

2014 OCC AGM & CONVENTION POLICY RESOLUTIONS

**APRIL 21, 2014**

**FINAL**

TABLE OF CONTENTS

<b>Fostering a culture of innovation and smart risk- taking in order to become a productivity leader...</b>	<b>4</b>
1. Prioritizing Regional Cluster Development .....	4
2. Accelerating Growth By Enhancing Ontario’s Tourism Product Offering.....	6
3. Improving Provincial Payment Times .....	8
4. Personal Real Estate Corporations .....	9
5. Eliminate Interprovincial Trade Barriers Before CETA Takes Effect .....	11
6. Investing In Infrastructure to Support the Peace Bridge Expansion (RESUBMITTED SUNSETTING RESOLUTION) .....	13
7. Increasing Value and Spurring Innovation Through Public Sector Procurement.....	15
<b>Building a 21st century workforce .....</b>	<b>17</b>
8. Ensure post-secondary graduates in applied programs of study at Ontario colleges have credentials that recognize their world-leading competencies.....	17
9. Effectively Integrating Skilled Immigrants into the Ontario Workforce (RESUBMITTED SUNSETTING RESOLUTION) .....	18
10. Facilitating Employers’ Role in Immigration in a Changing Landscape .....	20
11. Driving Innovation through Experiential Learning (RESUBMITTED SUNSETTING RESOLUTION) ..	23
12. Small Business Access to Student Loans (RESUBMITTED SUNSETTING RESOLUTION).....	26
13. Engaging Mature (45+) Displaced Workers.....	28
<b>Restoring fiscal balance by improving the way government works.....</b>	<b>31</b>
14. Transparency for Crown Corporation Divestment .....	31
15. Fair Municipal Tendering .....	33
16. Enhance the Ontario Municipal Partnership Fund to Create an Incentive Based Program that will Enable Municipalities and the Province to Create Self-Sustaining Municipalities and Reduce Number, and the Provincial Burden of “Have-Not” Municipalities .....	35
17. Standardization of Electronic Financial Reporting for Municipalities .....	38
18. Sustaining Public Sector Services by Eliminating the Public Sector’s “Total Compensation” Premium .....	40
19. Fair Government Grant Funding (RESUBMITTED SUNSETTING RESOLUTION).....	42
20. Ensuring Accountability and Competitiveness for OntarioBuys (RESUBMITTED SUNSETTING RESOLUTION) .....	44

<b>Taking Advantage of New Opportunities in the Global Economy.....</b>	<b>46</b>
21. Energy as a Development Tool (RESUBMITTED SUNSETTING RESOLUTION).....	46
22. Year Round Greenhouse Growing Operations.....	46
23. Promoting District Energy Programs .....	50
<b>Identifying, championing and strategically investing in our competitive advantages in the global economy .....</b>	<b>52</b>
24. Broader Provincial Transportation and Transit Infrastructure Plan.....	52
25. Addressing the Niagara to GTA Transportation Corridor (RESUBMITTED SUNSETTING RESOLUTION).....	54
26. Eastward Extension – Highway 407 (RESUBMITTED SUNSETTING RESOLUTION) .....	56
27. Regional Transportation Fare Integration (RESUBMITTED SUNSETTING RESOLUTION) .....	58
28. Highway 6 Extension between Highway 401 and South of Morriston .....	61
29. Developing a single transportation authority in the GTHA (RESUBMITTED SUNSETTING RESOLUTION) .....	63
<b>Other policies of strategic significance.....</b>	<b>65</b>
30. Workplace Mental Health Strategy (RESUBMITTED SUNSETTING RESOLUTION) .....	65
31. Promoting Healthy Workplaces in Ontario.....	67
32. Finding Balance in the Endangered Species Act (RESUBMITTED SUNSETTING RESOLUTION)...	70
33. Innovation in Human Services: Community Mobilization.....	72
34. Creation of a Development Charge Framework .....	74
35. Ontario’s Residential Tenancies Act (RESUBMITTED SUNSETTING RESOLUTION).....	76
36. Workforce Development for the Agri-Food Industry .....	79

# FOSTERING A CULTURE OF INNOVATION AND SMART RISK- TAKING IN ORDER TO BECOME A PRODUCTIVITY LEADER

## 1. PRIORITIZING REGIONAL CLUSTER DEVELOPMENT

Hamilton Chamber of Commerce

### **Issue:**

Economic Development based on targeted funding knowledge clusters within cities and regions is an important policy tool for Ontario's economic future. The Government of Ontario should maximize its investment in regional innovation centres, and continue providing funding for targeted infrastructure programs and venture capital grants for development of knowledge clusters in the life sciences, advanced manufacturing and creative industries amongst others.

### **Background:**

Clusters by definition are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region . They emerge from regions that have achieved critical mass in a particular area of expertise and are often anchored by strong research universities, industrial laboratories and/or entrepreneurial companies with human capital to match. Within these organizations, overlapping interests and shared benefits must be realized. This is generally accomplished through focused efforts among stakeholders, and an integration agent is often required to foster and develop collaborative opportunities between these organizations.

In many cases across the world, the integration agent tends to be a government agency that through a combination of funding and policy levers enables other regional stakeholders to collaborate. Existing knowledge clusters in Ontario are also generally centered around higher education institutions or not for profit business incubators funded through the provincial or federal government. Informational technology and digital media clusters in Waterloo and Toronto are prominent global examples.

In Ontario the best practice for fostering this model is the Ontario Centres of Excellence (OCE). This not-for-profit program was formally established in 1987 with seven independent centres that evolved and amalgamated into the Ontario Centres of Excellence Inc. In 2004. OCE aims to productive working partnerships between university and college research departments, research hospitals and Ontario industry. Through a combination of public and private funding these centre's offer services like organization and delivery of conferences, events, workshops, and programs, a higher profile, access to venture capital, provision of communication solutions; and referral of advisors, clients, partners, and projects.

These regional institutions are instrumental in translating Ontario's research and innovation capital into economic productivity and job growth through the incubation of small and medium enterprises, technology transfer, supply chain integration, increasing business productivity.

### **Recommendations:**

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

1. To at minimum maintain the funding priorities as identified by the Seizing Global Opportunities: Ontario's Innovation Agenda;
2. Increase allocated funding towards existing Ontario Centers of Excellence;
3. Explore expanding the Ontario Centers of Excellence program to create additional centers in municipalities specifically targeted on Life Sciences, Advanced Manufacturing, and Creative Industries sectors.

**Estimated Financial Impact to the Province**

- Entail a medium cost to government (between \$10M and \$200M)

**Committee Opinion:**

Committee supports the resolution.

## 2. ACCELERATING GROWTH BY ENHANCING ONTARIO'S TOURISM PRODUCT OFFERING

Greater Niagara Chamber of Commerce

### Issue:

The Ontario craft beer industry is emerging as a strong contributor to Ontario's economy and a key element to its tourism product offering. While the government has taken active steps to support tourism product development, there is a need to overcome obstacles preventing Ontario's craft brewers from fully realizing their ability to contribute to the Ontario's tourism marketplace.

### Background:

Making Ontario a top tourism destination requires forward-thinking policy innovation that supports new and emerging tourism products, destinations and niches. Tourism is good for Ontario's economic strength, good for businesses that choose to invest, and good for sustaining communities across the province. The economic contribution of tourism is significant to Ontario's GDP and economic wellbeing. The tourism industry ranks 7th among Ontario's export industries and contributes \$22.1 billion yearly to the Ontario economy. Tourism employs over 194,000 Ontarians directly, an additional 113,000 indirectly and accounts for 18 percent of all Ontario businesses. Each \$1 million spent by visitors to Ontario creates 14 jobs and generates \$553,400 in wages and salaries in the province.

In 2009, the Ontario Government released *Discovering Ontario - A Report on the Future of Tourism*. The document was designed to provide a roadmap for the government and the tourism industry to achieve a doubling of tourism receipts over the next decade. To get there, it was recommended and subsequently adopted that Ontario aim to double its tourism output by 2020. Since then a number of significant actions have taken place including the creation of tourism regions managed by Regional Tourism Organizations (RTOs). In addition, the provincial government continues to commit to the tourism sector through the Ontario Tourism Investment Strategy and Implementation Plan.

A stronger tourism industry creates room for economic renewal and a stronger provincial economic climate. To become more competitive, Ontario's tourism products must continue to be relevant and interesting to tourists, and must encourage repeat visits. One of the fastest growing industries in Ontario generating new tourist visitors and diversifying Ontario's tourism product offering is craft breweries.

Ontario has witnessed exponential growth in craft breweries around the province and has reaped the benefits of the inherent entrepreneurialism of the industry. Craft beer sales have increased by 10 per cent since 2004, and as much as 700 per cent in the LCBO in the same time period. Sales of Ontario craft beer reached approximately \$190 million in 2010, representing a 5 per cent share of the Ontario beer market. In 2012, Niagara College offered Canada's first Brewmaster and Brewery Operations Management program. This marked a significant step forward in supporting the workforce needs of this fast-growing industry. Additionally, as Ontario consumers become more aware for craft beer, the industry is poised for further growth. A recent study showed that awareness of Ontario's craft brewers increased from 20 per cent to 80 per cent in four years. In order to ensure the industry is able to reach its full potential and maximize its contribution to the growth of Ontario's tourism marketplace, there is a need to overcome the challenges associated with the following:

- Supply chain management and transportation based on restrictions that are put in place through the licencing process via the Alcohol and Gaming Commission of Ontario (AGCO)
- Inclusion in Ontario's overall tourism strategy

- Modernize access to additional retail opportunities by reviewing current retail agreements and restrictions

**Recommendations:**

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

1. Allow craft beer manufacturers to achieve economies of scale and supply-chain efficiency by allowing them to co-warehouse and co-transport their product
2. Allow craft beer manufacturers to offer patrons alcohol that was not produced on site (e.g., a brewery could sell another brewery's beer to a visitor)
3. Allow craft beer manufacturers to offer products for sample and sale at temporary off-site retail locations, specifically farmers' markets
4. Allow craft beer manufacturers to sell cases of 24 at the LCBO
5. Include Ontario's craft brewers as a key investment area in Ontario's Tourism Investment Strategy and Implementation Plan.

**Estimated Financial Impact to the Province:**

- Entails no cost to government

**Committee Opinion:**

Committee supports the resolution. However, the committee asked that there be clarification around current LCBO policies regarding the sale of packs of 24 and the focus of the resolution on Ontario craft breweries.

### **3. IMPROVING PROVINCIAL PAYMENT TIMES**

Thunder Bay Chamber of Commerce

#### **Issue:**

The Province is placing an extraordinary burden on small business through the slow payment of invoices.

#### **Background:**

The Province of Ontario has a very poor track record in paying small businesses for services they have provided to the Provincial Government. In a recent survey the Chamber could not find a single member that received net 30-day payments within 30-days. Unfortunately 60-day duration and much longer is the norm. We have been advised that some companies no longer pursue Provincial business because of this late payment practice and the negative impact on cash flow.

Companies are required to remit HST to the Canada Revenue Agency on a timely basis, which creates an additional upfront burden on small businesses.

The bottom line is that slow payments by the Province increase operating costs for small business, and the Chamber feels this is no way for the Province to conduct business.

The Province must lead by example and provide payments for services rendered in a timeframe consist with how the business community operates.

#### **Recommendations:**

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

1. Pay invoices received within 30 days; and
2. Where payment is not possible within 30 days of invoice receipt due to processing delays, provide 25% advance payment of the invoice total.

#### **Estimated Financial Impact to the Province:**

- Be cost-neutral to the government

#### **Committee Opinion:**

Committee supports the resolution.

## 4. PERSONAL REAL ESTATE CORPORATIONS

Tillsonburg District Chamber of Commerce and the Ontario Real Estate Association

### Issue:

Registered real estate salespeople are currently prohibited from incorporating due to restrictions under the Real Estate and Business Brokers Act, 2002. (REBBA). They are one of the few regulated professions in Ontario who are subject to such restrictions.

### Background:

Since 2008, the Ontario Real Estate Association (OREA) has advocated for the removal of statutory barriers to allow real estate salespeople to self-incorporate.

To date, the Government of Ontario has been reluctant to act on OREA's recommendation since it was initially thought that personal real estate corporations (PREC)s would reduce government revenue at a time when the province was running large budgetary deficits.

### ECONOMIC IMPACT KEY FINDINGS

The Centre for Spatial Economics (C4SE) conducted an analysis of the economic impact of permitting Real Estate Brokers and Agents to incorporate:

- Personal Real Estate Corporations (PREC)s more than pay for themselves in terms of direct tax revenue forgone;
- Between 33 to 89 net new jobs will be created per year;
- Between \$0.8M and \$2.0M average annual additional increase in Ontario government revenue;
- Between \$9M and \$25M average annual increase in Ontario GDP.

### ONTARIO LEGISLATION SHOULD PERMIT PERSONAL REAL ESTATE CORPORATIONS

Other regulated professions, including chartered accountants, lawyers, health professionals, social workers, mortgage brokers, insurance agents, architects and engineers, can all form personal corporations in the Province of Ontario.

### OTHER PROVINCES

Since 2008, British Columbia, Quebec, Manitoba, Saskatchewan, Alberta and Nova Scotia have all moved to allow real estate salespeople to incorporate.

#### Summary Statistics of the Use of Corporations by REALTORS® (2012)

Province	Effective Date	No. of Licences	No. of PRECs	PREC Use Percent*
British Columbia	Jan 1, 2009	20,862	1,252	6%
Nova Scotia	March 1, 2012	1,919	93	5%
Saskatchewan	Sept 2, 2011	1,862	172	9%
Québec	Jan 1, 2012	16,858	653	4%

## **NO COMPROMISE TO CONSUMER PROTECTION**

Real estate salespeople who form personal corporations will continue to be subject to all professional and ethical obligations under REBBA.

### **Recommendations:**

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

1. Amend the Real Estate and Business Brokers Act, 2002 to allow Real Estate Sales People to Incorporate.

### **Estimated Financial Impact to the Province:**

- Be cost-neutral to the government

According to KPMG, the total direct tax revenue loss to Ontario would be approximately \$1.35 million to \$2.7 million over 10 years. However, the C4SE analysis indicates that Government of Ontario will more than recoup tax loss even if only 1/3 of deferred tax is invested in the PREC.

### **Committee Opinion:**

Committee supports the resolution. However, the committee asked that additional background information be added to set the context for why changes to the *Act* have not yet been made in Ontario.

## 5. ELIMINATE INTERPROVINCIAL TRADE BARRIERS BEFORE CETA TAKES EFFECT

London Chamber of Commerce

### **Issue:**

As noted in the Ontario Chamber of Commerce's Emerging Stronger document, "Ontario's ability to trade with its provincial cousins is hindered by complex regulatory obstacles. Provinces should continue progress on eliminating inter-provincial trade barriers as a means of diversifying their trade partners." (Emerging Stronger, p. 35)

The recent Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU will serve to escalate these internal obstacles to trade unless these barriers are removed within the next two years – before CETA comes into force.

### **Background:**

As explicit tariffs between provinces are forbidden under section 121 of the Constitution Act of 1867, most interprovincial barriers are the result of differing rules, regulations, licensing requirements and regional programs. These barriers to internal trade are often enforced by provincial legislation in attempts to protect local interests.

The overall effect of such legislation however, is that it has cost the Canadian economy an estimated \$14 billion per year. (Government of Alberta 2008 "FAQs on the Agreement on Internal Trade") To address this, an Agreement on Internal Trade (AIT) was signed by the provinces and territories and federal government in 1994 in order for "parties to reduce and eliminate, to the extent possible, barriers to free movement of persons, goods, services and investment in Canada, and to establish an open, efficient and stable market" (Government of Canada. 2007 "Agreement on Internal Trade: Consolidated Version").

Despite the AIT, however barriers in many sectors of the economy still exist. One reason for this is that the AIT has never been backed up by a powerful dispute-resolution system or even monitoring and reporting that might expose provinces that fail to live up to the agreement's spirit.

The proposed system for settling disputes under the Canada-EU would provide recourse for companies that feel they have been unfairly treated to take action directly against the offending state. Such recourse is not offered under the AIT.

This means that unless the provinces take action now to eliminate internal trade barriers, European companies bidding on Canadian government work will gain an institutionalized edge over Canadian businesses trying to win similar contracts outside their home province once CETA is enforced.

### **Recommendations:**

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

1. Pursue trade liberalizing agreements with other Canadian jurisdictions through the use of Article 1800 of the AIT, that allows interested parties to move forward when consensus is not possible.
2. Encourage all the Parties of the AIT to conduct a full review and renegotiation of that agreement in order to eliminate barriers to trade, investment and labour mobility by 2015. A new agreement should:
  - a) Cover all sections of the economy including ministries, crown corporations and regional and local governments.
  - b) Institute a dispute resolution mechanism that includes access to a panel with binding and enforceable powers and contain significant fines for non-compliance.

**Estimated Financial Impact to Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution.

## **6. INVESTING IN INFRASTRUCTURE TO SUPPORT THE PEACE BRIDGE EXPANSION (RESUBMITTED SUNSETTING RESOLUTION)**

Greater Niagara Chamber of Commerce

### **Issue:**

The Peace Bridge border crossing between Fort Erie, Ontario and Buffalo, New York is the second busiest crossing in Ontario. The American government has identified the bridge as a key entry point into Canada. As a significant economic link between the GTA and the eastern United States, the transportation infrastructure leading to the Peace Bridge needs to be improved to meet the expected demands of the expanded border crossing.

### **Background:**

According to the Ontario Chamber of Commerce report on border crossings in Ontario, Easing the Choke Points, delays and congestion at the borders are having a dramatic impact on the economy. The report projects that continued delays at border crossing will amount to 17,345 lost jobs by 2020 and 91,194 by 2030. Currently, delays at the border are requiring manufacturers to increase inventory at a cost of upwards of \$1 million per hour. Even more damaging is that delays at the border impacted Canada's export industry nearly twice as hard as the U.S. export industry in 2002 with Canada absorbing \$8.34 billion (61.3%) of the estimated \$13.6 billion total cost of border delays that year.

Over 70% of the value of Canada's international trade travelling by road flows into the United States across Ontario borders. Between 1994 and 2004, the value of trade by truck between the United States and Ontario increased by over 52%. Niagara is a key corridor for movement between Canada and the U.S., accounting for nearly 30% of all Canada-U.S. trade. As the OCC highlighted in its report, Niagara is the second largest trade crossing in Ontario and largest in terms of tourism crossing. Specifically, the Peace Bridge between Buffalo and Fort Erie is the second busiest bridge following closely behind the Ambassador Bridge in Windsor.

In 2010, the Canadian government, in conjunction with the Buffalo and Fort Erie Public Bridge Authority, initiated and completed the expansion of a fifth primary inspection lane for commercial vehicles. The additional lane will increase capacity to handle truck traffic by 25%. The federal government contributed half the cost of this expansion.

In addition in 2014 the Peace Bridge pre-clearance pilot was announced by Minister of Public Safety and Emergency Preparedness Steven Blaney and U.S. Deputy Homeland Security Secretary Alejandro Mayorkas. The program is designed to improve cross-border trade capacity by facilitating easier cross-border access for goods to the United States. The pre-clearance pilot agreement between Canada and the United States will allow U.S. customs officials to assess vehicles in Fort Erie before they reach the border, and as a result reduce border wait times and associated costs. The launch of the pilot marks the latest development in the Beyond The Border Action Plan, a bi-national initiative established by Prime Minister Stephen Harper and President Barack Obama.

With the expansion of the Peace Bridge and its increasing importance in Ontario's economy, it is critical to ensure that the infrastructure supporting the Peace Bridge in Fort Erie can meet the increased demands of an expanded bridge, and that the transportation links between the bridge and southern Ontario are capable of supporting an expanded trade and tourism traffic.

**Recommendations:**

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

1. Identify the Peace Bridge crossing as an area of economic significance, and review the current transportation infrastructure approaching the bridge as a means to identify areas of improvement and expansion to meet the impending increased demands

**Estimated Financial Impact to the Province:**

- Entails no cost to government.

**Committee Opinion:**

Committee supports the resolution.

## 7. INCREASING VALUE AND SPURRING INNOVATION THROUGH PUBLIC SECTOR PROCUREMENT IN TRANSPORTATION

Thunder Bay Chamber of Commerce

### **Issue:**

The Province of Ontario should increase value to taxpayers and spur innovation by leveraging public sector procurement to support Canadian manufacturers and drive the development of innovative products for highway projects, and urban rail and transportation equipment.

### **Background:**

The Greater Toronto and Hamilton Area is facing a serious challenge with traffic congestion and an over-crowded transit system. Metrolinx has outlined a 25-year, \$34 billion plan it calls The Big Move that will address these problems through the expansion and development of roads, rail and transit systems.

The GTHA is not the only area with transportation challenges – every area of the province is struggling to deal with insufficient or crumbling transportation infrastructure. As an example, Northern Ontario Chambers have long called for the four-laning of the TransCanada Highway where there is no alternate Canadian route, to reduce the frequency of highway closures and ensure the continued flow of goods.

Efficient ground transportation of people and goods is vital to a successful and vibrant economy across the province. Progress has been made in some areas but billions more will be needed to improve roads, bridges, rail and transit systems. These investments will be funded, at least in part, from provincial coffers. This provides an opportunity for implementation of a procurement policy that places a priority on increasing value to Ontario taxpayers by spurring innovation and supporting job creation in Canada.

Legal opinion has been obtained from international trade experts outlining that “the Province of Ontario may accord a ten percent preference to Canadian value-added economic activity to procurements that are not subject to the Canada-United States Procurement Agreement or will not be subject to Revised World Trade Organization Agreement on Government Procurement of the Canada-European Union Comprehensive Economic Trade Agreement, once those agreements come into force. This preference may include research and development activities conducted in Canada in relation to the goods and services being procured.” This preference can be applied as a price preference (those bids that propose to supply Canadian value added would be nominally reduced by ten percent for evaluation purposes) or through provision of extra points in the evaluation of bids for including Canadian value added.

The Province of Ontario should utilize every opportunity to leverage public sector procurement in transportation and transit development to spur innovation and support job creation in Canada.

### **Recommendations:**

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

1. Implement public sector procurement policies that increase value to the Ontario economy and spur innovation by according a ten percent preference to Canadian value-added economic activity including research and development and/or engineering activities on transportation and transit related procurements that are not subject to international trade agreements.

#### **Estimated Financial Impact to the Province**

- Be cost-neutral to the government

#### **Committee Opinion:**

Committee supports the resolution. However, there was a dissenting vote from a committee member who cited concerns over local content requirements, which can disrupt supply chains and distort markets. The committee member also noted that Canada is an exporting country and thus depends on open markets. Canadian jurisdictions should beware of the unintended consequences of local content requirements, namely the possibility that they set a precedent for other countries to adopt buy local regulations.

## **BUILDING A 21ST CENTURY WORKFORCE**

### **8. ENSURE POST-SECONDARY GRADUATES IN APPLIED PROGRAMS OF STUDY AT ONTARIO COLLEGES HAVE CREDENTIALS THAT RECOGNIZE THEIR WORLD-LEADING COMPETENCIES**

Colleges Ontario & Ottawa Chamber of Commerce

#### **Issue:**

Employers are demanding more and more highly skilled individuals to address current and future labour market challenges. As the labour market becomes more complex, it will be increasingly important to ensure that our post-secondary credentials can address the needs of employers in Ontario.

#### **Background:**

The Conference Board of Canada estimates that skills gaps cost the Ontario economy up to \$24.3 billion in foregone GDP—as well as \$4.4 billion in federal tax revenues and \$3.7 billion in provincial tax revenues—annually. There is much that Ontario’s stakeholders— employers, educators, governments, and students— must do to address these looming skills gaps and power business growth, innovation, and prosperity in the province.

Ontario needs more career-focused, degree-credentialed people in the workforce to address the increasing skills gap. Increasing numbers of employers want graduates with degrees who also have career-specific skills and qualifications, and degree programs are attractive to students and parents. Students who are completing degree-level programs deserve to earn credentials that reflect their achievements and strengthen their ability to compete for rewarding careers. Strengthening the knowledge and skills of Ontario’s workforce will yield a net positive benefit to the provincial economy and will make Ontario more competitive globally.

#### **Recommendations:**

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

1. Support the Ontario government’s review of post secondary credentials to ensure that our graduates can meet the needs of the economy now and in the future.

#### **Estimated Financial Impact to the Province:**

Be cost-neutral to the government.

#### **Committee Opinion:**

Committee supports the resolution. However, there was a dissenting vote from a committee member who noted that the resolution may cause tension between the college and university sectors.

## **9. EFFECTIVELY INTEGRATING SKILLED IMMIGRANTS INTO THE ONTARIO WORKFORCE (RESUBMITTED SUNSETTING RESOLUTION)**

Greater Sudbury Chamber of Commerce and Mississauga Board of Trade

### **Issue:**

The skills gap is one of the top barriers to competitiveness in Ontario and Canada. There exists a significant disconnect between the skills needed and the talent available. The changing demographics of the province with an aging population, increased retirees and low birth rates means that our economy will be almost entirely dependent on immigration for net labour force growth.

Currently, immigrants account for nearly 30% of Ontario's labour force. The Government of Ontario must support these immigrants as well as future newcomers to the province so that they can succeed and contribute fully to our economic prosperity. The province must ensure that effective programs and services are available to help improve settlement and integration for all immigrants.

### **Background:**

In the coming years, immigrants will account for 100% of net labour force growth. Looming labour shortages and the skills mismatch in different geographic locations and sectors of the Ontario economy also makes it increasingly important to hire skilled immigrants and foreign trained workers. Integrating internationally trained professionals and trades people will be integral in supporting future economic growth and addressing Ontario's workforce challenges.

In 2012, Ontario announced its first ever immigration strategy which seeks to raise the proportion of economic immigrants to 70%. With these changes, Ontario will be home to a greater proportion of Canada's economic immigrants in the coming years. Providing a clearer path for immigrants seeking the recognition of their foreign credentials will be vital in ensuring the effective economic integration of newcomers. Many immigrants in regulated professions struggle to fully participate in Canada's workforce as a result of not having their foreign credentials recognized.

The Red Seal Program allows apprentices and qualified tradespersons to practice their trade in any province or territory in Canada where the trade is designated without having to write further examinations. Red Seal, however, does not assist foreign trained apprentices or certified journeypersons. Many newcomers need specific short-term training rather than years of re-education to adapt to Canadians standards. A number of regulatory bodies such as engineers and architects have negotiated mutual recognition agreements (MRAs) with foreign counterparts to accelerate the licensing processes for internationally trained individuals. These MRAs represent great progress in certain sectors, however significant challenges remain.

As of 2010, only a quarter of immigrants in Ontario were working for professions in which they were trained; the unemployment rates of newcomers were also among the highest in the province. Although future changes to the immigration system will help immigrants obtain an employment offer prior to their arrival, there remains a significant proportion of immigrants in Ontario currently who are unemployed or underemployed.

The province will also be affected by federal efforts to reduce the Federal Skilled Worker backlog which potentially impacts 280,000 people who have been waiting years for a decision on their immigration

application status; it is estimated that 70% of these applicants were destined for Ontario. These people must not be ignored; efforts will also need to be made on the part of the province and employers to help facilitate the transition of these immigrants into positions that match their skills with the labour market needs of Ontario.

Increasing bridging programs will be essential in facilitating the transition of newcomers into the workplace. Additional supports must be provided to employers and educational institutions for enhancing tools such as training, mentorships and internships that allow immigrants to gain the experience and skills needed to better integrate into the Ontario workforce. Post-secondary institutions will also have a vital role to play in helping international students access the services and training they need to advance their career development in the province.

The government of Ontario should also revamp its efforts in communicating the benefits of hiring skilled immigrants and having a diverse workforce to Ontario employers. Employers may want to hire temporary foreign workers or international students for example, but do not have the dedicated human resources or staff to deal with the additional administration that may come with not only hiring immigrants but also facilitating their smooth integration into a new work environment.

### **Recommendations:**

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

1. Reduce barriers for internationally trained professionals and trades people by continuing to work with key partners such as professional regulatory bodies, Ontario's Fairness Commissioner and Professional Immigration Networks to improve the assessment and credentials recognition of foreign trained professionals.
2. Expand funding/supports for both employers and educational institutions for bridge training, internships, mentorship and professional language programs, with added emphasis on "soft skills" training. This will require increased coordination between the various ministries, funders and service providers that manage selection and integration related services.
3. Increase supports for employers to promote the benefits of hiring immigrants, enhancing cultural diversity awareness, and effectively integrating and managing a culturally diverse workforce.
4. Develop and fund a post-secondary education process for the integration of immigrants that would include accessible labour market information as well as counselling and advisory services.

### **Estimated Financial Impact to the Province:**

- Entail a medium cost to government (between \$10M and \$200M)

### **Committee Opinion:**

Committee supports the resolution. However, the committee asked that the background and recommendation section be shortened to make the resolution more concise and to ensure consistency with other OCC resolutions.

## 10. FACILITATING EMPLOYERS' ROLE IN IMMIGRATION IN A CHANGING LANDSCAPE

Greater Sudbury Chamber of Commerce and Mississauga Board of Trade

### **Issue:**

The immigration system will be drastically changing on both the federal and provincial level in the coming years with the introduction of the Expression of Interest (EOI) system. With these changes, employers will have a more direct and active role in the immigration system than ever before. Employers will not only have more input in selecting employees from abroad, but also the future residents and citizens of the nation.

Ontario must take a leadership role in working with the federal government and employers to design and implement the EOI to be a fast and responsive system that reflects the immigration needs of employers, large and small, as well as Ontario's complex labour market realities.

### **Background:**

Drastic changes are ahead for Canada's immigration system that will transform the way the nation administers and selects immigrants. In early 2015, a new application management system will be introduced for selecting and processing immigrants, the Expression of Interest (EOI) system. This system will create a pool of pre-qualified candidates ready to become permanent residents and work in Canada. The goal of the EOI is to reduce processing times and allow employers and government to better select immigrants based on the specific skills they need.

Given these changes, Ontario will no longer be a passive actor in the immigration system as it was in the past. Ontario will have the ability to take the lead in the selection of immigrants based on labour market realities. The EOI however will only be successful if it responds to the need for a fast and easy to use system that treats both employers and prospective immigrants as customers. Ontario must work hand in hand with employers and municipalities in designing the EOI and helping them use the system more effectively for their hiring purposes. The unique skills shortages of different sectors and geographic/linguistic communities such as Francophone and rural regions must also be taken into account.

One way to ensure this system is attractive to employers is to allow them to have a role in assigning the selection criteria and enabling them to effectively tap into the pools of skilled candidates created by the new system. Preliminary federal plans have indicated that the EOI system will not allow employers direct access to the pool of candidates; rather an automatic matching mechanism will be used. Ontario must urge the federal government to allow employers first-hand access to this pool to enable them to search for the specific criteria and candidates that best reflect their needs.

It is also vital that the EOI captures what currently works in the immigration system and allow employers to continue to make use of their existing recruitment strategies. Some employers use third party intermediaries abroad to help facilitate the process of recruitment or immigration consultants to assist in the pre-screening and vetting of candidates according to the specific needs of their business. The EOI

should allow for these third party actors to access the EOI pool in order to reduce overall costs to employers.

Under the new EOI system, there should be a recognition that some employers will continue to need the temporary aspect of hiring foreign workers to fill short-term vacancies. Changes to the immigration system should be coordinated with existing foreign worker/immigration programs and align to both the temporary and long-term needs of employers. Although the EOI is premised on recruiting advanced skills, the system should also allow some room for assistance to those employers having difficulty filling lower and semi-skilled positions.

Many employers currently do not access the immigration system as they may not fully understand the benefits of hiring from abroad to meet their skills shortages or lack the time and necessary resources. Only a small percentage of SMEs for example use the immigration system for their hiring needs. The EOI must be marketed both internationally to prospective immigrants and domestically to employers to encourage broader participation and understanding from both ends. A support system will need to be in place for employers to help them understand the new changes and to navigate through them. There will be a role for organizations such as local chambers of commerce to act as an interface, providing information to employers on how to access the system as well as raising awareness of the benefits of hiring skilled immigrants.

Changes to Canada's immigration system, including the EOI, will only be successful in Ontario if they result in a reduction of red tape and administrative burdens on employers. A more responsive and client focused immigration system will remove employers from the sidelines and position them as active drivers in the global competition for talent.

### **Recommendations:**

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

1. Consult and work closely with employers in the design and implementation of the EOI, including development of selection criteria and a successful process for employers to access the pool of candidates.
2. Actively collaborate with and urge the federal government to a) allow employers direct access and indirect access (through third party employer representatives) to candidate profiles in the system b) allow for flexibility in the system to address temporary and semi-skilled needs of employers c) vigorously market and promote the system to ensure employer awareness and uptake.
3. Work with the federal government and partners to keep the administrative burden for employers low by significantly reducing processing times and ensuring users are able to easily access the online system via a 'one-window' information and submission portal.
4. Create an effective support system for employers and communities to help them understand and navigate through the EOI system, including:
  - support employer organizations such as chambers of commerce to act as an interface, promoting and explaining the system and its benefits to employers;

- connect with local intermediaries such as immigration service providers and local immigration partners to help propel the EOI and to raise awareness among employers of the advantages of hiring skilled immigrants.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution. However, the committee asked that the background and recommendation section be shortened to make the resolution more concise and to ensure consistency with other OCC resolutions.

## **11. DRIVING INNOVATION THROUGH EXPERIENTIAL LEARNING (RESUBMITTED SUNSETTING RESOLUTION)**

Greater Sudbury Chamber of Commerce, Timmins Chamber of Commerce and Sault Ste. Marie Chamber of Commerce

### **Issue:**

Performance in strategic sectors of the economy requires individuals equipped with the specialized skills to leverage new technologies and develop new applications that respond to emerging opportunities in the marketplace. Research shows that these specialized skills can best be conferred through experiential, hands-on learning that provides students with exposure to – and an opportunity to learn in – the business environment. The provincial government has an opportunity to propel Ontario to the forefront of innovation by adopting policies that specifically address the demand for experiential learning in Ontario.

### **Background:**

The Ontario economy is in constant transformation with the development of new technologies and innovations. A highly skilled workforce of individuals with advanced education and specialized skills is needed to support these advancements and to leverage new technologies that respond to emerging opportunities in the marketplace. A labour force equipped with the skills and competencies to fill in-demand roles is a key pillar of innovation. A responsive education system that enables students to achieve specialized skills through experiential learning opportunities is key to addressing labour market needs.

Employers from both urban and rural parts of the province identify a deficit of technical, entrepreneurial, and management skills among recent graduates as a significant barrier to seizing new business opportunities.

Evidence suggests that the skills required to capitalize on new opportunities in the marketplace can best be acquired through applied learning opportunities which supplement classroom instruction with firsthand experience of the business environment and business culture. Experiential learning programs deliver positive impacts for students, businesses and local economies, helping to address the ever-increasing demand for workers with higher levels of education, skills and experience. Ontario businesses view work-integrated learning as an important strategy in addressing the skills mismatch and improving productivity.

The number of workplace based opportunities offered is currently insufficient to meet the demand of students. Smaller cities and more rural areas of the province also at times lack the resources that urban centers have to expand experiential learning programs in their respective communities. The Government of Ontario offers certain incentives to increase experiential learning opportunities across Ontario. For example, the Ministry of Education requires all school boards to offer school-work programs, and high school students can use up to two cooperative credits towards their diplomas. The Ministry of Finance offers financial support to businesses that want to take part in co-operative education and apprenticeship programs in the form of tax credits. However, there is much more the government can do to expand experiential learning opportunities.

A 2013 Conference Board of Canada Report states that many employers face challenges in providing meaningful experiential learning opportunities. These challenges include insufficient time or resources to

invest in student training, excessive administration and “red tape” as well as a lack of awareness and understanding of the benefits of experiential learning. Educational institutions are also faced with inadequate resources to nurture relationships with employers and manage student work placement logistics.

The government’s policy-framework needs to recognize that experiential learning begins with kindergarten and continues all the way through to post-secondary education. Ontario must invest in and reinforce the importance of all types of experiential learning opportunities such as mentorships, apprenticeships, field experience, co-ops, internships, applied research and service learning in order to more strongly align educational outcomes with current labour market needs.

### **Recommendations:**

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

1. Better equip employers with the tools they need to support and understand the benefits of innovative experiential learning opportunities at the secondary and post-secondary levels by:
  - improving and expanding incentives and hiring subsidies such as the Co-operative Education Tax Credit (CEDT) to encourage more businesses to offer work placements to students;
  - implementing a province-wide communications strategy, targeting both employers and students, to foster greater awareness about the benefits of experiential learning and the incentives available to businesses that hire students.
  
2. Work with educational institutions at all levels to improve the design of work-integrated programs and allocate additional resources to experiential learning programs such as internships, mentorships and co-op placements. Additional resources should allow educational institutions to:
  - establish better connections with employers, investors and community partners to increase the number of experiential learning opportunities available;
  - expand the number of programs at the college and university levels that offer the option of experiential learning and increase mandatory work placements for some programs;
  - improve the design and organization of experiential learning programs to target specific labour market needs and skill shortages;
  - streamline experiential learning programs to reduce administrative burdens for participating employers;
  - enhance and introduce new facilities and equipment required for students to engage in applied research at their educational institution;
  - offer adequate support and advice to employers seeking to hire students and ensure placements are relevant to students’ education;
  - track learning outcomes of these programs for continuous improvement;
  - improve strategies to connect students from underrepresented groups to work placements and corporate mentorship opportunities.
  
3. Ensure underserved and more rural areas of the province receive adequate experiential learning resources:

- expand opportunities such as the Northern Ontario Heritage Fund (NOHF) internship program that targets businesses outside of large urban centres to allow them to take advantage of experiential learning opportunities through wage subsidies and other incentives.
- 4. Through the Ministry of Education, work with education professionals and the employer community to identify opportunities and determine funding requirements for further integrating business education and employer mentorship programs into curricula and extra-curricular activities at the elementary and secondary school levels.
- 5. Lead by example through the creation of inter-disciplinary experiential learning opportunities within the Ontario Public Service (Ministry of Research and Innovation; Ministry of Economic Development, Trade and Employment; Ministry of Education; Ministry of Health; Ministry of Finance; Ministry of Community and Social Services, etc....).

**Estimated Financial Impact to the Province:**

- Entail a medium cost to government (between \$10M and \$200M)

**Committee Opinion:**

Committee supports the resolution.

## **12. SMALL BUSINESS ACCESS TO STUDENT LOANS (RESUBMITTED SUNSETTING RESOLUTION)**

Sarnia Lambton Chamber of Commerce

### **Issue:**

A small business, which re-invests its net income into the business to create Ontario jobs and improve productivity, is penalized when it comes to the Canada-Ontario integrated student loan application. The offspring students of such owners are at a disadvantage with respect to regular employees of other Ontario companies.

### **Background:**

The objective of student financial assistance is to assist eligible students who do not have the resources to meet the costs of post-secondary education. The intention is to promote equality of opportunity for post-secondary studies by providing financial assistance for educational costs and basic living expenses where students (and their families) do not have the resources to meet these costs.

The purpose is to supplement, not to replace, the financial resources that students and their families, if applicable, are expected to contribute. Assistance is based on financial need as established by the federal and/or provincial governments and as determined by the ministry through assessment of Ontario Student Assistance Program (OSAP) applications.

A number of our small business owner members have indicated that their student children applicants have been turned down for the Canada-Ontario integrated student loan. (OSAP is the application point for the loan.) It appears that the net income of the small family business is considered family income. Rather than re-invest in the business and create local jobs and grow the economy, the small business is expected to liquidate its income and give it to the student for their education.

While there has been significant improvement to communicate the criteria upon which the loans are assessed, there remains an imbalance between students whose parents are employed and students whose parents own and operate a sole proprietorship or partnership. Small business owner families are being held to a different standard and expectation than families of regular wage earners.

OSAP is a loan. If the government truly is “committed to ensuring that all qualified students continue to have access to high-quality educational programs that will provide them with the skills and expertise they need for future success”, then it should look for ways to minimize barriers and provide equal access.

### **Recommendations:**

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

1. Identify the owner’s draw from the business as his personal net income and remove the requirement to include business assets in the student loan application process.

### **Estimated Financial Impact to the Province:**

- Be cost-neutral to the government

**Committee Opinion:**

Committee supports the resolution.

## 13. ENGAGING MATURE (45+) DISPLACED WORKERS

London Chamber of Commerce

### Issue:

There has been a great deal of attention about a looming skills shortage both provincially and nationally. The Conference Board of Canada published “The Need to Make Skills Work: the Cost of Ontario’s Skills Gap” in June 2013 which highlighted the fact that there is a significant skills gap that is emerging. Other reports from 2013 such as TD Economics “Jobs in Canada: Where, What and For Whom?” have claimed more of a mismatch than shortage but the issue is fundamentally the same; the labour market is not providing the workforce that business and the economy needs. Mature workers (45 years +) provide one possible solution to this gap.

Mature workers possess the experience and loyalty that employers require. However, many of these mature workers may lack upgraded skills, or if they have the needed skills, find themselves underemployed, in an extended state of transition or unemployed because of the inability to effectively link them with the labour market. This underemployment represents a lost opportunity for the business community, under productivity for the economy and a class of workers that is not fully realizing their potential or utilizing their skills and experience.

### Background:

The 2008 recession was felt by all ages, all industries and all occupations. Displaced workers in Ontario came from every sector. The economic recovery has seen many workers back on the job after a period of uncertainty. However, not all of the workers that have re-engaged with the labour force have done so in the most productive way for both themselves, and the economy. Many mature workers have had a particularly difficult time transitioning and many are still in transition.

There is an acknowledged skills shortage/mismatch that can be partly addressed by utilizing mature workers:

- “Emerging Stronger” highlighted the need to build a 21st century workforce and address skills and labour shortages in key sectors. (Ontario Chamber of Commerce, Mowat Centre for Policy Innovation, Leger Marketing)
- The Canadian Chamber of Commerce identified skills shortages in their 2013 publication “Top 10 Barriers to Competitiveness”
- The Conference Board of Canada states that there is a looming skills gap in some sectors in Ontario because of a variety of factors including mismatch of education, technological change and demographic trends (The Need to Make Skills Work: the Cost of Ontario’s Skills Gap, 2013)
- TD Economics publication “Jobs in Canada: Where, What and For Whom” disputes the notion of a widespread skills shortage but they do acknowledge some regional mismatch and shortage.
- Given that many employers have a hard time hiring qualified workers with relevant skills and experience, mature workers provide an opportunity to help them develop the workforce they need to prosper. This will require some flexibility:

- Mature workers can help turn education of new workers into on-the-job skills through mentoring, coaching and established work ethic.
- In his 2013 study “No Shortage of Opportunity” published by the Institute for Research on Public Policy, Cliff Halliwell argues that many of the labour market programs are out of date because they were originally created when there was a much younger population dynamic.
- Halliwell also states that the share of the workforce that is 55 years and older will continue to increase as people work longer and that this is an issue that needs to be brought to greater attention (“No Shortage of Opportunity”, 2013)

Mature workers often represent a highly skilled and educated portion of the labour force.

- When looking at all unemployed persons in the labour force in Ontario, the 45+ year’s age category has a higher educational attainment than workers in the 15-44 years category according to figures from the National Household Survey, 2011.
- At the regional level of Elgin, Middlesex and Oxford, the 45-64 years category has the highest proportion of the unemployed labour force with the educational attainment level of ‘College, CEGEP or other non-university certificate or diploma’(National Household Survey, 2011)
- Mature workers are value added employees who can provide meaningful contributions to the workplace. They have a wealth of knowledge gained from both work and non-work experience. (Rethinking Social Policy for an Aging Workforce and Society: Insights from the Life Course Perspective, 2013) For this reason, it is recommended that the Targeted Initiative for Older Workers (TIOW) be renewed and expanded so mature workers can continue to provide meaningful contributions to the labour force.

At a local level, mature workers are accessing employment services to help re-enter or stay connected to the workforce but this process takes time. According to Community Employment Services, Fanshawe:

- Over half of mature clients took more than 3 months to access services and a quarter of clients took over a year.
- Mature clients who accessed services within 6 months had 60% employed outcomes. Those who took longer than 6 months had 46% employed outcomes.
- As age increases, so does the percentage of clients who took longer than 12 months to access services.

### **Recommendations:**

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

1. Renew and expand the Targeted Initiative for Older Workers (TIOW) to include all mature workers and larger communities that are currently excluded from TIOW.
2. Using the Ontario Government’s Job Creation Partnerships create an opportunity for mature workers to pass on their knowledge to younger workers by specifically targeting mature workers through this program.
3. Allow more flexibility in the application process in Second Career for upgrading and retraining mature workers.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution. However, the committee asked that the types of partnerships referenced under the Ontario Government's Job Creation strategy be explicitly stated in the resolution.

## RESTORING FISCAL BALANCE BY IMPROVING THE WAY GOVERNMENT WORKS

### 14. TRANSPARENCY FOR CROWN CORPORATION DIVESTMENT

Timmins Chamber of Commerce, Greater Sudbury Chamber of Commerce, and Sault Ste. Marie Chamber of Commerce

#### **Issue:**

Provincial Crown corporations may be divested without a complete, comprehensive business case or socio-economic impact study. This lack of transparency or oversight can inadvertently incur considerable costs, both short- and long-term, to Ontario taxpayers and businesses.

#### **Background:**

Wholly owned by the province, Crown corporations serve particular policy needs or services that may otherwise go unfilled by the private sector.

This means that policy shifts within the Government of Ontario may lead to the divestment of a Crown corporation; however, this can occur without first requiring a rigorous business case or socio-economic impact study.

Government officials are therefore able to make divestment decisions without being fully informed about their impact, potentially generating a host of unforeseen costs.

A key example of the uncertainty that can result from this lack of oversight is the ongoing effort to divest the Ontario Northland Transportation Commission (ONTC). This Crown agency provides telecommunication, rail refurbishment, freight rail and passenger motor coach services, primarily throughout northeastern Ontario.

In March 2012, the provincial government announced the divestment of the ONTC as a cost-saving measure. This resulted in an immediate outcry from many, including industrial firms who indicated the lack of freight rail would pose steep financial and operational challenges.

However, a December 2013 report by Ontario Auditor General Bonnie Lysyk revealed that the government only built an initial business case four months after the divestment announcement, and subsequent iterations of the business case continue to lack details around the true cost of the move.

This after-the-fact business case study indicated that the projected short-term savings of \$265.9 million would instead represent an immediate cost in excess of \$820 million. Moreover, the Auditor General's investigation into the divestment found that "there may well be socio-economic benefits to justify subsidizing the ONTC."

Though the provincial government has since relented somewhat in this particular case, the ongoing uncertainty resulting from the lack of adequate information in the government's decision-making process has harmed business' ability to operate with confidence in Ontario.

**Recommendations:**

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

1. Commit to divesting a Crown corporation only after producing a comprehensive business case and socio-economic impact study, subject to stakeholder review.

**Estimated Financial Impact to the Province:**

- Create a cost savings for the government

**Committee Opinion:**

Committee supports the resolution.

## 15. FAIR MUNICIPAL TENDERING

Hamilton Chamber of Commerce and Sault Ste. Marie Chamber of Commerce

### Issue:

Current provisions under the Ontario Labour Relations Act severely restrict the ability of municipalities and school boards to provide open tendering for major infrastructure projects. This legislative regime potentially leads to higher taxes for businesses or reduced services in municipalities of all sizes across Ontario

### Background:

Public sector employers, specifically municipalities, are treated as businesses under Ontario's Labour Relations Act, 1995. As a result of this classification, the OLB, upon petition from a union, is able to apply collective-bargaining rules for construction companies to municipalities. Consequently, once an employer becomes unionized all infrastructure projects are available exclusively to companies organized by a specific union.

Municipalities are now forced to pick only those contractors that hold membership under a specific union. It is estimated that 70 percent of contractors nationally are not unionized and would subsequently be prohibited from working on designated public projects.

An example stemming from this legislation comes from the City of Hamilton. In 2005 two workers signed carpenters' union cards and were thus able to impose a union agreement on the entire city. As a result, the pool of eligible bidders for construction contracts in Hamilton was reduced by over 90 per cent. Of the 260 firms that had previously bid on city jobs, city staff calculated that only 17 were affiliated with the carpenters union.

Similarly In the Region of Waterloo as of writing, 27 companies have pre-qualified to bid on \$140 million worth of regional water and wastewater infrastructure work. If a bid by the Carpenters' Union for certification is successful, the number would drop to just two.

Many firms who pay taxes in our municipalities are unable to bid on local contracts simply because their workers either chose not to unionize or chose a union other than the Carpenters or Labourers Union.

In response to concern by municipalities, Kitchener-Conestoga MPP Michael Harris tabled Bill 73, the Fair and Open Tendering Act, in May 2013. The proposed legislation provided a clear definition in the OLRA to clarify that municipalities and school boards are not construction employers. The bill was defeated on second reading despite support from by Association of Municipalities of Ontario as well as the Large Urban Mayors' Caucus of Ontario.

There are several municipalities in the Province of Ontario that are currently impacted by closed tendering rules, including but not limited to Sault Ste. Marie, Hamilton, Kitchener Waterloo, Toronto and Mississauga.

### Recommendations:

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

1. Amend the Ontario Labour Relations Act to clarify that municipalities and school boards are not construction employers.

### Estimated Financial Impact to the Province:

- Be cost-neutral to the government

**Committee Opinion:**

Committee supports the resolution.

## **16. ENHANCE THE ONTARIO MUNICIPAL PARTNERSHIP FUND TO CREATE AN INCENTIVE BASED PROGRAM THAT WILL ENABLE MUNICIPALITIES AND THE PROVINCE TO CREATE SELF-SUSTAINING MUNICIPALITIES AND REDUCE NUMBER, AND THE PROVINCIAL BURDEN OF “HAVE-NOT” MUNICIPALITIES**

Sault Ste. Marie Chamber of Commerce

### **Issue:**

The Ontario Municipal Partnership Fund (OMPF) includes an unconditional grant payment to municipalities who are unable to fund their service commitments. The unconditional funding (the Grant) is paid on a need basis and the program does not include any incentives for municipalities to operate more efficiently or to improve their local economies. Similarly, the OMPF Grant does not include any ability on the part of the Province to utilize OMPF Grant funds to invest in the growth and diversification of local economies in order to reduce municipal reliance on the OMPF Grant and make a larger number of municipalities self-sustaining. The OMPF unconditional funding currently accounts for 4.5% of the projected corporate tax revenue of the province. The OMPF Grant supports the existence of a “Have” and “Have-Not” set of municipalities and impairs the ability of the Province to invest in the future of the Province as a whole.

### **Background:**

The Ontario Municipal Partnership Fund (OMPF) is the Province’s main transfer payment to municipalities.

In 2014, the Province will provide a combined benefit of over \$2 billion to 425 municipalities — more than three times the level of funding provided in 2004. The combined benefit includes:

- OMPF unconditional support of \$550 million to 388 municipalities which are direct payments to “Have-Not” municipalities from “Have” municipalities; and
- The upload of over \$1.5 billion in social assistance benefit program and court security and prisoner transportation costs for 339 municipalities.

In 2013/2014 the province redesigned the OMPF in consultation with the municipalities.

The objectives of the redesigned 2014 OMPF are to:

- Continue to support areas with limited property assessment through the use of ongoing unconditional support payments (currently budgeted to be \$550 Million for 2014);
- Continue to recognize the challenges of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances; and
- Assist municipalities as they transition to the redesigned program.

Since 2004 the OMPF has increased funding to municipalities from \$618 Million to more than \$2.1 Billion, an increase of more than \$1.4 Billion;

Notwithstanding the significant increase in provincial funding from 2004 to 2014, in the form of both uploaded services and direct unconditional payments, the vast majority of municipalities in the Province have increased municipal tax levies and have increased expenditures during that same time period by as much as 20% or more;

The OMPF does not include any incentives to encourage municipalities to reduce their reliance upon the \$550 million of unconditional funding by:

1. Providing municipal services with targeted levels of efficiency;
2. Managing municipal taxation levies with a view to improving the economic competitiveness of the municipalities; or
3. Diversifying and growing their local economies.

Similarly, the OMPF does not include any ability or incentive on behalf of the Province to utilize some or all of the OMPF unconditional funding to invest in the growth and diversification of local economies in order to reduce municipal reliance on the OMPF and make a larger number of municipalities self-sustaining;

The \$550 million of unconditional OMPF funding budgeted for 2014 represents approximately 2.5% of the total projected sales tax revenue for 2014 and more than 4.5% of the total projected corporate tax revenue for 2014;

The ongoing OMPF unconditional funding is negatively impacting Ontario's ability to become more competitive in areas where the entire Province, including "Have-Not" municipalities will be able benefit such as post-secondary education, municipal infrastructure, or lower overall taxation levels to name a few.

### **Recommendations:**

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

1. Create a working committee to review the OMPF unconditional funding payment program and to modify the OMPF unconditional funding formula to:
  - Provide incentives to municipalities to improve the efficiency within which they deliver services;
  - Provide incentives to municipalities that reduce taxation levies with a view to improving the economic competitiveness of the municipalities;
  - Provide incentives to municipalities to improve the efficiency within which they deliver services;
  - Provide incentives to municipalities who increase their assessment with a view to increasing their economic competitiveness. Provide incentives to municipalities that grow and diversify their local economies;
  - Enable the Province to utilize OMPF Grant funds to invest in the growth and diversification of local economies in order to reduce municipal reliance on the OMPF Grant so that a larger number of municipalities become and remain self-sustaining

**Estimated Financial Impact to the Province:**

- Create a cost-savings for the government

**Committee Opinion:**

Committee supports the resolution.

## 17. STANDARDIZATION OF ELECTRONIC FINANCIAL REPORTING FOR MUNICIPALITIES

Sault Ste. Marie Chamber of Commerce

### Issue:

Municipalities report and publish their financial statements and budgets online; however the format used to report the information and the metrics used to report the information are not consistent across all municipalities. This reality makes it very difficult and in some cases impossible for Chambers of Commerce, Boards of Trade and taxpayers in general to properly compare the efficiency and effectiveness of one municipality to another. As a result the ability of Chambers of Commerce and Boards of Trade to effectively and efficiently advocate for their members is negatively impacted.

### Background:

Chambers of Commerce and Boards of Trade advocate on behalf of their members for, among other things, effective and efficient government. At the local level, Chambers of Commerce and Boards of Trade need to be able to make meaningful comment and constructive recommendations to local government. To do that Chambers of Commerce and Local Boards of Trade require access to clear, consistent information that can be easily compared and contrasted all across municipalities in the province;

The majority of municipalities in the Province of Ontario publish their annual budgets and financial statements online;

Local Chambers of Commerce and Local Boards of Trade are best suited to advocate at the municipal level of government on behalf of business in the areas of competitive taxation rates, government efficiency and economic growth;

Municipalities are not currently required to use standardized reporting formats and metrics when they publish budgets, financial statements or other financial information that is consistent with all municipalities, thereby preventing users of the information from being able to easily, efficiently and effectively compare and contrast the performance of one municipality to another on items such as but not limited to:

- Total municipal (ie not education) expenditures/household;
- Total expenditures/\$100,000 of assessment;
- Total assessment roll/household, ie the value of all property assessed in a municipality compared to the number of households;
- Full time equivalent municipal personnel by department per household;
- Full time equivalent municipal personnel by department per \$100,000 of assessment;
- Total taxation levy per household;
- Total taxation levy per \$100,000 of assessment;
- Total provincial financial support (ie OMPF and Uploading) per household and per \$100,000 of assessment;
- Assessment rates per type of assessment, ie residential, commercial, industrial etc;

- Assessment value per type of assessment, ie the value of properties taxed under each assessment rate.

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

1. Request that the Ministry of Municipal Affairs and Housing develop a Standardized Municipal Financial Performance Reporting e-Document that will, once implemented, bring about clear and transparent online financial reporting for all municipalities in the province so that all taxpayers can easily, efficiently and effectively compare the financial performance and operational efficiencies of one municipality to any other municipality; and
2. Pass legislation requiring all municipalities to adopt and utilize the Standardized Municipal Financial Performance Reporting e-Document and that all previously published financial information of each municipality be re-published using the document starting with the 2014/2015 fiscal year; and for a period of time that includes each fiscal year of at least the two full terms of every municipal government prior to the 2014/2015 fiscal year.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution.

## 18. SUSTAINING PUBLIC SECTOR SERVICES BY ELIMINATING THE PUBLIC SECTOR'S "TOTAL COMPENSATION" PREMIUM

Sarnia Lambton Chamber of Commerce

### Issue:

Ontario's public services are under threat as the province struggles to contain deficit spending while also carrying a growing debt burden. One of the major contributors to spending is the total compensation premium paid to public sector workers relative to those in the private sector. Intelligent and targeted policies aimed at eliminating this premium will bring fairness to employment across Ontario, increase competitiveness, and enable long-term sustainability of essential public services.

### Background:

Recent research has demonstrated that the Ontario public sector wage premium is 12.4 percent (AmelaKarabegović, et al., Comparing Public and Private Sector Compensation in Ontario, Fraser Institute, 5;). Non-wage benefits are also elevated: in 2011, 76.5 percent of public sector workers were covered by a registered pension compared to 26.0 percent of private sector workers; nearly all were covered by a defined benefit pension (compared to only 53.5 for private sector works); they retired on average 1.3 years earlier and were 10 times less likely to lose their job. Public sector workers also benefit from an implicit government underwriting of unfunded pension liabilities. The most underfunded plans include the Teachers Pension Plan (TPP), the Public Service Pension Plan (PSPP) and OPSEUPP. Many university pension plans are also underfunded. It is expected that as equity market losses in recent years impact pension funds, the funding gap will grow (Drummond Report, p. 437).

The 'total compensation' premium is unfair because it is out of line with the private sector, placing an excessive burden on the provincial budget.

Effective legislation on public pay accountability is possible. Ontario's Pay Equity Act 1990 successfully reduced sex-based wage discrimination. And legislation on public expenses successfully controls the business-related expenses of public sector employees (Public Sector Expenses Review Act 2009, etc.).

The first step is reliable data that include non-pay benefits such as pension, health benefits and job security. This would enable 'total compensation' metric benchmarking. At the moment, such data is not being collected in Canada. Canada should follow the example of the U.S., which collects data on 'total compensation' in the private sector as well as at the municipal, state and federal levels. The Ontario government should press the Federal Government to mandate this data collection by Statistics Canada. (also called for by Drummond Report, recommendation 15-12, p. 378)

Thereafter the goal should be to bring 'total compensation' in the public sector in line with that in the private sector. That includes sharing the pension liabilities with employees. We therefore recommend that the Government, in negotiating with public sector employees, implement wherever possible these strategies:

- Include both salary and non-salary benefits in all compensation negotiations
- Use total compensation metric benchmarking with the private sector when negotiating pay deals with employees

- Increase the proportion of contributions paid by employees
- Reduce pension benefits (e.g. move from best last three years to average of all years worked)
- Reduce inflation protection for new hires
- Increase the retirement age
- Close defined benefit plans to new employees and use defined contribution plans in their place

**Recommendations:**

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

1. Collect data for 'total compensation' metric benchmarking
2. Establish Ontario Public Budget Office to ensure responsible pay and benefits
3. Share the cost of public sector pension funding gap

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution but asked for more consistency between the background and recommendation sections.

## **19. FAIR GOVERNMENT GRANT FUNDING (RESUBMITTED SUNSETTING RESOLUTION)**

Chatham-Kent Chamber of Commerce & Owen Sound Chamber of Commerce

### **Issue:**

Municipalities of various populations, land mass and infrastructure requirements are offered provincial funding through grants. Improved allocation and qualification criteria is required to better meet the needs of all municipalities.

### **Background:**

Many provincial government grant applications are awarded through a competitive process. Some criteria limit the number and types of projects applied for while others are allocated on the basis of measures such as population base and transit ridership. Such guidelines create an uneven playing field for local governments that have multiple projects or do not meet necessary measures. Amalgamated communities often have inequities due combined mass, population or other factors.

At times provincial grants are announced on short notice whereby prompting a reactionary and time constrained procedure for local governments to administer the submission of an application with no reassurance of monetary outcome. This process can cost constituents as a result by bearing the cost of lost time and wages of local government administration.

In most cases, key projects of municipalities, such as infrastructure, still necessitate the need for completion whether or not they will receive grant funding, thus bearing the cost of such projects on local taxpayers and businesses.

An ad-hoc approach to grant applications does not promote long term strategic planning or sustainability. The practice contradicts the best use of government finances at both levels, provincial and municipal. The competitive nature does not provide equal provisions or allow for local planning through a balanced, methodical business plan.

### **Recommendations:**

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

1. Revisit the criteria and qualifications required for local governments to submit grant applications in order to provide a more equitable and sustained distribution to local jurisdictions.
  - a) Attention should be applied to implementing a sustainable funding model based on long range asset management plans.
  - b) In reviewing such criteria consideration should be given, but not limited to, measures such as population served, the number or value of bridges, kilometres of roads, water mains and sewers, etc. and be based on proven asset management plans.

### **Estimated Financial Impact to the Province:**

- Be cost-neutral to the government

**Committee Opinion:**

Committee supports the resolution.

## 20. ENSURING ACCOUNTABILITY AND COMPETITIVENESS FOR ONTARIOBUYS (RESUBMITTED SUNSETTING RESOLUTION)

Greater Niagara Chamber of Commerce and Greater Sudbury Chamber of Commerce

### Issue:

The Chamber has raised concerns regarding the procurement procedures developed by OntarioBuys. Under OntarioBuys, shared service organizations (SSOs) were created. One such SSO is the Ontario Education Collaborative Marketplace (OECM). Under this SSO there are number of stipulations that are unrealistic for small and medium sized firms to meet. There are significant process changes that must be made for OntarioBuys to be a fair and open process that does not negatively impact businesses across the province.

### Background:

OntarioBuys is a government initiative launched in 2004 to achieve savings in the procurement of goods and services in the provincially-funded broader public sector (BPS) including hospitals, school boards, colleges and universities. The BPS Supply Chain Secretariat, part of the Ministry of Finance, is responsible for administering and managing OntarioBuys. Ontario is the only province in Canada with a formal program that provides funding and advice to BPS organizations to help them improve their supply-chain management practice. OntarioBuys encourages BPS organizations to engage in collaborative ordering, delivering, warehousing and payment of goods and services. The program has provided funding to expand SSOs (Shared Services Organizations). These are central organizations whose sole purpose is to act as one voice for broader public sector organizations and support projects aimed at helping broader public sector organizations become more efficient.

The first SSOs to be created under OntarioBuys are the Ontario Education Collaborative Marketplace (OECM). OECM is a not-for-profit corporation founded by nine educational institutions (six universities, two colleges and one school board). In 2009, the OECM released its first RFP. There were a number of concerns raised by businesses including:

- Size of the RFP
- Exclusion of a Request for Information (noted as a best practice by Ministry of Government Services)
- Length of term for award contract
- Exclusion of value added components that ensure the overall service of business to its clients, which many small and medium sized companies take pride in the high level of service provided to its clients, and it is an important competitive edge in many communities across Ontario.

Modifications have been made to the RFP process, but there is still a concern that the competitiveness of the process is unfairly balanced. This concern was echoed in a report from the Auditor General in the most recent assessment of OECM. The report demonstrated that there are significant risks that were over-looked in the creation of OECM. One of the noted concerns was low supplier participation. According to the report, SMEs are unable to access OECM due to the size of the RFPs, and the stipulations of the RFPs being issued by the organization.

While the government should be commended for seeking ways in which the procurement of goods and services is conducted in a manner that saves money and reduces expenses, the process of procurement should not be prohibitive to SMEs across Ontario. In addition there should be considerable metrics to determine the actual savings that the Ontario government is making through a modified supply-chain management process. In doing so the provincial government will be able to be both accountable and ensure competitiveness integrity when it comes to the OntarioBuys program.

**Recommendations:**

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

1. Include private sector representation on the boards of all shared-services organizations operating under OntarioBuys including from SME's and regions of Ontario.
2. Immediately develop monitoring guidelines to assist OntarioBuys staff as they conduct oversight of project funding.
3. Mandate performance metrics for the OntarioBuys program and its shared-service organizations as a means to measure the actual return on investment compared to the realized cost savings and leveraged efficiencies.
4. Mandate OntarioBuys and its SSOs to create a clear dispute resolution mechanism.

**Estimated Financial Impact to the Province:**

- Entails no cost to government.

**Committee Opinion:**

Committee supports the resolution.

## TAKING ADVANTAGE OF NEW OPPORTUNITIES IN THE GLOBAL ECONOMY

### 21. ENERGY AS A DEVELOPMENT TOOL (RESUBMITTED SUNSETTING RESOLUTION)

Greater Sudbury Chamber of Commerce, Sault Ste Marie Chamber of Commerce, Thunder Bay Chamber of Commerce, Timmins Chamber of Commerce, and Windsor-Essex Regional Chamber of Commerce

#### **Issue:**

Major industrial users in Ontario have long cited high energy costs as a deterrent for growth in the province. The high cost of energy has been referenced by numerous resource companies as a critical factor in their decisions to locate facilities and business activities outside of Ontario where costs are lower.

Competitive energy prices are needed to take full advantage of new and existing economic development opportunities across the province.

#### **Background:**

Ontario's primary industries are currently facing high electricity costs, uncertain demand and depressed commodity prices. Electricity costs are among the largest operating expenses for sectors such as mining, agri-food, and forestry and are set to increase.

Ontario's 2013 Long-Term Energy Plan projects a 33 percent rise in the price of electricity for industrial enterprises in the next five years and 55 percent in the next 20. New energy policies and supply decisions are implemented by the province without comprehensive assessment of the economic effects on major and minor industries, future electricity prices and the communities that support business of all types and sizes.

As Ontario enters into new economic opportunities, such as the Ring of Fire, industries will be even more reliant on energy. High energy costs however can threaten the ability of industries to advance these initiatives and remain competitive. Current power rates offer little incentive for firms to invest and conduct their business activities in the province.

For example, in 2011, Cliffs Natural Resources, a Cleveland-based company with significant stakes in the Ring of Fire area, cited energy rates as a critical factor in its assessment of locating its ferrochrome processor in Ontario: "At current provincial power rates, there isn't a location in Ontario that is economically viable for Cliffs to build the FPF. Despite this, we have named Sudbury as the 'base case' location...."

Special electricity rates for energy intensive industries would encourage companies to invest in Ontario. In terms of new and existing mining developments for example, discounted rates would provide incentives for companies to process minerals in the province itself. This would ensure profits remain in the province and taxes would be maximized thereby reducing the load on the rest of the business community. Sector

specific pricing would also provide a form of security for sectors such as mining in the face of cyclical fluctuation in commodity prices.

Current provincial rebate programs, such as the Northern Industrial Electricity Rate are necessary but insufficient. Companies considering investing billions in infrastructure to access natural resources in the North, including its mineral wealth need to know what the electrical rate is 10 years from now, and short term programs will not facilitate these important investments. Further supports are needed to bolster these programs, especially for smaller businesses that face challenges in qualifying.

In addition, natural gas should be considered for remote areas as it can be compressed and/or liquefied and safely transported to easily meet the energy needs of mining and other heavy usage, including to power generators for communities that currently use diesel fuel or bunker oil for that purpose. Use of this readily available low cost and environmentally preferred fuel would avoid the need to build expensive electric transmission lines as existing winter and other road access points can be the transportation method to bring Compressed Natural Gas (CNG) or Liquefied Natural Gas (LNG) to these remote areas. This type of fuel opportunity should be encouraged.

It is important that the government capitalize on surplus energy in the Northeast and address the use of resources in the province as tools for attracting investment. The province must also ensure that adequate and sustainable power is available across the Northwest, where much of the advanced energy dependent mineral exploration and mine development takes places.

Electrical generation, transmission, distribution and energy pricing all relate to our ability to grow our economy and contribute to the financial health of the province through the use of our own resources.

#### **Recommendations:**

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

1. Ensure a reliable, modern and efficient supply of energy to its customers at competitive rates that enable business and industry to be competitive in a global market;
2. Implement sector specific electricity pricing for energy intensive sectors such as mining represented by a shift towards a discounted industrial energy rate;
3. Maintain the Northern Industrial Electricity Rate program as a permanent legislative program (beyond 2016);
4. Allow the North to utilize its abundant natural energy resources and relatively inexpensive generated electricity, priced at a level commensurate with its costs. The government should also ensure the appropriate power transmission infrastructure is in place to leverage existing energy resources;

5. Encourage non-traditional energy sources such as natural gas that are ready-now for industry and communities that are not currently connected to the electrical grid;
6. Collaborate with the private sector, local governments and First Nations to determine the full range of social and economic impacts to be taken into account when making energy supply decisions, and to better accelerate their connection to the grid; and,
7. Address the use of resources located in Ontario, including energy, as a powerful and compelling investment attraction and retention tool.

**Estimated Financial Impact to the Province:**

- Entail a large cost to government (higher than \$200M)

**Committee Opinion:**

Committee supports the resolution. There was one dissenting vote from the committee over concerns that the resolution was advocating for a sector-specific subsidy to the detriment of other sectors and all electricity rate payers. The committee recommended that recommendation four be changed to remove the reference to natural gas, as it was seen as abnormally specific reference.

**Note:** This resolution has been modified to reflect recommendations included in a 2014 resolution submitted by the Windsor-Essex Chamber of Commerce entitled “Energy Cost Competitiveness”.

## 22. YEAR ROUND GREENHOUSE GROWING OPERATIONS

Windsor-Essex Regional Chamber of Commerce

### **Issue:**

Currently, many of the greenhouse growing operations only have seasonal production and are unable to provide year-round operations. This places Ontario greenhouse growers at a competitive disadvantage compared to producers such as those located in the south of the United States and Mexico.

### **Background:**

The greenhouse industry is one of the most important economic sectors in Ontario. The latest census figures note that Ontario has 12.5 million square meters under glass or plastic. The growth of this key agri-food sector over the past several years has exceeded most other sectors in the economy. The future of the sector is also one of the areas of potential economic growth and one of the strongest links to achieving the Government of Ontario's goal to double the Province's agri-food exports, creating 120,000 jobs by 2020.

In many instances, however, the Ontario greenhouse industry can only produce product for nine months of the year. In order to be competitive and sustain the jobs and the economic benefits of the sector, year round production is becoming critical. This lack of a full year production places Ontario greenhouse growers at a competitive disadvantage compared to producers such as those located in the south of the United States and in Mexico.

Knowing that the growth in the greenhouse industry is conditioned by the business climate and the access to reliable and affordable energy it is imperative that the government address the issues of competitiveness in input costs such as energy and preserving a competitive tax environment for the greenhouse industry.

### **Recommendations:**

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

1. Work with industry on adequate access and supply of electricity and other forms of energy to the greenhouse producers to allow year round production to be viable.
2. Work with the greenhouse industry on strategies for greenhouse and Agri-Food businesses that expand their operation for a year round production.

### **Estimated Financial Impact to the Province:**

- This resolution should entail a medium cost to the government (between \$10M and \$200M)

### **Committee Opinion:**

Committee supports the resolution. However, the committee asked that the reference to "industry" in recommendation two be clarified.

## 23. PROMOTING DISTRICT ENERGY PROGRAMS

Guelph Chamber of Commerce

### Issue:

District heating and combined heat and power systems are not currently included in Ontario Power Authority energy conservation incentive programs.

### Background:

North America has an energy density twice that of Europe, at half the energy costs. Reducing our energy consumption to European levels would potentially reduce this key input cost to Ontario businesses by 50%. Reducing energy costs related to heating would give Ontario businesses in an excellent competitive advantage against the EU. As Canada moves toward the Comprehensive Economic Development Agreement with the EU, having an energy cost advantage will position Ontario businesses well to compete in this key market. Guelph's annual energy spend is \$400M, so matching the EU presents a \$200M opportunity to our community alone.

Low cost natural gas provides a huge opportunity for combined heat and power applications. Cities and businesses could centralize district heat and power, eliminating the capital and maintenance cost of furnaces, air conditioners, and process boilers.

In the last 4 years, Guelph business have invested \$19M in 295 ERIP and ERIP projects, at the same time receiving \$4M in incentives from the OPA. 1400 small businesses, 40% of Guelph's total have participated in lighting retrofit incentives. The result was local businesses have saved 55million kilowatt hours, or between \$5m and \$7M savings annually. Peak load has dropped from 350 megawatts to 302 megawatts. Participating businesses have reduced consumption by 15%. At the same time, local electricians, contractors, and suppliers have benefited by the \$19m in investment. \$4M in incentives has been matched 5:1 with direct investment and resulted in annual savings to business exceeding the incentives provided.

Heating and air conditioning represent half of a community's energy consumption. Extending energy retrofit incentives to include district heating, insulation, and combined heat and power projects would result in similar economic impacts to those above.

### Recommendations:

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

1. Include district energy, insulation, and combined heat and power in Ontario Power Authority incentive programs.

### Estimated Financial Impact to the Province:

- Entail a medium cost to government (between \$10M and \$200M)

### Committee Opinion:

Committee supports the resolution.

## IDENTIFYING, CHAMPIONING AND STRATEGICALLY INVESTING IN OUR COMPETITIVE ADVANTAGES IN THE GLOBAL ECONOMY

### 24. BROADER PROVINCIAL TRANSPORTATION AND TRANSIT INFRASTRUCTURE PLAN

Richmond Hill Chamber of Commerce, Newmarket Chamber of Commerce, and Vaughn Chamber of Commerce

#### **Issue:**

In the past 20 years, there has been tremendous growth in many urban areas, particularly in the 905 region. Yet, very little infrastructure has been added for public transportation in support of this growth.

#### **Background:**

Transportation and transit infrastructure provides a key ingredient to the success of this province. Compared to virtually any city of its size, the GTHA has an outdated transit system and limited highway infrastructure.

Municipal boundaries act as transit boundaries that prevent effective movement of passengers across the GTHA without a strategy for integration of public and private system strategies. Transit policies and routes should be planned based on population and growth projections not municipal boundaries. A broader transit initiative requires considerable investment and although there have been numerous studies, guiding bodies, committees and task forces, provincial leadership is needed to move forward into the 21st century.

The busiest subway in Canada, the Yonge North-South line, has not been expanded since the 1970's. Yet, York Region is one of the fastest growing areas in all of North America, with Richmond Hill showing a projected doubling in population in the next ten years. Some pockets are considered the most congested at Rush Hour based on North American Traffic studies. The Region of York has done its part through financial investment and construction in anticipation of the Yonge Subway Extension in the provincial 2020 Vision Plan. The province has a responsibility to follow through on its commitments and provide the link that allows York Region and the rest of the province to have the expected return on investment.

Funding for this project must be made a priority. We recognize that there may be some costs incurred for the project by all levels of government, and the businesses and residents of GTHA, but without this, the costs are far higher in lost business and productivity. The return on investment for subway development exceeds current gasoline and lost time estimates for commuters outside of the City of Toronto, based on published planning studies.

#### **Recommendations:**

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

1. That using the most recent studies, actions are taken to improve our transportation and transit infrastructure. Including, establishing reasonable and realistic goals and timeframes necessary in order to improve integrated transit infrastructure.
2. Dedicate funds for transportation and transit infrastructure before we lose more revenue and growth potential.

**Estimated Financial Impact to the Province:**

- Create a cost-savings for the government
- Entail a medium cost to government (between \$10M and \$200M)

**Committee Opinion:**

Committee supports the resolution.

## 25. ADDRESSING THE NIAGARA TO GTA TRANSPORTATION CORRIDOR (RESUBMITTED SUNSETTING RESOLUTION)

Burlington Chamber of Commerce

### Issue:

The transportation infrastructure in the Niagara to GTA corridor is insufficient to meet the needs of those involved in commerce in the Greater Golden Horseshoe. The Government of Ontario's preferred alternative to the draft Transportation Development Strategy (TDS) report issued in June 2010, as part of Phase 1 of the Niagara to GTA (NGTA) Corridor Planning and Environmental Assessment (EA) Study, does not respond to the needs of the business community in Ontario. The proposal does not provide an effective strategy to maximize opportunities for businesses that carry on trade within the Greater Golden Horseshoe (GGH) or with businesses in the United States.

### Background:

The stated principal goal of the government transportation strategy is to provide an efficient link between the GTA and the U.S. borders in Niagara Region. The Niagara to GTA transportation corridor not only serves the residents in the study area and the GGH, but also plays a pivotal role in ensuring an efficient goods movement network that connects the GGH to the rest of Ontario and to the U.S. market (source: [www.niagara-gta.com/faq.html](http://www.niagara-gta.com/faq.html)).

We agree with the stated objective, however the latest proposal by the government fails to meet this goal.

As of September 4, 2013, the final transportation development strategy includes the following multimodal elements:

- Optimizing the existing transportation network
- Supporting transit initiatives that are consistent with the Metrolinx Regional Transportation Plan and the GO Transit 2020 Strategic Plan, as well as recommendations to improve the efficiency and effectiveness of the non-roadway modes of transportation.
- Several highway widening and new highway corridor recommendations, including:

Hamilton and Halton: Widening of key highway facilities by two or more lanes to address medium term transportation needs. In addition, a future study is recommended to identify a longer-term transportation strategy.

Hamilton to Niagara: Widening of the QEW to eight lanes (including HOV lanes), and continuing to monitor traffic volumes on the QEW to determine capacity requirements beyond 2031.

Niagara: New highway corridor connecting Highway 406 south of Welland to the QEW near Fort Erie.

There has been opposition to this hybrid strategy from many stakeholders, including municipalities, business and environmental groups, and the Ontario Chamber of Commerce. The MTO should take these concerns seriously and consider other alternatives before proceeding with any further development within the Niagara GTA corridor.

**Recommendations:**

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

1. Extend the geographical boundaries of the study area to include neighbouring business communities that use the GTA Corridor such as Brantford, Cambridge, Guelph, Kitchener-Waterloo, and Milton to ensure the overall transportation needs of the entire Greater Golden Horseshoe and surrounding areas are met.
2. Engage business leaders and other representative groups including civic leadership, other levels of government, and planners to ensure that the broader community supports the long-term regional transportation strategy. Included in the consultation of the business community, consideration must be given to both rail and truck transportation representatives, to create an overall multi-modal transportation strategy.
3. Take into account the sensitive biosphere and heritage of the Niagara Escarpment, designated Green Belt areas, and public health issues.
4. Implement the strategy as quickly as possible to address the immediate transportation needs of the region.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution. However, the committee asked for clarification about the 'study' mentioned in recommendation one.

## **26. EASTWARD EXTENSION – HIGHWAY 407 (RESUBMITTED SUNSETTING RESOLUTION)**

Greater Oshawa Chamber of Commerce

### **Issue:**

The negative economic and capital investment impact to Ontario of not proceeding to complete the Eastward Extension - Highway 407 eastward from Harmony Road in Oshawa to Hwy 35/115 is real.

### **Background:**

Since 2004, the Ontario Chamber of Commerce has endorsed the call for completion of Hwy 407 to Highway 35/115 stressing that the negative economic, safety, and capital investment impact to Ontario of not proceeding to complete the Eastward Extension is real. This position was re-affirmed in May 2010 at the Ontario Chamber of Commerce AGM in Windsor.

In June 2010 it was announced that the first end of the link for the extension would be to Harmony Road in Oshawa. Construction is well under way.

At the provincial level, the Ontario business community has some basic and common sense concerns, as to the economic and public safety impact to Ontario of not proceeding with the completing of this project. The Greater Oshawa Chamber of Commerce, in discussions with business leaders, all agreed it is imperative that Hwy 407 now in construction comes to Oshawa and past the Harmony Road planned interchange through Durham Region to the 35/115 in a timely manner. This is vital for the movement of goods and service and tourism across the GTA.

Transportation is a key factor in unleashing the GTA and Durham Regions' economic potential. The lack of an alternative freeway across the GTA is not only a safety issue but, results in delays to auto and commercial traffic when Highway 401 is closed or capacity is limited as a result of an accident or construction/rehabilitation. Such events are becoming more and more commonplace.

This gridlock results in lost trade opportunities in manufacturing and tourism, jeopardizes employee recruitment and retention, and reduces economic competitiveness in the GTA. Reducing gridlock, congestion and integrating the transportation network are policy priorities for the Ontario Chamber of Commerce. It is important for the provincial government to complete the construction of the extension of Highway 407, to alleviate congestion and ensure public safety. An adequate and updated highway system is an important link to the economic success of all of Ontario.

Inadequate east-west capacity and no alternative freeway on the east side of the GTA (east of Brock Road to Highway 35/115) cause delays to autos and commercial vehicles. Existing freeway congestion constrains trade, tourism, recreation, and economic growth opportunities. Transportation problems (including, safety, operations, and level of service) in the area currently relate primarily to recreational and tourist traffic (Kawartha, Haliburton, Bay of Quinte), however, congestion due to commuter traffic is spreading easterly as the GTA continues to grow. Congestion in the eastern part of the GTA will be

further exacerbated by continuing growth in areas to the east of Durham (Port Hope, Cobourg, Trenton, Belleville, Peterborough, etc.) and associated traffic demands.

**Recommendations:**

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

1. Commit to firm timelines and commitments for the eastern extension of the 407 past Oshawa to 35/115.
2. Prior to opening the Harmony Road and or Simcoe Street interchange have in place contracts and commence work on the completion of Hwy 407 to 35/115.

**Estimated Financial Impact to the Province:**

- The cost to government, initially, would be higher than \$200M (large cost) and would be recouped over time with tolls.

**Committee Opinion:**

Committee supports the resolution.

## 27. REGIONAL TRANSPORTATION FARE INTEGRATION (RESUBMITTED SUNSETTING RESOLUTION)

Toronto Region Board of Trade

### **Issue:**

Connectivity in modes of transit is essential to the success of the Greater Toronto and Hamilton Area Regional Transit Plan. A crucial element of this connectivity is an one-card fare integration system for the Greater Toronto and Hamilton Area.

With the development of the Toronto-York Spadina Subway Extension, there is an urgent need to provide seamless transfers across all lines without requiring customers to pay multiple fares.

### **Background:**

We applaud the federal, provincial and municipal governments for making their largest ever investments to help fund transit infrastructure within the Greater Toronto and Hamilton Area (GTHA). The present transportation system is widely viewed as inadequate and traffic congestion is now a regional issue that affects all municipalities and residents in the GTHA. The ability of businesses to operate in and around the GTHA and the vitality of the regional economy, are dependent upon an efficient regional transportation network.

Network connectivity needs to be the backbone of the regional transportation plan; transfers should be easy and efficient. Connectivity must not stop at any particular municipal boundary; rather it should be continuous throughout the GTHA and be based on an integrated fare system, which incorporates “smart” card technology.

An integrated fare card system is fundamental, for example, to the successful implementation of the Toronto-York Spadina Subway Extension (TYSSE), especially as it relates to York University. The YYSSE is the first example of higher order transit that will cross municipal boundaries within Ontario. Upon completion of the YYSSE, all regional transit buses will move from the current central location on campus to off-campus locations:

- GO Transit buses will be relocated north of the University to the Highway 407 Station, requiring all passengers to transfer to the subway and travel to one of the two stations on campus
- York Region Transit (local & Viva buses) will be relocated to a new bus terminal on the north side of Steeles Avenue; passengers will be required to transfer to the subway for one stop, or walk to central campus; the walk would not be weather protected, and may be challenging to those with disabilities
- Brampton Transit (Zum) buses will be relocated to the Vaughan Corporate Center, requiring passengers to transfer to the subway to station stops on campus.
- The GO Train Station will be relocated from its existing location 1.5 km east of Campus on Canarctic Dr. to the Sheppard West Station; York University GO Train shuttle will be stopped and passengers will be required to transfer to the subway and travel north to one of the stations on campus

Currently, these passengers only pay one fare to commute from their home to York University by public transit. If fare integration is not in place when the TYSSE enters into service, passengers will have to pay multiple fares. This would represent a significant cost increase.

To illustrate: a student commuting from Ajax to York University would have to pay GO Transit \$6.45 and then pay the TTC \$3, for a total of \$9.45 per trip, an increase of 47% over what they currently pay for the same trip.

Alternatively, that student could use a monthly GO pass from Ajax which costs \$168 and then use a TTC pass, which costs \$99, totaling \$267 per month, an increase of 159% over what they currently pay for the same trip. As a result, many York University staff, faculty and students may decide to drive to the University instead of using public transit.

The resulting increase in vehicular traffic will have a negative impact on the University and surrounding roads, as it will also increase congestion and gridlock. York University, with a current population of over 65,000 people (staff, faculty, students, and Seneca@York), has the second largest number of daily commuters in the GTHA behind Pearson Airport, representing a significant impact on the region's road network. Today, approximately 65% of the community uses public transit to commute to the University – a significant improvement from the late 1990s when 70% of commuters to York used private vehicles.

The success of the TYSSE must rely, in part, on the adoption of an integrated fare payment/collection system. To the extent possible, the system should be designed so that riders do not pay appreciably more than they do at present. There are programs currently used in many major cities and urban regions in North America, Europe and Asia, ensuring that it is the easiest and most efficient means of payment and line transfer for all users.

Fare integration across a number of different transit operators in one region has been implemented in a number of jurisdictions. For example, in London, UK, the Oyster Card is used to pay for more than 80% of daily trips on Transport for London (TfL) services. This is a pay-as-you-go system, in which users are charged for every zone they travel through. As of January 2010, Oyster Cards are accepted at all 350 London Rail commuter rail stations within Greater London. Decision makers in London understand that if they want more people to take public transport, it must be as convenient and seamless as possible. Because Oyster Card users are guaranteed they will be charged the lowest fare per trip, commuters benefit not only from the convenience of using one payment method, but also pay lower fares than 155 they otherwise would be charged. Within the GTHA there already are integrated fare agreements. York Region and GO Transit riders can pay a \$0.50 fare for a York Region bus to take them to GO Transit Stations. As well, with the deployment of PRESTO, there is an opportunity to further enhance the smart card technology to implement fare integration.

The implementation of a regional fare integration system is integral to the creation of a sustainable, attractive, and efficient transportation network. The benefits of the move to a smartcard system will support the development of further infrastructure and will make the regional transportation network more customer-friendly, hopefully leading to greater use of the network and ultimately assisting in the alleviation of regional congestion and gridlock.

### **Recommendations:**

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

1. Through Metrolinx, work with the regional transit operators to implement an integrated fare structure for the GTHA regional transportation system.
2. Implement this new fare integration system, at the latest, in conjunction with the opening of the Toronto-York Spadina Subway Extension.

**Estimated Financial Impact to the Province:**

- Create a cost savings for the government

**Committee Opinion:**

Committee supports the resolution.

## **28. HIGHWAY 6 EXTENSION BETWEEN HIGHWAY 401 AND SOUTH OF MORRISTON**

Guelph Chamber of Commerce, Hamilton Chamber of Commerce, Flamborough Chamber of Commerce, & Centre Wellington Chamber of Commerce

### **Issue:**

The draft Transportation Development Strategy for the Greater Toronto Area (GTA) West Corridor will not provide sufficient infrastructure for the long term to support economic growth in the North-South corridor west of the GTHA.

### **Background:**

Extending Highway 6 South from Guelph to south of Morriston would reduce costs relating commuting time and freight shipment delays, as well as providing opportunity to retain and grow manufacturing and food processing businesses in Waterloo, Wellington, and Hamilton.

### **Commuter Travel Time**

- Estimated annual value of commuter travel time saved during peak periods with the proposed bypass applied to 2011 traffic is \$13.1 Million dollars
- Estimated value of future commuter time savings with proposed bypass is \$23.4 (2021) and \$31.3 (2031) million respectively

### **Commercial Vehicle Travel Time**

- Based on 2009 MTO estimates of commercial vehicle traffic volumes and our analysis of travel time differences with the proposed bypass, we estimate a realized cost savings of \$2.2 Million dollars annually (2011 figure)
- Survey results suggest that more consistent travel times with a proposed bypass are important for business supply chain demands

### **Accident Reduction**

- Based on a model introduced by the Ontario Road Safety Annual Report (ORSAR, 2004), a reduction in accidents associated with the introduction of the bypass is estimated to reduce costs by \$762,300 dollars (based on 2009 accident rates) annually

### **Economic Development Impacts**

- Analysis of Statistics Canada, Trucking Commodity Origin Destination data for the region influenced by the corridor illustrates that the corridor is a key link in our trade with the United States
- Over the past 20 years, the loss of economic opportunities, challenges in retaining labour, and reductions in productivity are difficult to quantify without a more sophisticated and significant analysis effort, but there is no doubt that these are significant factors in assessing the proposed bypass project economic impacts

- The overall assessment would see the highest economic benefits of the proposed bypass for travel time, reduced local bottlenecks, and improved labour market access.

**Recommendations:**

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

1. Move forward with a southbound extension of Hwy 6N at Hwy 401 to connect with Highway 6 south of Morriston.
2. Integrate the GTA West corridor planning to include, the Morriston bypass, Hwy 6 and 24 improvements and any directions from the Niagara to GTA corridor study to revise traffic forecasts on Highway 401 to the GTA.

**Estimated Financial Impact to the Province:**

- Entail a large cost to government (higher than \$200M)

**Committee Opinion:**

Committee supports the resolution.

## 29. DEVELOPING A SINGLE TRANSPORTATION AUTHORITY IN THE GTHA (RESUBMITTED SUNSETTING RESOLUTION)

The Brampton Board of Trade

### **Issue:**

Economic development and renewal are dependent on high quality, multimodal transportation services. There is room to improve the delivery and management of public transportation to better meet provincial needs and stimulate economic growth across Ontario.

### **Background:**

At present, the provincial agency known as Metrolinx acts as the transportation authority designated to undertake a variety of public transit and transportation projects in the Greater Toronto and Hamilton Area (GTHA). Metrolinx's mandate is to improve the coordination and integration of all modes of transportation in the region.

With the *Big Move*, Metrolinx has developed a major, multi-regional transportation plan that will traverse the GTHA. Implementation of the Big Move will require extensive co-ordination with local transportation authorities within each municipality. This is because Metrolinx is not the single transportation authority in the GTHA. Each municipality has its own transportation authority.

In Vancouver, British Columbia, however, one body – TransLink – has the sole designation to expand and maintain South Coast British Columbia's transportation network. TransLink was established in 1999 and has become the single South Coast British Columbia Transportation Authority. Together with its partners, stakeholders, and corporate subsidiaries, TransLink plans and manages the region's transportation system, including public transit, as a strategic whole. When it was created, TransLink replaced B.C. Transit in the Greater Vancouver Regional District and took on many transportation responsibilities held by the Province.

TransLink is responsible for regional transit, cycling, and commuting options, as well as Intelligent Transportation System programs. It shares responsibility for the major road network and regional cycling with municipalities in metro Vancouver. It is the first North American transportation authority to be responsible for the planning, financing, and managing of all public transit in addition to major regional roads and bridges.

A single transportation authority in the GTHA would operate to implement and develop transportation planning and infrastructure in a cost effective and timely manner.

The Government of Ontario needs to examine such possibilities in the GTHA, and must begin evaluating the benefits and positive impacts of consolidating the GTHA's transportation and transit networks into one GTHA transportation authority.

In addition, the provincial government should seek to analyze the positive economic impacts of coordinated public transportation efforts.

A consolidated network, operating under one authority, could provide the provincial government and respective GTHA municipalities with the opportunity to be cost effective and reduce tax costs, leading to potential savings for municipalities.

**Recommendations:**

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

1. Consult with regional and municipal transportation authorities located within the Greater Toronto and Hamilton Area (GTHA) and undertake an independent review of the benefits and impacts of consolidating the GTHA's municipal public transportation networks under one regional transportation authority.

**Estimated Financial Impact to the Province:**

- Be cost-neutral to the government

**Committee Opinion:**

Committee supports the resolution.

## OTHER POLICIES OF STRATEGIC SIGNIFICANCE

### 30. WORKPLACE MENTAL HEALTH STRATEGY (RESUBMITTED SUNSETTING RESOLUTION)

Burlington Chamber of Commerce & Ajax-Pickering Board of Trade

#### **Issue:**

Mental health issues and chronic job stress negatively impact workplaces in the form of disability costs, absenteeism, productivity, quality of work, and employee safety incidence rates. Opportunities exist for improved business success, especially in today's knowledge-based business economy.

#### **Background:**

One in four Canadians suffers a mental illness every year, often in the form of depression and/or anxiety. Currently, mental health claims (especially depression) have overtaken cardiovascular disease as the fastest growing category of disability costs. Today in Canada disability represents 4% to 12% of payroll costs and the World Health Organization predicts depression to be the number one form of disability by the year 2020. This is alarming – especially in today's knowledge-based economic culture – since mental disorder interferes with a person's cognitive skill and therefore impacts their ability to work.

Employee mental ill-health leads to absenteeism, decreased productivity and quality of work issues, which in turn impact business success. This is critical at a time when brain-based cognitive skills are required to provide competitive advantage locally and globally.

Health conscious workplaces can promote early diagnosis and reduce the impact of mental health problems, mental illness, and addictions. If a person receives effective treatment in the first few months of their illness, the duration, frequency, and severity of symptoms will be reduced. In addition, early and effective treatment increases the chances of the individual making a full recovery. When short-term disability becomes long-term, there is a lesser chance that the person will be able to return to previous levels of proficiency.

The annual cost of mental illness and addictions in Ontario today is estimated to be approximately \$40 billion. Billions per annum could be saved by discretionary modifications to the organization and management of work to make it less injurious to employee mental health. At one time a similar crisis existed with workplace physical safety. Measurement and tracking of incidence rates, coupled with public awareness, played a strategic role in turning the tide – proving the adage that 'what you measure is what you get'. The same can be true of workplace mental health.

#### **Recommendations:**

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

1. Develop a comprehensive Workplace Mental Health Strategy that would include the support of programs on mental health awareness education with a focus on anti-stigma, mental health treatment and rehabilitation for employees. Programs and services should also support reintegration of employees back into the workplace and crisis intervention. This

strategy should support the existing work of the Mental Health Commission of Canada ([http://mentalhealthcommission.ca/English/Pages/workplace\\_guide](http://mentalhealthcommission.ca/English/Pages/workplace_guide)).

2. Broaden the focus of regional mental health centres to include workplace mental health issues enabling them to refer to agencies or for-profit local providers to treat employees of local workplaces by providing workplace-oriented programs.
3. Create a public education and awareness campaign on the social and economic value of workplace mental health and the availability of community workplace-oriented resources.
4. Establish metrics by tracking the incidence of employee disability due to mental disorders in organizations with a large number of employees. This includes collecting periodic data stating the number of employees, number absent due to disability, number of disability cases related to mental health, number of days absent due to disability, for the specified period.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution.

## 31. PROMOTING HEALTHY WORKPLACES IN ONTARIO

Hamilton Chamber of Commerce Human Resources Committee and the Mississauga Board of Trade

### Issue:

To encourage healthy workplaces in Ontario, the availability of consistent messaging at the provincial level regarding recommended policies, practices, and tangible supports is needed.

### Background:

The impact of healthy workplaces goes beyond influencing the well-being of employees and their families. The World Health Organization states “it is of paramount importance to the productivity, competitiveness and sustainability of enterprises, communities, and to national and regional economies”<sup>1</sup>. According to Duxbury and Higgins, “at this point in time, governments pay the lion’s share of the costs associated with poor workplace health practices through their support of the country’s health care system”<sup>2</sup>.

Current legislation aids employers in providing work environments that are physically and psychologically safe for employees (e.g. the Occupational Health & Safety Act along with the Bill 168 amendments re: violence and harassment, Human Rights). However, evidence demonstrates that healthy workplaces initiatives are more effective when a wider comprehensive approach is used<sup>3</sup>. Specifically, personal health resources (e.g. flexible work schedules to accommodate physical activity, refrigeration to store healthy foods, etc.) and enterprise community involvement (e.g. what a workplace does to support the well-being of their community such as sharing their expertise with small and medium size businesses or reducing their environmental footprint) are also important avenues of influence<sup>1</sup> that must be integrated with other healthy workplace practices as part of how a workplace operates at a strategic level. According to a Canadian Council on Integrated Healthcare report “employers who are inconsistent in their approach to workplace health, and rely on ad hoc, non-strategic approaches, are less likely to achieve or sustain success”<sup>4</sup>.

A provincial approach to workplace health could integrate the gaps between existing legislation and best practice. Such an approach would not be another piece of legislation, but a time saving reference point for Ontario businesses to help them determine their course of action. In their document “Proposal for an

---

<sup>1</sup> World Health Organization (2010). Healthy workplaces: a model for action for employers, workers, policy-makers and practitioners. Retrieved from: [http://www.who.int/entity/occupational\\_health/publications/healthy\\_workplaces\\_model.pdf](http://www.who.int/entity/occupational_health/publications/healthy_workplaces_model.pdf).

<sup>2</sup> Duxbury, L., and Higgins, C. “Work-Life Conflict in Canada in the New Millennium: Key findings and recommendations from the 2001 National Work-Life Conflict Study”. Retrieved from: [http://www.hc-sc.gc.ca/ewh-semt/alt\\_formats/hecs-sesc/pdf/pubs/occup-travail/balancing\\_six-equilibre\\_six/sum-res-eng.pdf](http://www.hc-sc.gc.ca/ewh-semt/alt_formats/hecs-sesc/pdf/pubs/occup-travail/balancing_six-equilibre_six/sum-res-eng.pdf).

<sup>3</sup> The Health Communication Unit (2004). An Introduction to Comprehensive Workplace Health Promotion. Retrieved from: [http://www.thcu.ca/workplace/documents/intro\\_to\\_workplace\\_health\\_promotion\\_v1.1.FINAL.pdf](http://www.thcu.ca/workplace/documents/intro_to_workplace_health_promotion_v1.1.FINAL.pdf).

<sup>4</sup> Canadian Council on Integrated Healthcare (2002). A Discussion Paper on Workplace Health. Retrieved from: [http://www.ccih.ca/docs/CCIH\\_DiscussionPaper\\_on\\_WorkplaceHealth\\_LastVersion.pdf](http://www.ccih.ca/docs/CCIH_DiscussionPaper_on_WorkplaceHealth_LastVersion.pdf).

Ontario Comprehensive Workplace Health Strategy”<sup>5</sup>, the Ontario Healthy Workplace Coalition outlines several guiding principles and strategy components to consider:

- Guiding principles: visible provincial leadership; broad stakeholder engagement; relevance to businesses of all sectors and size; linkages to mandates of key organizations and provincial Ministries; a strong business case demonstrating the savings for both businesses and the province; and an economically viable solution with resource contributions from many stakeholders.
- Strategy components: leadership to develop and implement; social marketing to promote; tools and resources; policy and incentives development; and research and evaluation to monitor the effectiveness.

A provincial approach to workplace health should also monitor the workplace relevant aspects that may emerge from the Mental Health Commission’s framework for a national mental health strategy<sup>6</sup> as well as the proposed provincial mental health and addictions strategy from the report: “Respect, Recovery, and Resilience: Recommendations for Ontario’s Mental Health and Addictions Strategy<sup>7</sup>.”

As the Ontario Healthy Workplace Coalition’s guiding principles suggest, successfully launching a provincial approach to workplace health requires commitment from government in the form of visible leadership<sup>5</sup>. Engagement of Chambers of Commerce, employers and private insurers by senior bureaucrats and politicians is necessary not only for developing a provincial approach, but also for developing healthy public policy in order to maximize conditions to improve employee health. Take transportation for example, which certainly has health implications for employers and employees. Research shows that people who use public transit are 3 times more likely to obtain 30 minutes of moderate physical activity 5 days a week than non-users<sup>8</sup>. Another study found that transit users spend a median of 19 minutes daily walking to and from transit. 29% achieve the recommended 30 minutes of physical activity a day solely by walking to and from transit<sup>9</sup>. Workplaces could improve employee health by promoting mass transit use and through having an opportunity to inform policies that can help facilitate effective use of transit by their employees.

### **Recommendations:**

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

1. Develop a provincial approach for workplace health that can be used a reference point for policy and practice in Ontario.

---

<sup>5</sup> Ontario Health Workplace Coalition (2010). “Proposal for an Ontario Comprehensive Workplace Health Strategy.” Retrieved from: [http://www.ohwc.ca/pdf/2010\\_05\\_17\\_Provincial\\_Workplace\\_Strategy\\_v11.pdf](http://www.ohwc.ca/pdf/2010_05_17_Provincial_Workplace_Strategy_v11.pdf).

<sup>6</sup> Mental Health Commission (2009). “Toward Recovery and Well-Being: A Framework for a Mental Health Strategy for Canada”. Retrieved from: <http://www.mentalhealthcommission.ca/English/Pages/Strategy.aspx>.

<sup>7</sup> Minister’s Advisory Group on the 10-Year Mental Health and Addictions Strategy. “Respect, Recovery, and Resilience: Recommendations for Ontario’s Mental Health and Addictions Strategy.” Retrieved from: [http://www.health.gov.on.ca/en/public/publications/ministry\\_reports/mental\\_health/mentalhealth\\_rep.pdf](http://www.health.gov.on.ca/en/public/publications/ministry_reports/mental_health/mentalhealth_rep.pdf)

<sup>8</sup> U. Lachepelle and L.D. Frank. “Transit and Health: Mode of Transport, Employer-Sponsored Public Transit Pass Programs, and Physical Activity.” *Journal of Public Health Policy* 30 (2009): S73-S95.

<sup>9</sup> L.M. Besser and A.L. Dannenberg. “Walking to Public Transit: Steps to Help Meet Physical Activity Recommendations.” *American Journal of Preventative Medicine* 29, 4 (2005): 273-280.

- Consider using the guiding principles and strategy components outlined in the Ontario Healthy Workplace Coalition’s “Proposal for an Ontario Comprehensive Workplace Health Strategy” 5
  - Incorporate the workplace relevant aspects that may emerge from the proposed provincial and national mental health strategies.
2. Ensure public policy is set by senior bureaucrats and politicians in consultation with Chambers of Commerce, employers, and private insurers in order to maximize opportunities to increase employee health.
  3. Advocate that the federal government:
    - Designate a lead agency for workplace health policy, programs, and research using existing resources (e.g. strengthen or expand mandates, better coordination within the current system, etc.)
    - Develop a nation-wide comprehensive workplace health strategy that recognizes the interrelationships between work, health and community that links to or is based on the proposed approach for Ontario as per the first recommendation.
  4. Provide employers with:
    - A strong business case for healthy workplaces.
    - A catalogue of best practices and policies that take into account the diversity of work (e.g. non-standard employment) and the differences in needs from businesses of different sizes and sectors in Ontario.
    - Clear standards for healthy workplaces by using benchmarking criteria set out by national/international agencies and academic centres on workplace organization and health (e.g. World Health Organization, National Quality Institute (NQi), Groupe de promotion et de prévention en santé (GP2S), Healthy Scorecard, Workplace Health Research Unit) that employers can use as a guide.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution.

## **32. FINDING BALANCE IN THE ENDANGERED SPECIES ACT (RESUBMITTED SUNSETTING RESOLUTION)**

Timmins Chamber of Commerce, Greater Sudbury Chamber of Commerce, and Sault Ste. Marie Chamber of Commerce

### **Issue:**

Species recovery strategies and conservation plans created under the Endangered Species Act (ESA) are not subject to socio-economic impact analyses and, as a result, may have significant negative impacts on Ontario's forestry industry and the communities that rely on its vitality.

### **Background:**

Ontario's Endangered Species Act, 2007 (ESA) prohibits damage or destruction of habitat for species classified as 'endangered' or 'threatened' on the list of Species at Risk in Ontario. Corresponding government strategies such as conservation plans and recovery strategies are not subject to socio-economic impact analyses, despite their potential impact on Ontario's forestry industry, which employs 200,000 workers across 260 communities.

The need for such analyses when developing conservation plans under the ESA is best demonstrated by the problems inherent in the Caribou Conservation Plan (CCP). Produced under the Endangered Species Act in 2009, this plan is designed to guide caribou conservation and recovery efforts in Ontario through means that include limiting access to Crown fibre.

Among the CCP's guiding principles is the "consideration of social, economic and environmental concerns in the context of long-term caribou survival." However, the action plan does not mandate the completion of a socio-economic analysis, nor has there been any indication that the government intends to do so.

As a result, the CCP has led to a severe reduction of fibre supply in many regions, a figure that will reach as high as 65% in some areas such as the Abitibi River Forest in northeastern Ontario; this will result in the loss of thousands of direct and indirect jobs, severely hampering the forest industry and the communities it supports. The anticipated blow to the economy has been denounced as "devastating" by a range of municipal and industry groups, including the Northwestern Ontario Municipal Association, the Ontario Forest Industries Association, and the Federation of Northern Ontario Municipalities.

Alternative agreements that have since been struck between environmental groups and industry, such as the Canadian Boreal Forest Agreement, demonstrate that a balanced approach to conservation can lessen fibre supply reductions while providing even stronger opportunities for caribou recovery.

### **Recommendations:**

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

1. Require socio-economic impact assessments for all future conservation plans to be developed under the Endangered Species Act (2007), subjecting results to public review.

2. Conduct a full review of the Caribou Conservation Plan, using a publically reviewed socio-economic impact assessment and defensible science to determine caribou range boundaries.

**Estimated Financial Impact to the Province:**

- Create a cost savings for the government

**Committee Opinion:**

Committee supports the resolution.

### 33. INNOVATION IN HUMAN SERVICES: COMMUNITY MOBILIZATION

Guelph Chamber of Commerce

#### **Issue:**

Community Mobilization projects have been proven to improve community safety and wellness through more efficient use of policing, social services, and medical resources.

#### **Background:**

Community mobilization is a community led action which is planned, carried out and evaluated by individuals, groups, agencies and organizations within a community to improve the well-being of local residents and address complex issues. It empowers participating agencies to take part in decision making as a collaborative body, targeting at risk situations before problems occur.

This initiative (CMPA), which was originally founded in Scotland and was brought to Prince Albert by community leaders, is called the “HUB” and the “COR”. This model has now been implemented across Saskatchewan, with some Ontario communities looking to implement pilots. The “HUB” is made up of delegated personnel from participating agencies and is focused on the rapid development and deployment of short term (24-48 hour) interventions to specific cases, emerging issues and crime prevention. The “COR” (Centre of Responsibility) supports the work of the “HUB” by addressing trends, system gaps and complex issues which may require systemic change and are beyond the scope of the “HUB”.

Community Mobilization has several objectives:

- achieve a dramatic and ongoing reduction in the levels of crime and victimization,
- improve all aspects of social wellness, including reducing emergency room visits and school truancy rates;
- give citizens and families at risk the supports needed to build positive and healthy lives;
- allow youth to grow and be educated in environments free from fear and risk; and
- grant businesses a safe and positive marketplace in which to operate.

The HUB and COR models improve efficiency of service delivery, reduce policing and emergency room costs, and provide better outcomes for at risk people and their families. Having been piloted across Saskatchewan since 2009, and now having North Bay, Toronto, and Guelph investigating pilots provides Ontario examples of successful implementation to follow. Numbers of interventions are being tracked, with impact of interventions in avoiding policing and emergency room costs, truancy, and recidivism.

#### **Recommendations:**

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

1. Provide funding for lead agencies to implement community mobilization projects in Ontario, with the goal of reducing policing, social services, and hospital costs, at the same time reducing crime and improving community wellness.

**Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

**Committee Opinion:**

Committee supports the resolution.

## 34. CREATION OF A DEVELOPMENT CHARGE FRAMEWORK

Oakville Chamber of Commerce, Milton Chamber of Commerce, and Halton Hills Chamber of Commerce

### Issue:

Critical infrastructure benefits an entire community. It is time to rethink the way infrastructure is built today versus years ago.

In order for Ontario to be healthy and prosperous, municipalities need to better align with the province's strategic goals. Currently, development charges, particularly in the industrial, commercial, institutional (ICI) sectors, can be a barrier to economic prosperity and job creation within a municipality. Development charges need to be transparent, accountable and predictable with the objective of supporting equitable contribution for all.

### Background:

Since the passage of the Development Charges Act in 1997, municipalities have interpreted the Act beyond its intended scope, raising revenue in ways that go beyond the legislated requirements of the Act. Development charge by-laws have increased disproportionately to tax increases or cost-of-living increases.

To ensure equitable distribution of development charges, the government should not expand the scope of the original legislation to further include costs requested by the municipalities (see appendix).

Costs for services that the municipalities add (specifically due to new growth development) benefit existing residential and non-residential sectors. The burden of cost should not rest solely on the new development sector. Therefore, the current mandatory, legislated discounts for new growth development should not be removed, in particular, the industrial expansion exemption.

Businesses pay significantly higher taxes and use fewer services than residents, yet continue to pay a disproportionate share of municipalities' development charges. As Ontario shifts towards a knowledge- and service-based economy, municipalities need to provide employment and non-residential sectors with services based on this type of growth rather than historic growth patterns.

For Ontario to increase its global competitiveness, the province must be attractive and economically viable for global investment. This competitiveness is in part dependent on growth-related taxes, such as development charges. Businesses need consistency and predictability to operate successfully.

As the Hon. Minister of Municipal Affairs and Housing Linda Jeffrey said, "Ontario succeeds when our communities are able to grow and prosper in a way that is effective and well-managed."\* We couldn't agree more. We believe, in order for all our communities to be healthy and prosperous, the Ontario Government should create a framework for municipalities to administer consistent, transparent and equitable development charges.

### Citations:

\*Presentation to the Honourable Linda Jeffrey, Minister of Municipal Affairs and Housing May 13, 2013, Ontario Home Builders Association  
Province Reviewing Municipal Planning, [http://news.ontario.ca/mah/en/2013/10/province-reviewing-municipal-planning.html?utm\\_source=digest&utm\\_medium=email&utm\\_campaign=o](http://news.ontario.ca/mah/en/2013/10/province-reviewing-municipal-planning.html?utm_source=digest&utm_medium=email&utm_campaign=o)

Review of the Development Charges System in Ontario,  
[http://www.bildgta.ca/BILD/uploadedFiles/Government\\_Relations/2012/DC%20Consultation%20Submission%20Jan%202014%20\(2\).pdf](http://www.bildgta.ca/BILD/uploadedFiles/Government_Relations/2012/DC%20Consultation%20Submission%20Jan%202014%20(2).pdf)

**Recommendations:**

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

1. Ensure that industrial, commercial, institutional (ICI) sectors remain attractive for investment in Ontario by creating a development charge regulatory framework for use by municipalities that is accountable, transparent, consistent and predictable in its execution, including:
  - Maintaining the current scope of development charges as outlined in the original Act;
  - Keeping the mandatory, legislated discounts and exemptions as set out in the Act;
  - Including a standard methodology for the calculation of benefit to existing sectors.

**Estimated Financial Impact to the Province:**

- Be cost-neutral to the government.

**Committee Opinion:**

Committee supports the resolution.

## 35. ONTARIO'S RESIDENTIAL TENANCIES ACT (RESUBMITTED SUNSETTING RESOLUTION)

Tillsonburg Chamber of Commerce

### Issue:

Ontario's provincial government regulations within the Residential Tenancies Act (RTA) enable tenants to take unfair advantage of the system. Other provincial residential or landlord tenant acts are more equitable; thereby making it more attractive for investment in that province.

### Background:

It is our view that Ontario's Residential Tenancies Act (RTA) should be changed to make it more equitable for landlords and property managers. The existing Act does not hold tenants accountable to their rental responsibilities; instead it places unnecessary financial burdens and excessive delays on landlords and property managers, and on our municipal court system. The processes in Ontario's RTA we would like to recommend changes to are in the areas of: 1) Reducing Statutory Delays; 2) Dispute Resolution Officers at Residential Tenant board offices; and 3) Amending last month's rent to a Security deposit system.

Although non-payment occurs in only 3% of cases for Ontario residential rental units the percentage is drastically higher in rental units priced under \$1,000. The current provincial government acknowledges that there is a massive shortage of affordable housing options in Ontario. A major deterrent for Real Estate investors to create affordable rental units is the inequity of the RTA. Making the act more equitable will go a long way in attracting investment in our province in this sector and will eliminate the need for the government to get into the bricks and mortar business of providing affordable housing options.

#### 1. Reducing Statutory Delays

- Currently in Ontario if a tenant has not paid their rent, it is the landlord's responsibility to pay a \$170 filing fee and schedule a hearing after waiting 14 days before being able to file with the board. In British Columbia, if the rent is not paid, the onus is on the tenant to pay a \$50 filing fee to dispute an eviction. It is our opinion that British Columbia's Act places the responsibility in the right place: by making the tenant accountable for the expenses incurred to schedule a hearing when it is THEIR rent that has not been paid. Ontario's current process places unnecessary financial burdens on landlords and wastes valuable administrative time and associated costs: a tenant often does not attend a hearing nor are they likely to have a receipt proving their rent was paid when it wasn't. Currently a landlord needs to wait 14 days to file with the board, 30 days to get a hearing date, 3 days after the hearing to get the order, 11 days before filing with the sheriff and 3 days before the sheriff evicts the tenant. This amounts to 61 days to evict a tenant and the landlord losing 1 to 2 months of rent assuming the tenant paid a last month's rent deposit.

#### 2. Dispute Resolution Officers at Residential Tenant Board offices:

- In Ontario the Dispute Resolution Officers are at the Courthouse the day of a scheduled hearing to assist with settling an issue before it is heard by a judge. However, in British Columbia, evidence can be presented by both the tenant and landlord to a Dispute Resolution Officer, and a

binding ruling can be made by the Officer. This presentation can be done at a government office or by telephone conference call. This BC process avoids scheduling a hearing and using up unnecessary, valuable court time and tax dollars.

3. Amending Last month's rent to a Security deposit System:
  - Under Ontario's current system a tenant pays last month's rent which covers the last month they occupy the unit. The issue with this process is that the tenant does not pay any monies on the first day of their actual last month; therefore at the end of the tenancy there is no money held by the landlord to give back to the tenant leaving no motivation for the tenants to: leave on time, leave the unit in reasonable repair and cleanliness, take all their possessions, and return the keys.

### **Recommendations:**

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

1. Amend the RTA to reduce statutory delays by the following ways:
  - a. Amend section 59. (1)(b) of the RTA to allow the landlord to give the tenant a notice of termination (i.e. issue and L1) within 5 days effective on the fifth day of termination, rather than the 14<sup>th</sup> day.
  - b. Provide the Landlord Tenant Board with the one-time financial resources necessary to reduce the average hearing wait time from one month to one week and the necessary performance structure be put in place to ensure its success.
  - c. Amend the RTA to return to the previous practice of requiring the non-paying tenants to file applications.
  - d. Immediately stop the practice of preventing landlords from filing with the sheriff for 11 days after an order is issued and amend provincial laws (the Courts of Justice Act and the RTA) to explicitly allow private bailiffs to enforce Landlord Tenant Board orders and to require orders that have been previously stayed to be placed in priority sequence.
2. Shorten the dispute process by more effectively using the role of a Dispute Resolution Officer at the Residential Tenant Board office. This will avoid unnecessary court hearings. An order of possession can be obtained from a Dispute Resolution Officer at the Residential Tenant Board office thereby avoiding going to hearing to obtain such.
3. Amend the current process of collecting last month's rent by Landlords to a security deposit system similar to the process in the Province of Alberta. This process will include the following:
  - An inspection report to be completed by the tenant and the landlord which will note any deficiencies before the tenant takes possession of the unit.
  - Once the tenant vacates the unit, the security deposit will be returned in full when the following conditions are met:
    - If the tenant removes their personal possessions from the unit;
    - If the tenant returns the keys upon vacating the unit;
    - If the tenant reasonably cleans the unit before vacating;
    - If the tenant recognizes that any repairs required outside of normal wear and tear will be deducted from the security deposit.

- The tenant does not have full rights to the rental property until the first month's rent and security deposit are paid in full.

\*\* This resolution developed with information provided by the Federation of Rental-Housing Providers of Ontario (FRPO)

#### **Estimated Financial Impact to the Province**

- Initial investment of \$1,500,000 required to improve the system at the LTB.

This investment will provide significant savings by reducing the amount of hearing time needed through the improved non-payment process and the use of dispute resolution officers.

#### **Committee Opinion:**

Committee supports resolution.

## **36. WORKFORCE DEVELOPMENT FOR THE AGRI-FOOD INDUSTRY**

Windsor-Essex Regional Chamber of Commerce

### **Issue:**

To meet current and future challenges the Agri-Food industry in Ontario needs to develop its workforce. Among the critical needs for the industry are training and education to develop industry specific skills and direct exposure of the potential workforce in training with opportunities in the industry.

### **Background:**

As a part of one of the leading industries in Ontario, Agri-Food businesses represent a significant share of the Province's wealth and economic prosperity. Some of the challenges in the Agri-Food industry are related directly to industry specific skills, training, education and engaging the future workforce. The solution is for the Province to support the existing employment and training infrastructure to develop a world-class labour force for the Agri-Food sector.

Workforce development for the Agri-Food industry is both a challenge and an opportunity that can provide additional employment in Ontario. Furthermore, the value of this employment is in the fact that most of the employment in the industry occurs in rural communities where the impact of the job gain is the greatest.

### **Recommendations:**

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

1. Ensure a reliable, modern and efficient supply of energy to its customers at competitive rates that Work with industry to provide the necessary training and skills development programs for all significant Agri-Food regions in the Province in consultation with the Agri-Food industry and regional workforce related organizations.
2. Encourage educational and training institutions across Ontario to provide additional Agri-Food industry specific programs and courses meeting the stated needs of the regional/local Agri-Food businesses.

### **Estimated Financial Impact to the Province:**

- Entail a small cost to government (less than \$10M)

### **Committee Opinion:**

Committee supports resolution.