences came at too high a cost to Ontario’s economy. We applaud the Government of Ontario for implementing balanced policies that make it easier to invest, start, and grow a business as well as build an economy that connects workers to jobs.”

Ontario College of Trades

“Today’s news signals the provincial government’s commitment to making Ontario’s skilled trades apprenticeship system more responsive to the needs of the economy, and to addressing a dire labour shortage. The College has become overly focused on enforcement and regulation, limiting its ability to serve the public interest by attracting and training new tradespeople. The Ontario Chamber Network has long advocated for the College to modernize the apprenticeship application system, promote the skilled trades as a viable career option for young people, and revise the journeyman-to-apprentice ratio framework to create more opportunities within the skilled trades. As these reforms were not made, the Ontario Chamber Network recommended to dismantle the College and return responsibility for trades regulation to the Province.”

President & CEO Peter Chirico stated that “the proposed repeal and changes announced today by the Provincial Government sent a clear message to the business community of Ontario, that they are listening. Ontario is Open for Business and we are pleased with today’s announcement. The Chamber network fought hard in 2017, against the previous government’s implementation of Bill 148 and the time frame for which it was instituted. The Chamber also voiced its’ concerns over the increased red tape that the Ontario Colleges of Trade were imposing on business since its inception in 2009.”

Background – Bill 148, the *Fair Jobs, Better Workplaces Act*, 2017

The OCC's position has been clear from the beginning: Bill 148 was too much, too fast. We are just beginning to realize some of the unintended consequences of this legislation and the impact on both employers and employees.

In consultation, our members have made clear the compounding effects of Bill 148, including the need to decrease product offerings and increase the price of products being sold, hire fewer employees, reduce services and hours of operation, cut back on employee benefits, increase their reliance on automation, and halt capital investment – all in an effort to stay afloat. This is not good for economic growth or for the workers Bill 148 was purported to aid.

In the months following its introduction, the *Fair Jobs, Better Workplaces Act* has had a visible impact on the Consumer Price Index, resulting in price increases for everyday consumer goods and services for every family in Ontario. In the long term, the Act is expected to put between 50,000 and 180,000 jobs at risk and cost the economy at least \$150 million.

One of the reasons why Bill 148 has had such a negative impact was its hasty and unresponsive implementation. This sweeping legislation was introduced less than 10 days after the release of the Changing Workplaces Review, a two-year study of provincial labour and employment standards legislation. Despite the considerable scale of this study, the government did not take the necessary time to consider its findings, test its recommendations, or conduct in-depth stakeholder consultations on its results before proceeding with legislation. Nor was an economic impact analysis report conducted and released by the Province before the bill became law. In many cases, the government went beyond the recommendations of the Changing Workplaces Review, introducing amendments such as the most dramatic increase to the minimum wage we have seen anywhere in North America.

The imbalanced labour standards established by Bill 148 come at too high a cost to the economy and workers, as they have limited the ability of business to grow, hire, and invest.

Background – The Ontario College of Trades

The current skills mismatch across the province is a very real problem. Jobs are going unfilled while the demand for highly-trained workers continues to increase. Of the new jobs created in the next decade in Ontario, 40 percent are expected to be in the skilled trades, but only 26 percent of young people aged 13 to 24 are considering a career in these areas.

Since its inception in 2009, the OCOT has faced criticism from industry, with concerns about fees, the compulsory membership structure, and the College's regulatory functions negatively impacting small- and medium-sized enterprises.

In October 2013, the OCC released a report, *Caution: Work Ahead*, detailing specific recommendations on how to make the College more responsive to the overall needs of the economy.

This report highlights several serious issues facing the College, which collectively have contributed to its legitimacy problem among the industries it serves. Specifically, the report identifies the following:

- The College's decisions around journeyperson-to-apprentice ratios and compulsory certification are being made without sufficient data and representation from affected parties.
- The College's trade classification process lacks transparency and is biased toward increasing the number of compulsory trades.
- The College's onerous ratio review process is biased against small and rural businesses.
- The College has not lived up to its mandate of increasing the number of workers in the skilled trades in Ontario.

In 2015, the Ontario government released a report on the College authored by former Secretary of Cabinet, Tony Dean. Unfortunately, those findings were not acted upon by the previous government and the challenges with the College remained.

The long-standing position of the OCC has been that the Government of Ontario should immediately implement the appropriate reforms recommended by the Dean report and sector stakeholders. If this is not possible, the government should instead dismantle the College and return responsibility for trades regulation to the Province.