2015 OCC AGM POLICY RESOLUTIONS

UPDATED MAY 2, 2015

(FINAL 2015 RESOLUTIONS)

Table of Contents

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

1. Brockville & District Chamber of Commerce - Water Rates - Need for Rational, Sustainable, and Transparent Rates (Sunsetting)

Issue:

Municipalities in the Province have a patchwork of water rates that are based on historical formulas that are out of date. These rates often are not based on the current cost structure of their water & wastewater departments and are not transparent to the consumer. Water & wastewater rates, both fixed & variable must not be arbitrary but rather based on actual costs which are explainable to the consumer. Water & waste water rates are not a tax. They are a user fee.

Background:

The issue of a patchwork of rates and complicated rate structures that are out of date:

Many municipal water rates have a basic service charge with either a flat volumetric or declining rate on top of that. These fixed charges vary widely from a 1" meter in one community at $3.50 to $28.77 in another. This variation shows that the basic service charge cannot possibly cover fixed costs in some municipality's systems.

Some municipalities have an additional arbitrary charge for "multiple unit use" over and above what is charged on the meter not related to water service or use.

Some communities (Brockville) have 10 rates for meter sizes ranging from 5/8" to 10", while others have fewer commercial sizes with residential customers paying a flat service charge for up to a 1" meter (Kingston). Where other communities work on a flat rate system not based on meters.

Some municipalities allocate overhead costs to the water and waste water budgets and others do not. All of these inconsistencies make it very difficult to compare water and wastewater costs. These examples show that rates are frequently not rational, nor transparent.

The issue of sustainability of municipal water systems as conservation and other economic trends reduce the volume demand

The BMA Municipal Study 2010 shows many communities have financial sustainability issues both on their operational and capital budgets for their water systems. Twenty communities had a deficit in Water Operations and 27 had deficits in Wastewater out of 57 studied.

In many systems the repair costs far exceed replacement costs. Municipalities with water systems in poor condition must plan for huge expenditures.

Many water systems have dropped below 50% of capacity because of large industrial users shutting down, and more water efficient appliances like low flow toilets. The reduced volumes leave municipalities who are more dependent on volume charges with a rate model that is not reflecting the new reality.

The Water Opportunities and Conservation Act, 2010 (Bill 72) allows the Ministry of Environment to ask municipalities for sustainability plans including asset management, financial, and water conservation plans. The Act requires more transparency and prescribed information on water bills.

This new Act may take years for the MOE to implement. Municipalities should be proactive in addressing known issues, shifting rates over time to avoid shocking any one-customer class.

Recommendations:

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

1. Require smaller sized municipalities to have additional oversight from a policy and public perspective to assist them in better governance of their water systems.

2. Ensure municipalities, for financial sustainability purposes, reconfigure their water rate model to increase the basic service charge so that it covers a much greater part of the fixed costs of their water system, and relies less on volume charges.

3. Ensure that water bills are rational and transparent based solely on a basic service charge and a volume charge, with hidden and arbitrary charges removed for fairness to the vast majority of customers.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

The OCC Policy Committee suggested minor content revisions. The authoring chamber has accepted these suggestions and incorporated them into the resolution.

DEFEATED

2. Guelph Chamber of Commerce - Promoting Innovation to Improve Competitiveness and Productivity (Sunsetting)

Issue:

With innovation fast becoming the key determinant of competitiveness and productivity in the global economy, Canada and its provincial economies are facing renewed pressure to address the country's consistently poor performance on key measures of innovation.

Background:

A lack of commercialization financing for established companies prevents SMEs (Small and Medium size Enterprises) from investing in the long-term, intensive R&D critical to scaling up, and helps to explain why so few global companies at the cutting edge of science and technology originate in Canada. Among high R&D intensity Canadian firms, there are almost no examples of enterprises that make it past the $500 million revenue threshold. Should the only R&D financing option be to sell all or a portion of their business, many SMEs with valuable technologies opt for exit strategies over expansion.

Addressing the financing hurdle for commercial enterprises at later stages of evolution is a necessity for solving Ontario's innovation challenge, particularly because such companies have already demonstrated a strong formula for success. For companies with the highest R&D intensities, the whole model begins with customer needs – R&D is geared towards finding solutions to those needs. Small start-up firms, on the other hand, typically fail to realize successful sales, as R&D is usually based on academic, as opposed to commercially-driven, discoveries.

There is also significant room for improvement in how existing programs are designed and administered. The limited scope and complex process of applying for existing government programs are repeatedly identified by Ontario businesses as inhibiting factors to investing in R&D. When it comes to the scope of funding programs, many initiatives have a narrow definition of which sectors and/or activities are eligible. Fostering core strengths in non-traditional areas should be a built-in feature of innovation programming.

Recommendations:

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

1. Align programs and services with company evolution from start-up to mature company and ensure funding and resources are available at each step of the process.

2. Streamline the process between the federal and provincial governments to better co-ordinate and focus innovation-related programs.

3. Simplify program support and expedite the funding process to ensure that government programs and services allow innovation to occur at the speed of the market, across all communities in Ontario.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

One Policy Committee member suggested that although this resolution is excellent, it could go further. In her opinion, the province needs to do a better job of:

- Doing outreach on its programming and opportunities to SMEs beyond those coming out of academia;
- having reasonable lead times for companies who were never made aware of the fact that programming was coming so that they have time to understand the requirements for and prepare an application and;
- making policy changes to balance funding opportunities between basic and applied research might be beneficial as the latter usually has a quicker impact on economic development.

CARRIED

3. Halton Hills Chamber of Commerce & Greater Sudbury Chamber of Commerce - Reconsider approach to addressing Ontario's Retirement Savings Problem

CO-SPONSORED BY THE TIMMINS CHAMBER OF COMMERCE, THE NORTH BAY & DISTRICT CHAMBER OF COMMERCE AND THE SAULT STE. MARIE CHAMBER OF COMMERCE

Issue:

The Ontario Government is moving forward with the creation of a new, mandatory pension plan: the Ontario Retirement Pension Plan (ORPP), modeled after the Canada Pension Plan. The proposed plan runs the risk of further fragmenting the pension landscape in Canada and if implemented, will add complexity and regulatory burdens on employers. Employers cannot incur the costs associated with a standalone provincial pension plan.

Background:

The Ontario government is reforming Ontario's pension system by creating the Ontario Retirement Pension Plan (ORPP). The ORPP, set to be phased in beginning in 2017, will require employees and employers to contribute an equal amount, capped at 1.9% of an employee's annual earnings up to $90,000. Employers that offer defined-benefit plans will be exempt from contributing to the plan.

Ontario businesses worry about the consequences of an added cost to employers in an already difficult economic climate. According to a recent OCC survey, only 23 percent of businesses in Ontario believe that they can afford the costs associated with increased employer pension contributions.

With so few businesses able to afford new costs, the government has a responsibility to conduct a thorough analysis on the impact the ORPP will have on Ontario businesses and Ontario's economy. To date, this type of analysis has not been made public by the Ministry of Finance.

This type of due diligence is especially important given the province's broader economic picture. Employers are facing rising costs, such as high WSIB premiums which risk stifling investment in Ontario. Many employers are also facing regular increases in labour costs as a result of reforms to minimum wage. Ontario businesses also face volatile foreign exchange rates and energy costs.

Beyond economic impact, there are several other key questions that government has yet to answer, including:

- **How will the ORPP impact Ontario's competitiveness vis-à-vis other provinces and states?** By moving ahead with a standalone mandatory pension plan, Ontario will be adding complexity to the regulatory environment for businesses operating in Ontario. All else being equal, this added cost and regulatory requirement will almost certainly deter businesses from investing in the province.

- **Why are employers who offer defined-contribution plans not exempt from paying into the ORPP?** By limiting the definition of "comparable" to defined benefit (DB)-type pension plans, government punishes those employers who already offer a workplace pension plan to their employees. Consider the common scenario of an employer who offers his employees a generous defined-contribution plan with an employer contribution rate two to three times that of the ORPP. In response to the new costs associated with the ORPP, employers who offer non-comparable pension plans might choose to reduce the contributions in their existing plans to offset the new costs incurred by the ORPP. Alternatively, employers might choose to scrap their plans altogether.

- **What is the cost to the taxpayer of administering the ORPP?** The ORPP will require a considerable amount of new spending by government and the establishment of a new bureaucracy responsible for the administration of the plan. In the context of a large deficit and growing debt, where the government has already committed to significant investments in infrastructure and education, are the government's limited resources well-spent investing in an entirely new pension bureaucracy?

A significant percentage of businesses surveyed by the OCC indicate that Ontario should pursue targeted options outside the ORPP such as Pooled Registered Pension Plans (PRPPs). PRPPs are pooled, low cost and professionally managed and transferable pension plans that can provide savings opportunities for the millions of Canadians who do not currently have access to any type of pension plan at work. PRPPS are also flexible and voluntary: employers can adjust their contributions depending on their financial circumstances. Yet PRPPs are at risk of having very low employer take-up because of the introduction of the government's decision to deem PRPPs "non-comparable" to the ORPP (meaning employers who would offer PRPPs would still have to contribute to the ORPP). Further, the government should recognize the positive impact that increased financial literacy can have on savings behaviour, as well as the value of existing savings mechanisms, including Tax Free Savings Accounts (TFSAs) and Registered Retirement Savings Plans (RRSPs).

Recommendations:

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

1. Defer ORPP legislation if unanswered questions are not adequately addressed by date of introduction (2017).
2. Conduct a thorough analysis on the consequences the ORPP will have on employment levels, wages, and foreign direct investment. The results of that economic analysis should be made public.
3. Study the impact of the current, narrow definition of "comparable plan" and include it in the above analysis. Specifically, particular attention must be paid to the impact such a narrow definition will have on existing employer sponsored "defined contribution" plans. This element of the analysis should also be made public.
4. Carry through with advancing PRPPs as a means to offer a lower cost flexible option to employers and employees.
5. Build enhanced financial literacy programming into the school curriculum at all levels of the education system.
6. Consider options to make existing personal savings tools such as TFSAs and RRSPs more attractive to encourage wider use.

VIP 2015-5-2 7:50 AM
Deleted: The above analysis must also s

VIP 2015-5-2 7:50 AM
Deleted: what

VIP 2015-5-2 10:39 AM
Deleted: will be if

VIP 2015-5-2 7:50 AM
Deleted: is maintained

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

Explanatory Note: This resolution combines Halton Hills' "Reconsider approach to addressing Ontario's Retirement Savings Problem" and Greater Sudbury's "Rethinking Pension Reform" resolutions, both of which were submitted to the OCC in 2015.

CARRIED AS AMENDED

VIP 2015-5-2 10:40 AM
Formatted: Font:Not Italic, Underline, Font color: Accent 1

4. London Chamber of Commerce & Greater Sudbury Chamber of Commerce - WSIB Reforms for a New Generation

Issue:

The foundation of the current WSIB system is the principles established by Chief Justice Sir William Meredith during his 1910-1914 review. In order to ensure the sustainability of an injury/illness disability program, fundamental changes that are more reflective of today's workplace within an increasingly difficult business climate are urgently required.

Background:

The Ontario Chamber of Commerce supports a workers' compensation scheme which fairly compensates and assists workers if they are injured/ill due to their work. However, the current WSIB scheme faces a number of compelling issues which concern employers including the unfunded liability, costly premium rates, structural governance flaws, and service delivery.

The Ontario Chamber of Commerce has recommended that the WSIB system adopt a set of modernized principles including *accountability, transparency, client-focus, independence, and efficiency*.

To its credit, the WSIB has recently taken a number of important steps.

Responding to the Auditor General's report which addressed the unfunded liability, efforts have been undertaken to move towards the requirement, now set in the Workplace Safety and Insurance Act, to have a fully funded system by 2027.

The most recent reported unfunded liability (June 30, 2014) was $9.6 billion - down significantly from prior year figures in the $12.0 to $14.0 billion range.

In order to stabilize WSIB finances, the WSIB financial plan calls for full funding of current and future claim costs as part of annual premium setting.

The * *Doug Stanley report* issued in 2013 recommended to the WSIB that employer cost-based experience rating should be retained but the retrospective program should be replaced by a prospective system. The WSIB has targeted the transition for 2016.

In 2013 and 2014, while WSIB revenues have increased due to a 2.0% increase in insurable earnings, benefit entitlement payments have decreased. In 2014, year over year, *loss of earning payments* decreased by 12.4%, *worker pensions* decreased due to mortality, and *future economic loss benefits* decreased reflecting the growing number of claimants reaching age 65 (when payments cease).

While the Government of Ontario continues to strive for the right balance between supporting the protection of workers and supporting the need for sustainable, profitable businesses in Ontario, its own Ministry of Labour agenda now includes consideration for the removal of the 72-month lock-in provision, enhancing survivor benefits, and implementing a long term strategy to fully index benefits for partially disabled workers. The Government of Ontario has also recognized the impact of mental health in the workplace and has indicated it will seek to address this emerging entitlement issue.

Recommendations:

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

Accountability and Transparency

1. **To ensure WSIB's ongoing accountability to its stakeholders it is recommended that:**

The WSIB system should be included in the Auditor General's reports until the unfunded liability is fully retired. The Auditor General should provide an independent review of the status of the unfunded liability and assess the degree to which the WSIB has complied with the statutory requirement for a phased in retirement of the debt.

1.1 The WSIB should hold an annual meeting in Toronto and regional meetings (3-4) to provide an update of financial, administrative and policy issues.
1.2 The WSIB should provide separate operational manuals for each of: benefits and health care; financial issues; and rehabilitation/return to work.
1.3 The WSIB should ensure that the operational manuals establish the Board's interpretation of the Workplace Safety and Insurance Act and Regulations and replace other decision making tools such as administrative guidelines.
1.4 The WSIB should ensure that circumstances for government intervention in the rate-setting process are clearly specified.

2. **To ensure that WSIB issues management is not undertaken in a vacuum it is recommended that:**

2.1 The WSIB work in coordination with other Ministries, Agencies, Boards and Commissions especially on management of health care and return to work/job strategies. WSIB benefits should be better co-ordinated with Ontario Works and the Social Assistance Program.

Alternative Delivery Model

3. **To ensure broader competition for insurance services for employers it is recommended that:**

3.1 The WSIB co-operate with and fund an Ontario Chamber of Commerce study on comparable WSIB delivery models including options such as full and/or partial privatization.
3.2 The WSIB should amend the Workplace Safety and Insurance Act to exempt construction employers who have obtained comprehensive 24/7 insurance coverage from coverage under the WSIB scheme.
3.3 The WSIB should study the inclusion of an insurance deductible model for Schedule 1 employers. This would allow employers to fully pay the first two (2) weeks of a claim for a worker while continuing to comply with statutory accident reporting requirements. These costs would be excluded from experience rating.

Financial Issues – WSIB Specific

4. To ensure the best possible use of WSIB funds it is recommended:

4.1 The WSIB maintain an employer cost-based experience rating program to encourage return to work and hiring disabled individuals.

4.2 The experience rating program should continue to exclude long latency claims and claims which were beyond the control of the employer.

4.3 The WSIB should adopt and implement the Doug Stanley report and move as soon as possible to the implementation of a prospective experience rating model.

4.4 The WSIB should recommend to the Minister of Labour the inclusion of a policy on Second Injuries in the Workplace Safety and Insurance Act. The current Second Injury and Enhancement Fund (SIEF) policy should be renamed Second Injuries. The new Second Injuries policy should be harmonized with other WCBs.

4.5 The WSIB should establish and apply clear criteria (scientific evidence and objective medical findings) to presumptive benefit entitlement and ensure that the statutory requirement for a "personal injury by accident arising out of and in the course of employment" is met.

4.6 The Ministry of Labour should not enhance benefit entitlement, especially using presumptive legislation.

Occupational Health & Safety & General Health Care Costs

5. It is recommended that the WSIB should support the recommendations from the * Harry Arthurs and Doug Stanley reports:

5.1 The WSIB should recommend to the Minister of Labour the need to correct the overpayment caused when WSIB covered employers fully fund the Occupational Health and Safety program of the Ministry of Labour (OHS Branch, Health and Safety Associations, Chief Prevention Officer etc.) while occupational health and safety applies to all Ontario based employers. In other words 70% are paying for 100% of these costs.

5.2 The WSIB should recommend to the Minister of Labour a study be undertaken to address the unfairness and manner of health care charges levied against Ontario employers. Specifically, the study should address the fairness of charging employers a payroll tax levy for HST and WSIB health care costs.

Mental Disability

6. Given the recognition and emergence of mental health issues in the workplace it is recommended that:

6.1 The WSIB should undertake a policy review, with stakeholder consultations, of physical-mental, mental-mental, and mental-physical conditions. This is timely given the recent Workplace Safety & Insurance Appeals Tribunal (WSIAT) decision on traumatic mental stress.

Asset Management

7. **To ensure that WSIB resources are utilized in the most cost efficient manner it is recommended that:**

7.1 The WSIB should review the efficiency and effectiveness of the current Board organizational structure including the value to the WSIB system of a Toronto-based head office and regional/satellite offices.

7.2 As part of this review the WSIB should consider the business case for relocating Head Office functions and staff to other Ontario Municipalities with the correct mix of infrastructure labour force requirements. This relocation would free up costly Toronto office real estate which could be rented at Simcoe Place as a revenue generator and lower Head Office costs due to the price differential in other, more affordable Ontario Municipalities.

**Doug Stanley: Special Advisor to the WSIB Chair; Former Chair of the WCB of New Brunswick*
Private Consultant on contract to the WSIB to review Financial issues
Capacity: Contracted to review specified financial issues, consult with stakeholders and submit report.
Report Title: Pricing Fairness: A Deliverable Framework for Fairly Allocating WSIB Insurance Costs
**Harry Arthurs, former president of York University,*

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create a cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

The Policy Committee strongly supports this resolution but notes that it far exceeds the recommended format, and criteria for resolutions. Specifically, the background section length is too long (OCC suggests that background sections be 300 words max.) and the recommendations too numerous (OCC recommends that there be a maximum of 3 recommendations).

Explanatory Note: This resolution combines London's "WSIB Reforms for a New Generation" and Greater Sudbury's "Fixing the WSIB (Sunsetting)" resolutions, submitted in 2015.

CARRIED

5. Sarnia Lambton Chamber of Commerce - Support Growth with Expanded Broadband Access

Issue:

By introducing high capacity broadband to rural areas, residents will have the capacity to start-up online businesses, connect to commodities markets, access online education and so much more. Availability of high capacity broadband internet is necessary for any community to remain viable and prosper in the 21st Century.

VIP 2015-5-2 10:49 AM
Deleted: By consulting with existing telecommunications providers, the Government of Ontario ensure that fibre optic lines are extended to the last mile, where it's needed most, while avoiding costly duplication.

Background:

Many rural Ontarians do not have access to high speed broadband making it difficult to conduct business online and access online courses. Fibre optic networks are necessary for conducting business in the 21st Century, but the cost of installing fibre optic lines to the last mile is cost prohibitive for private internet service providers. In rural areas there is typically a $2,500 to $15,000 business case shortfall, per home, passed with fibre facilities[1].

The Western Ontario Wardens' Caucus and the Southwest Economic Alliance (SWEA) are proposing the creation of a tax-payer funded not-for-profit network called the Southwestern Integrated Fibre Technology (SWIFT). The network would be responsible for improving existing high speed broadband "backbone" networks and providing fibre optic connectivity to Southwestern Ontario. Over five years the project is estimated to cost $240 million, of which $6 million is earmarked for administering the network and only $60 to $70 million for connecting to "last mile" customers. While creating a costly new administrative body, SWIFT ignores private sector solutions and incentives for telecommunications providers to invest in the infrastructure where it's needed most.

Currently, there are nine small Incumbents operating in Southwestern Ontario offering broadband service in 27 rural local telephone exchanges. Brooke Telecom Co-operative Ltd., Hay Communications Co-operative Ltd. and Execulink Telecom Inc. are small Incumbent Local Telecom companies operating in rural Lambton County. They have been offering service and creating jobs in Lambton County for more than 100 years. These companies already provide broadband services to customers in their operating territories over 6 local telephone exchanges and beyond.

These companies have built and maintained extensive fibre optic transport networks in Southwestern Ontario connecting schools, hospitals and municipalities to the global Internet via Internet Exchange Points such as the Toronto Internet Exchange or "TORIX".

Small providers like Brooke, Hay and Execulink would be most at risk by the introduction of SWIFT. Anchor tenants such as municipal offices, schools and hospitals, many of which the small independents already serve with fibre optic infrastructure that they built and invested in, will be targeted by SWIFT, undermining the independent's ability to expand fibre optic infrastructure into rural areas. SWIFT's focus on backbone networks will lead to duplicate transport networks in rural centres without ever reaching last mile customers.

Recommendations:

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

1. Review the need for the establishment of an administrative body to implement SWIFT applications vs. developing a private sector program for broadband agreements for Southwestern Ontario.

2. Act as co-ordinating entity between federal and municipal governments to determine priority project areas for new FTTP builds in partnership with private sector players.

3. Establish a funding formula that balances provincial budgetary constraints and the need for private sector investments in broadband infrastructure requirements for last mile connectivity.

Estimated Financial Impact to the Province

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED AS AMENDED

6. Greater Sudbury Chamber of Commerce - Increasing Democracy and Promoting Entrepreneurism in Small Construction Workplaces

CO-SPONSORED BY THE TIMMINS CHAMBER OF COMMERCE

Issue:

The Labour Relations Act, 1995 creates a legal regime which unduly favours certification of construction employers in Ontario by construction trade unions. The card-based certification system introduced in 2005 results in construction companies becoming certified by large construction unions and subject to expensive, province-wide collective agreements, without a vote and often without regular employees of the business having the opportunity to participate. This system creates a disincentive for tradespeople to enter into business and often results in business closures, bankruptcies and out-migration of tradespeople from the province.

Background:

Prior to 1977, every province abided by card-check certification as the means to recognize a union where certification was complete once a specified majority signed union cards, without a vote being necessary. Since then, many provinces have implemented mandatory secret voting, which requires employees to cast a private ballot before certification can proceed. Some provinces such as B.C., Manitoba and Ontario have alternated between the two systems over the years. Recently, Newfoundland and Labrador re-instated secret ballot voting on union certification after a move in 2012 to allow card-based certification following active lobbying efforts of the Newfoundland and Labrador Employment Council. The Supreme Court recently upheld Saskatchewan legislation (the *Trade Union Amendment Act*) that eliminates card-based certification. In the federal jurisdiction, the Canada Labour Code was amended in December, 2014 (*Employees' Voting Rights Act*) to eliminate card-based certifications for federally regulated employers.

In June, 2005, Ontario passed Bill 144, the Labour Relations Statute Law Amendment Act. This bill re-established the card-based certification system for the construction sector in addition to the existing vote system. The card-based system means that certification of a union may be ordered by the Ontario Labour Relations Board without a certification vote, where more than 55% of the employees have signed membership cards to join a union. This amendment only applies to the construction industry.

There are a number of concerns with the move away from secret ballot voting. Card-based certification makes construction employers particularly vulnerable as certification is based on those working on the date of application. This means that automatic certification will apply even where 55% of the employees at work constitute a minority percentage of the employers' actual total workforce. The system is open to abuse as the wishes of only a few employees, can dictate the unionized status of others. Two employees could certify an entire workforce. Card-based applications may be brought by unions on a Saturday for strategic reasons when few employees are working. Union strategies can also include the use of "salts" (individuals sent by the union to seek employment for the sole purpose of bringing a union to the workplace) to certify companies against the will of regular, longer-term employees by bringing forward applications on a day where it is known that only a few employees are working.

Certification based on membership cards removes the employee's right to vote on whether or not they choose a union. Secret ballot voting safeguards employees from intimidation or pressure from union organizers and employers and helps ensure their true opinion is represented. While a secret ballot vote is conducted in a neutral environment by the Labour Relations Board, the collection of signatures on union membership cards is controlled entirely by union leadership. Under the current legislation, there is no means to address abuse and fraud by union organizers during an organizing drive.

Card-based certification also eliminates an employer's opportunity to communicate with their employees about the union certification application prior to a vote. In a card-based certification, the employer is usually unaware that a union organizing drive is taking place, until the application date has passed, at which time the cards are signed and cannot be revoked.

Once a workplace is certified by a construction union, the employer will become automatically subject to a province-wide collective agreement, which provides for a high level of wages and benefits for its members, particularly in the industrial, commercial and institutional sector (non-residential). The business loses its ability to negotiate individually with its employees or to negotiate its own collective agreement with the union. This places an unfair burden on small construction companies and those who are striving to become established and grow. It also creates a disincentive for young tradespeople to go into business for themselves.

Card-based certification introduced under bill 144 is undemocratic, threatens economic prosperity and significantly shifts the balance in favour of organized labour. Small construction employers without specialized knowledge of labour law are at a particular disadvantage relative to large union organizers. Additionally, delays in Labour Relation Board decisions on certification or status disputes can cause further uncertainty for small business as well as interruptions into their daily business activities.

Recommendations:

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

1. Eliminate the card-based certification system for small construction employers (fewer than 20 employees).
2. Require employees to be employed for at least three months before having the right to participate in a certification vote or be considered for the purpose of a certification application.
3. Allow employees to dispute the voluntariness of the signature on their union card on the basis of fraud, intimidation or coercion following a union certification application.
4. Require the Ontario Labour Relations Board to make a bottom-line decision (with reasons to follow) on certification applications or status disputes within thirty days of the matter being remitted to the Board for decision.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

7. Greater Sudbury Chamber of Commerce- Fixing the WSIB (Sunsetting)

CO-SPONSORED BY THE TIMMINS CHAMBER OF COMMERCE AND THE NORTH BAY & DISTRICT CHAMBER OF COMMERCE

- **Restoring fiscal balance by improving the way government works**

Issue:

Despite progress, the Workplace Safety and Insurance Board (WSIB) presents continued challenges and additional costs to employers.

Background:

There has been progress on the WSIB file within the past few years. In August 2014, the Government of Ontario announced that WSIB premium rates would be frozen for a second consecutive year. The WSIB also announced that their compensation system is more than 64 percent funded, and will be 80 percent funded by 2022 and 100 percent by 2027. The funding ratio has improved significantly, up from 56.9 percent in 2012. The unfunded liability stood at $10.6 billion in 2014.

However challenges remain. Despite progress, employers in Ontario are still faced with one of the highest premiums in all of Canada despite the declining rate of work-related injuries and illnesses in the province. The large surcharge associated with paying off WSIB's unfunded liability continues to be absorbed by employers as a legacy cost.

There are three ways to address the liability: raise premiums, reduce benefits, or increase investment income. At the same time, increasing premiums or reducing benefits will continue to prove difficult since experience has shown the inherent political, social and economic sensitivity of implementing changes to either.

Similarly, the third option – increasing investment income – remains a sensitive issue with the WSIB facing lost investment, particularly in the wake of the 2008 market meltdown where the WSIB lost 15.5% of its investments.

What is clear is that the continued practice of shifting money from investments toward paying ongoing benefits is unsustainable. In fact, Section 1 of the Workplace Safety & Insurance Act states that the WSIB is to administer the system "in a financially responsible and accountable manner." It is time the Ontario government directly addressed the problem by passing legislative changes to reduce benefits and employer premiums and refocus the system on prevention and an early return to work.

Beyond the unfunded liability, there is the issue of a lack of oversight in WSIB's rate setting process. Both the Auditor General's 2009 review of WSIB and Harry Arthurs' 2012 funding review advocated for structural reforms of the WSIB and the need for increased transparency and efficiency. Although the WSIB has clear authority to set premium rates, it is frequently affected by government intrusions. Arthur's report indicated that this type of politicization of rate setting has jeopardized WSIB's status as an independent arms-length agency. Terms of government intervention must be clearly defined. To enhance transparency, it is also important that the WSIB be subject to consistent oversight from the Auditor General.

Additionally, as of January 1, 2013, the Ontario Government made WSIB coverage mandatory for most people in the construction industry as a result of Bill 119, the Workplace Safety and Insurance Act. Compliance with this bill has resulted in significant costs per year for officers, business owners, directors and operators; many of whom have their own cheaper and superior private insurance.

Based on a 2013 OCC survey of over 2,059 Ontario businesses, only 36% believe that the WSIB provides value to Ontarians. This is a clear indication that structural reforms need to take place. It is important to promote safe workplaces in Ontario and broad insurance coverage for workplace-related injuries and illnesses. However, a legislated monopoly for the WSIB on workplace insurance is not the best answer for enhancing workplace safety and protecting worker's income. The Ontario Chamber of Commerce supports competition in the marketplace and the ability for employers to choose from a range of options to achieve these results. If the WSIB model truly represents the best coverage at the lowest price, employers will choose WSIB coverage over others. Competition, flexibility and choice are the hallmarks of a good system.

Recommendations:

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

1. Approve legislation that prescribes the reduction of benefits and compels the WSIB to focus on prevention and worker rehabilitation.
2. Approve legislation that prescribes the reduction of employer premiums.
3. Ensure that the WSIB is included in all subsequent annual auditor general reports.
4. Immediately initiate a study to determine the benefits and consequences associated with privatizing the WSIB.
5. Withdraw the current law (Bill 119) that requires all construction-related businesses to pay for WSIB, and reinstate the policy of allowing employers the option to participate where there is equal or better coverage, to allow for competition in the marketplace.
6. Ensure that circumstances for government intervention in the rate-setting process are clearly specified.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

Explanatory Note: This is an update to the sunsetting resolution. The Greater Sudbury Chamber of Commerce will withdraw this resolution if WSIB Reforms for a New Generation, co-sponsored by the London Chamber of Commerce & the Greater Sudbury Chamber of Commerce is passed.

WITHDRAWN

8. Whitby Chamber of Commerce - Business Regulations and Enforcement – Expanding 'Open for Business' Focus to Municipal Service Delivery

Issue:

As evidenced by the launch of the 2009 "Open for Business" initiative, the Province of Ontario has identified the need to reduce the red tape and regulatory burden on businesses. These efforts to date have focused primarily on the areas where businesses interact directly with the province. It is often overlooked that the Municipal level of government has many direct impacts on businesses across the province and maintains many of the touch points with businesses. There exist many inflexible and unfriendly business policies, approval policies and regulations at this local level which have debilitating negative effects on businesses. These multitude of local bottlenecks all contribute to holding back our provincial business community from reaching its maximum potential for growth, employment and contribution to Ontario's GDP.

Background:

As noted in other Ontario Chamber of Commerce policies, some progress has been made provincially with improving the government to business relationship, however much work still remains to be done. Specific objectives identified in "open for business" include:

- Create open and responsive collaboration between government and business.
- Reduce the burden of government regulation on business.
- Implement enhanced, single access point services and products, coupled with service guarantees.
- Create a modern regulatory environment that fosters competitiveness and welcomes new business.

The Ontario Chamber of Commerce appreciates the Government's recognition of these above objectives as being key to fostering a vibrant business climate in Ontario. We feel, however, that applying these objectives only to the Provincial government and not extending them to the Municipalities, which are creatures of the province, represents a half measure.

As municipalities have limited means to generate revenue, there is an inherent pressure for them to use fees, permits, licensing and user fees in order to boost municipal income to avoid raising taxes. While these costs alone can be a disincentive to business, if the enforcement and administration functions built around them are also cumbersome this can place a truly excessive burden on businesses.

It is also our understanding through member polling that local businesses are withholding feedback that would be both constructive and critical to their local municipalities due to a fear of reprisal from specific municipal departments. Not only does this create a relationship which does not foster open collaboration and productivity, it also prevents the municipality or individual departments from gaining valuable feedback on how to improve the climate for business.

However, we feel that the Ministry and Minister of Municipal Affairs and Housing has the ability to exercise their powers to encourage significant progress across Ontario's Municipalities. Specifically in ensuring that the processes municipalities create to generate revenue from businesses are fair in both their cost and application so as not to stifle business growth and expansion.

We feel that the recommendations below will also help the various Heads of Council meet their responsibility under the *Municipal Act, 2001* to: “participate in and foster activities that enhance the economic, social and environmental well-being of the municipality and its residents. 2006, c. 32, Sched. A, s. 101.”

As well as help the CAO fulfill their obligation under the same act of: “exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality.”

Recommendations:

The Ontario Chamber of Commerce urges the Government of Ontario, through the Ministry of Municipal Affairs and Housing, to:

1. Use its advisory powers to request all municipalities subject to the *Municipal Act, 2001* to put a particular focus on reducing the regulatory burden on Business by adopting and embracing the below objectives and building measurement metrics and service standards around them where appropriate:
    a. Create open, proactive and responsive collaboration between municipal government and business.
    b. Reduce the burden of municipal government regulation on business.
    c. Implement enhanced, single access point services and products, coupled with service guarantees.
    d. Create a modern regulatory environment that fosters competitiveness and welcomes new business.

2. Use its powers of investigation and general inquiry to require municipalities to annually report on their year over year progress and achievements against the above objectives – showing continuous improvement.

3. Compile and publish public reports, by way of a municipal scorecard, outlining the performance of Ontario Municipalities specific to these business friendly initiatives.

4. Require municipalities to develop and enforce a policy allowing for local businesses to issue comment or complaint regarding issues that work contrary to the objectives outlined in Recommendation 1 without fear of reprisal from the municipality or departmental staff.

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

BUILDING A 21ST CENTURY WORKFORCE THROUGH WORKPLACE TRAINING, UTILIZING NEWCOMERS' SKILLS, AND APPRENTICESHIP REFORM

1. Greater Kingston Chamber of Commerce - Good Governance at the College of Trades

Issue:

There is uncertainty among Ontario businesses and the Chamber Network about the value of the Ontario College of Trades. Many concerns coalesce around the College's governance structure.

VIP 2015-5-2 10:57 AM
Deleted: As the government reviews the College's mandate, increasing the open and transparent nomination and election of the College Board of Governors should be a priority.

Background:

The Ontario College of Trades was legislated into existence in 2009 with the mandate to lead the promotion, regulation, and governance of skilled trades in Ontario. The College is also responsible for reviewing and setting all journeyperson-to-apprentice ratios within the province.

The independent appointments council is responsible to the Minister of Training, Colleges and Universities. They make appointments to the governance structure, including the board of governors, divisional boards, trade boards and adjudicators for review panels.

The Divisional Boards are comprised of twenty (20) members appointed by the Appointments Council, in accordance with the following:

1. Four (4) members selected from each of the construction, industrial, motive power and service sectors. Two of the members for each of the sectors are selected as employee representatives and two selected as employer representatives.
2. One (1) member selected from the Board of Governors from each of the construction, industrial, motive power and service sectors as the chair representative.

Many view the College as an unnecessary bureaucratic and financial burden on employers and trades people. Employers and workers need to know what they are getting for their money. Public discourse regarding the ratio review process and the College continues to be negative. Ontario has appointed former Secretary of Cabinet and Head of the Ontario Public Service, Tony Dean, to review the College. We need to ensure the following points are a priority in moving forward.

- The College must have a fair, balanced and inclusive governance structure which generates a level economic playing field across the province must be maintained for more businesses to accept the College and its mandate.
- Member-based organizations like the College must provide the basics in transparency and openness to its members, (holding an AGM, and allowing members to elect its Board of Governors). The democratic election of a Board would have a positive impact

on subsequent appointments of critical review panels for trade classification and ratio reviews.

- Meeting this threshold would require review panels to be comprised of a representative sub-sample for each trade, to invite and make publically available input from all interested stakeholders, and to base all decisions on a quantitative and qualitative analysis of economic impact.

Recommendations:

The Ontario Chamber of Commerce urges the Ontario College of Trades to:

1. Address the governance issue.

   The College Board should be nominated and elected by its membership in a transparent, fair manner. Directors should represent the diverse makeup of all skills from both union and non-union trades, and include representation from both large and small business. In addition, any Director and subsequent member of a Divisional Board must include representation from both rural and urban communities. The members of ratio review and trade classification panels must represent small and large enterprises and reflect the diversity of the trades they are reviewing.

2. Fix the perception problem.

   The College needs to create a strategic communication and outreach plan to fill the gaps in misinformation and improve transparency.

Estimated Financial Impact to the Province (For discussion-purposes only – will not appear in final compendium

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

2. Greater Kitchener Waterloo Chamber of Commerce - Reforming the College of Trades

Issue:

The ability of the Ontario College of Trades to adequately reflect employer requirements across all regions of Ontario, particularly rural and northern areas.

Background:

The Ontario Chamber of Commerce report *Caution – Work Ahead* (October 2013) notes that provincial employers could potentially support the Ontario College of Trades if the organization incorporated the capacity to effectively address and resolve chronic labour shortages in the skilled trades.

The *Work Ahead* document also indicates that the current ratio review process is biased against small and rural-based businesses. High journeyperson-to-apprentice ratios provide a disproportionately negative impact on the economies of rural communities who generally lack large employers and SMEs who employ a limited number of journeypersons.

The Ontario Home Builders Association (OHBA), in an October 23, 2014 news release, notes there are tremendous opportunities across rural, urban and northern Ontario that are not being utilized because the Ontario College of Trades is too Toronto-centric with outdated regulations. The OHBA release was issued in response to an announcement from Queen's Park that former provincial cabinet secretary Tony Dean will be leading a review of the College.

A Waterloo Region Record letter to the editor on December 18, 2014 from Steven Harris of the Waterloo Region Home Builders' Association notes that at the very least, the review by Tony Dean needs to visit areas outside of Toronto so tradespeople who pay into the college from all across Ontario have input into its future direction and mandate. People working in the skilled trades deserve better.

Recommendations:

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

1. Review the mandate of the Ontario College of Trades to ensure that workplaces in all areas of the provinces are incorporated in the decision-making process and institutional operations.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government however if properly reformed the College could and should assist rural and northern Ontario in creating jobs and economic activity.

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

3. Mississauga Board of Trade - Creating Pan-Canadian Training and Certification Standards

Issue:

Each province and territory develops their own training standards and certification for various occupations, creating duplication and waste.

VIP 2015-5-2 11:07 AM
Deleted: Harmonizing training and certification standards across Canada would help improve labour mobility, address skilled shortages in various occupations, and best meet future labour needs of business.

Background:

Under the Canadian Constitution, education and training are the responsibilities of the provinces and territories (referred as jurisdictions). This has resulted in a distorted legacy, wherein each province and territory creates its own training and certification standards for various occupations. This is a costly duplication which also constrains labour mobility of both journeypersons and apprentices, negatively impacting on businesses and the economy, particularly when there are growing skilled shortages in many occupations.

Recent efforts at harmonizing existing training standards have created the "Red Seal" program which is an onerous, duplicative and expensive superstructure. The Red Seal program currently covers 55 trades across Canada, and to be eligible, a provincial/territorial certification must first be successfully completed. These provincial/territorial certifications can often be different from one province/territory to another, and having to "pass another test" limits many from attaining the national standard and benefits that go along with it.

As an example, given that electricity works the same across the country, it is counter-intuitive that variable training standards for electricians are required for different geographies. Other bi-lateral harmonization efforts between certain provinces seem to be a poor use of limited resources, when a national approach would be the best option. This is consistent with and supports the Internal Agreement on Trade and the Canadian Regulatory Harmonization Initiative.

Recommendations:

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

1. In concert with other provinces/territories, migrate to developing Pan-Canadian training standards for various occupations where certification is required.
2. Address any unique geographical requirements for an occupation, by treating as endorsements over and above the Pan-Canadian training and certification standards.
3. Encourage individual provinces to take a lead in developing training and certification standards for a particular occupation. There would need to be a definitive time-line and a speedy resolution method to manage any dissenting viewpoints.
4. Consider alternatively, a third-party with relevant, world-recognized expertise, like the Canadian Standards Association, be contracted to develop the Training Standards on behalf of all the provinces.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

The Policy Committee made a suggestion that the resolution include references to the Internal Agreement on Trade and the Canadian Regulatory Harmonization Initiative. The authors of the resolution have included those references.

CARRIED AS AMENDED

4. Greater Sudbury Chamber of Commerce - Strengthening Labour Market Information for Business Competitiveness

CO-SPONSORED BY THE TIMMINS CHAMBER OF COMMERCE

Issue:

The province is currently operating in a data vacuum. Insufficient labour market information (LMI) limits effective funding, policy making as well as program design and delivery.

Background:

Labour market information is a shared responsibility between federal, provincial and territorial governments. Although the federal government has retained the responsibility of being the primary producer of LMI, provinces have had a greater role in LMI following the devolvement of labour market programs to the provinces/territories that came as a result of bilateral Labour Market Development Agreements (LMDA).

In Ontario, the Ministry of Training, Colleges and Universities (MTCU) is the lead on LMI for the province. The MTCU site provides information and reports on trends in the labour market. MTCU also works with Service Canada and Social Development Canada to advance *Ontario Job Futures*, an online publication providing information on current trends and the future outlook of around 200 occupations common to Ontario. There also exists a network of 25 workforce planning boards across the province that address local labour market concerns, conduct research and work with community partners in advancing issues pertaining to labour market development.

A primary concern for Ontario employers is the lack of available local and occupational level LMI. There are significant gaps in information on job vacancies across the province; currently data can demonstrate when a province is experiencing shortages but not precisely where labour is needed within regions or what specific skills are in demand. In Don Drummond's 2014 report on LMI, he cites that one of the biggest challenges is that labour market survey results are often only available on a provincial basis and are aggregated into a small number of industries, masking dissimilarities between individual occupations.

It is essential that Ontario advocates for better and more localized information. Recently the federal government announced changes to two Statistics Canada surveys, expanding the sample sizes of both the quarterly Job Vacancy Survey and the National Wage Survey to report at the level of economic regions, rather than provincial and territorial levels. However, economic regions are as large geographically as the province of Prince Edward Island and will not provide data at a local level. The example of the UK Commissions' Employer Skills Survey should be examined and advanced by the province to the federal government. The first survey in 2011 gathered answers from more than 91,000 businesses across different sectors, giving the UK government local, reliable and timely information.

There is also a need to make provincial data more accessible. Information is not always coordinated or shared in an easily accessible and digestible manner for employers, job seekers and decision makers. Ontario may benefit from British Columbia and its WorkBC website; the site contains a list of job openings across the province, analysis of the provincial labour market, and the results of job surveys among post-secondary education graduates (including information on where jobs are in demand). BC also has a distinct strategy of partnerships and strong networks across the province to improve coordination of LMI including a cross-ministry LMI roundtable committee bringing together various ministries involved in LMI. The work of this committee has allowed for strengthened provincial provision and dissemination of LMI.

Beyond a lack of internal collaboration in the province, there is insufficient intergovernmental coordination and sharing of information between the province and the federal government. The timeliness of data would be enhanced if provincial and federal governments were willing to extract LMI from the wealth of data already collected from Canadians for other purposes while ensuring the protection of private information. This includes evidence from income tax, employment insurance (EI) and social assistance purposes. Provinces do not have access to postal codes and National Occupational Classification (NOC) codes for EI recipients. This type of information regarding which regions and occupations are experiencing changes in employment would allow Ontario to build more responsive training programs.

Labour market policies and programs also suffer from a lack of common performance measures linked to employment outcomes. Based on existing metrics, it is difficult to evaluate program effectiveness. Both the province and the federal government need to collaborate to establish a new governance framework to address deficiencies in the quality and sharing of information and strive to adopt a common set of performance measures that can be applied to all government-funded employment services.

Reza Moridi, Ontario's Minister of Training, Colleges and Universities has recently indicated that the province intends to provide strengthened labour market data to better match student choices to business needs. The government has also announced that it intends to pilot Local Employment Councils to support strategic engagement in local workforce planning and to improve access to quality LMI. Better labour market information is a necessity for addressing skills mismatches and labour shortages, one of the top barriers of competitiveness faced by the province.

Recommendations:

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

1. Work with the federal government, with input from the business and education sectors, on an intergovernmental strategy to establish a new governance framework to address deficiencies in the quality and sharing of LMI and one that aims to create a set of common performance measures for program evaluation.
2. Advocate for the collection of more granular LMI and localized data in all future federal surveys on labour vacancies.
3. Promote existing LMI more actively and enhance public awareness of what is available.

VIP 2015-5-2 11:08 AM

Deleted: Embrace marketing initiatives (such as WorkBC tools) to present data in a more digestible and easy to read manner.

4. Enhance interprovincial collaboration on LMI and consider the establishment of a cross-ministry committee to improve coordination on LMI efforts.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED AS AMENDED

RESTORING FISCAL BALANCE BY IMPROVING THE WAY GOVERNMENT WORKS

1. Ajax-Pickering Board of Trade - Using the Private and Not-for-Profit Sectors to Delivery Public Services (Sunsetting)

Issue:

Ontario is facing challenges that will weigh heavily on its fiscal capacity. The economy is projected to grow sluggishly for the next 20 years. The province's debt-to-GDP ratio is rising to worrying levels. Ontario's population is aging, placing increased pressure on public finances.

In order to preserve government's fiscal capacity and to continue to deliver the services upon which Ontarians rely, Ontario must find ways to deliver services more efficiently.

Background:

Governments around the world are increasingly adopting public-private service delivery partnerships (alternative service delivery or ASD). Norway, for example, allows private firms to operate publicly funded hospitals. The bulk of Denmark's emergency services are provided by a private, for-profit company. Much of Australia's public auditing is provided by private sector providers. The state of Maine has hired a private service provider to improve the state's child immunization rate.

Ontario was once a leader in service delivery innovation. In the past, governments of all political stripes partnered with the private, not-for-profit, and broader public sectors as a means of meeting fiscal challenges while maintaining overall service levels. For example, all three political parties signed onto or renewed the government partnership with Teranet, a private company, to operate Ontario's Electronic Land and Registration System (ELRS). Under the terms of the contract with Teranet, the government received an initial payment of $1 billion and a 50 year stream of royalty payments in exchange for exclusive electronic land registration and writ services.

Since deals like Teranet, however, the pace of innovation has slowed. Some within government are reluctant to use ASD models because of the misconception that ASD is ideologically motivated and is nothing more than an effort to reduce the public sector's overall wage bill. However, these are neither the objectives nor the consequences of the vast majority of ASD arrangements. ASD is a means by which governments can leverage the capital, technology, specialized skills, and expertise of its partners in order to meet specific public policy objectives, address complex social problems, and achieve better outcomes for their populations.

Plenty of opportunities for ASD exist within Ontario's broader public sector, including the provision of IT services and back office functions, the operation of government service interfaces like Service Ontario, and a variety of logistical services in areas like health, education, and corrections.

Recommendations:

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

1. Conduct a government-wide audit as a means of identifying service areas where the public would benefit from the introduction of an alternative service delivery model. Government should make the results of the audit public.

2. Build capacity within government so that it can begin to benchmark the current costs of public service delivery, and adopt new approaches to procurement, contract management, and labour relations.

3. Build an 'early wins' strategy by moving ahead with service delivery reform in areas where barriers to transformation are fewer. Any alternative delivery method should demonstrate best practices in service delivery, more effectively meet the needs of end users, and ensure that public safety is not compromised.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

2. Hamilton Chamber of Commerce - Implementation of a One Business Number

Issue:

Government programs serving the business community require a means of establishing and managing client identity. In Canada, the multiplicity of business-government interfaces at each level of government its associated programs has resulted in various numbers and types of business client identifiers assigned to an individual business.

The Business Number (BN) provisioned through the Federal Government has been adopted in various provinces for various uses, with its implementation resulting in reduced red tape and cost savings for businesses.

The Province of Ontario (through Service Ontario) has engaged with municipalities over the last decade on the prospect of adopting a common business number to ease government red tape and reduce inefficiencies. The BN is currently being utilized in Ontario for a limited number of purposes.

We would like the government to explore and implement or fully implement use of a singular BN in collaboration with interested municipalities.

Background:

Any business owner in Canada deals with all three levels of government separately. These interactions, especially for business startups have plenty of overlap leading to paperwork redundancy.

In Ontario, ServiceOntario is the Ontario government's primary public-facing service delivery organization, with responsibility for delivering information and high-volume routine, rules-based transactions to both individuals and businesses.

The national Business Number was developed by the Federal Government in the 1990s to enable both business and government to streamline operations and realize efficiencies. With the BN, businesses are assigned a single registration number for their dealings with various participating public sector programs.

In Ontario, the BN is currently used by businesses for taxation returns, occupational health and safety, employment standards and labour disputes. However, in other provinces the BN has been successfully implemented for registries, licensing, procurement, application for permits and reception of government benefits.

A number of municipalities including City of Ottawa, London, Hamilton, Windsor, and Toronto have also officially declared an interest in pursuing a singular BN, some of them even signing MOU's with Service Ontario. While in other jurisdictions, official governmental reviews have recommended the adoption of a BN. Alberta happens to be the most prominent recent jurisdictional example with the passing of Bill 12: Common Business Number act on March 25th 2015 paving the way as a model for Ontario to follow.

Recommendations:

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

1. Explore the Implementation of a common BN for an expanded set of applications, including but not limited to the following:
    - Registration
    - Licensing
    - Procurement
    - Permit Application
    - Benefits

2. Explore the implementation of BN in collaboration with interested Municipalities

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

3. Greater Kitchener Waterloo Chamber of Commerce - Enforcing Wage Restraints for Senior School Board Officers

Issue:

Pay increases to officials of provincially funded school boards which are not in compliance with public sector wage restraints.

Background:

In January of 2015, Ontario Minister of Education Liz Sandals ordered ministry officials to review school boards across Ontario to ensure compliance with all relevant public sector wage freezes in relation to compensation for senior officials.

A National Post article by Keith Leslie on January 13, 2015 indicated at least 21 of 75 provincial school boards provided pay increases to their directors when compensation levels should have been frozen.

Minister Sandals' decision on the aforementioned review was initiated by Toronto District School Board (TDSB) trustees who voted in favour of a motion permitting Director Donna Quan to maintain her previously awarded salary increase. Trustee Sheila Cary-Meagher, who introduced the motion, indicated during a TDSB board meeting that several other boards are ignoring provincial legislation, which resulted in a 10-7 vote in support.

A March 4, 2015 Globe and Mail article by Karen Howlett indicated the Minister of Education would be directing designated school board employees receiving raises in contravention of provincial legislation to provide repayments. However, the article also notes that many boards plan to challenge the ministry's interpretation of the legislation and apparent lack of clarity around application.

The minister has recently, through correspondence to boards, indicated the freeze applies to directors of education, superintendents, and those holding executive positions regardless of job title. The Council of Ontario Directors of Education has determined through legal opinion that superintendents should be designated in the same category as principals and vice principals who are now exempt from the salary freeze.

As noted by the aforementioned TDSB trustee remark, one board defending their practices on the premise of other boards making similar decisions is not appropriate and disrespectful to the businesses and taxpayers who fund the public education system in Ontario.

Recommendations:

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

1. Enforce the Broader Public Sector Accountability Act and other relevant provincial legislation and regulations in relation to executive salaries at provincially funded school boards;

2. Require school board officials to pay back to their employer all salary increases that were inappropriately awarded during periods of legislated wage restraint.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the Ontario government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

4. London Chamber of Commerce - Ontario's Debt and Deficit Management Strategy

Issue:

Ontario's net debt, the difference between total liabilities and total financial assets, was $267.2 billion in in 2013-2014. The Ontario Government is projecting a deficit of $12.5 billion in 2014-2015 and has pledged to eliminate it by 2017-18. However, by that year, Ontario's net cumulative debt will have ballooned to an estimated $325 billion. That's more than double the $156 billion net debt of just a decade ago according to Ontario's Auditor General, Bonnie Lysyk in her December 2014 report.

In order for the Ontario Government to eliminate its deficit by 2017-2018, it will have to reduce the deficit by over $4 billion per year for the next three years.

Furthermore, Ontario has the highest debt in Canada and the second highest debt per capita. The negative consequences of this unsustainable yet seemingly insatiable and chronic appetite for debt includes huge servicing costs which divert funds away from critical government services and leaves Ontario vulnerable to interest rate increases as well the very real threat of credit-rating downgrades that lead to higher borrowing costs in future. Looking forward, apart from jeopardizing the sustainability of our public services, Ontario's debt crisis will be a drag on our domestic business confidence as well as having a chilling effect on foreign direct investment.

This massive debt also creates an intergenerational shift of the tax burden. Without a more robust plan to eliminate the annual deficit and ultimately reduce the current level of debt, we will be leaving that debt for future generations to pay for.

Background:

In response to the economic downturn that took place in 2008, the Ontario government has relaxed its fiscal policy by running significant deficits year over year. While there are some arguments in favour of continuing to run relaxed fiscal policy during this year, it is imperative that the government move to credibly outline a plan to balance the budget by fiscal year 2017-18.

One useful measure of a country's capacity to borrow and repay debt is the debt-GDP ratio. Provinces (or countries) with high debt-GDP ratios find themselves having to allocate a larger share of their budgets to debt service, while having little room to borrow for future downturns in the economy and leaving no fiscal capacity at all to withstand a future recession. The forecasted debt-to-GDP ratio will be at 41% for 2015/16 up considerably from just 26% in 2008.

For its part, the Ontario Chamber remains concerned about the way that the Federal Government allocates $62.5 billion worth of transfers to other levels of government in Canada and sees it as a major disadvantage for Ontario.

While the gap between what Ontarians pay in federal taxes and what they receive in the form of program spending and transfers is $11 billion, or 1.9 percent of the province's GDP, the Federal Government has nevertheless delivered a strong message in response - namely that it (the Federal Government) has no intention of resolving Ontario's debt/deficit crisis particularly in light of their (Ontario Governments) mismanagement of cancelled gas plants, the Ornge Air Ambulance fiasco and questionable commercial real estate deals in Toronto.

So while it appears unlikely that any relief will be forthcoming from the Federal Government, the burden of responsibility must then lie squarely on the shoulders of the Ontario Government to get its fiscal house in order.

In order to eliminate the Provincial deficit and eventually start to reduce the debt, the Ontario Government must either increase revenues, decrease spending, or the most likely scenario – it will consider a combination of both.

In its efforts to find an additional $4 billion plus dollars per year however, the Ontario Government must ensure that it is not utilizing harmful strategies which may in effect damage the economic recovery further. In other words, the Government must not use strategies which will impede Ontario's business community from that recovery or severely damage vital sectors of our economy.

During the fall of 2014, Deputy Premier and President of the Treasury Board, The Hon. Deb Matthews announced four pillars by which the Ontario Government would address the deficit problem.

These included:

a) Tackling the underground economy
b) Maximizing assets
c) Evaluating public service compensation
d) Program review and transformation

The Ontario Chamber of Commerce believes that these four pillars are an excellent starting point for the Ontario Government to begin identifying sources to find the $4 billion per year required to eliminate the deficit by 2017-18 but, this can only succeed if the Province adopts more ambitious targets coupled with transformational changes in the way government does business. Savings targets for the government have been set to a maximum of $500 million per year, which is less than one percent of the annual budget and far less than the $4 billion per year needed to meet its 2017-2018 balanced budget target.

With a projected slower growth future for the province, combined with the growing demands of a rapidly aging population, the need to deal with the fiscal situation now becomes all the more critical.

Recommendations:

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

1. **Expand Alternative Service Delivery (ASD)** in the health sector and replicate elsewhere where service quality can be improved and costs lowered. By opening up service delivery to the private and not-for-profit sectors, ASD models take advantage of

market incentives to enhance productivity, achieve greater efficiencies, and harness new technology.

a. Beyond its fiscal benefits, ASD accomplishes many other public policy objectives: ASD enables government to leverage private sector investment to modernize the delivery of public services. • ASD enables government to access new and innovative business models. • ASD facilitates the commercialization of government intellectual property and business processes.
b. Utilizing ASD in specific services, such as the back-office reconciliation of Ontario Health Insurance Plan transactions and frontline services like ServiceOntario, can help the government save money while preserving (or even enhancing) its capacity to deliver valuable services.

2. **Adopt a formal policy on asset recycling**. In Ontario, asset recycling could be one method of reducing the province's large infrastructure deficit, in the context of a reduced fiscal capacity. The Premier's Council on Government Assets is a good start, but the government must adopt a broader policy that applies to more government assets and regularizes the review process. In spite of the many non-action recommendations of the Premier's Council on Government Assets, the Government must move aggressively on this recommendation if the "*Maximizing Assets"* pillar of the President of the Treasury Board is to have any meaning or impact.

3. **Tackle the underground economy to increase revenues by establishing tougher penalties for noncompliance** and a stronger focus on high-risk industries. The 2012 Drummond Commission estimated that strengthened compliance measures could yield over $500 million per year for the province. Without addressing this problem more aggressively, fewer and fewer Ontario businesses will be paying the bulk of Ontario's taxes while those that don't continue to grow.

4. **Apply more rigor to regularly mandated program reviews across all ministries and departments** that re-examine the programs, services, and operations of government ensuring that these are aligned with citizens' expectations of government. Furthermore these reviews should begin with the mandatory questions: Should government be engaged in this activity? Is this policy accomplishing what we want? How do we know? Are there other programs across government that are duplicative? The Ministry of Finance should consider a cash pooling arrangement within and between all departments and ministries whereby any annual budget surpluses (or unspent money) could be allocated by the Finance Minister to either pay down debt or re-allocated to other departmental/ministerial projects instead of borrowing to finance them. Departments/ministries would then be able to re-apply for that money in the next following budget year.

   These reviews should also determine how programs and services align with government priorities, help reduce spending, and where appropriate achieve savings by identifying redundancies and inefficiencies. In this way, program reviews can make government more effective and responsive. They can also be used to "rejuvenate the public service by eliminating unsuccessful programs and strengthening effective ones. By answering the questions posed above, governments can redirect public resources away from non-essential programs and services, and toward core ones

5. **Establish Outcomes-based Incentives and Accountability in the Public Service Sector.**

   Closely linking incentives and accountability for public servants to specific outcomes can increase the efficiency of government, improve program and service quality, and help the government do more with less. If the government is to move toward fiscal sustainability, it will need to take steps to enhance its return on investment and ensure that desired outcomes are being achieved at the desired cost.

   a. Public sector compensation is the most accessible tool to achieve this outcome. For example, instead of cancelling pay-for-performance incentives, government should reinvigorate them for all levels of the public service and tie them to specific and measurable financial outcomes.

6. **Adopt user-pay models for government services**. This means that part or all of service operating costs are met by the end user. In other words, the government puts a price on a program or service. Depending on the price, user-pay can be used to partially or fully cover the cost to government of providing the service.

   a. In Ontario, adopting user-pay models for specific government services could be a method of maintaining current service levels and quality in the context of a reduced fiscal capacity and increased demand for services. Currently, many government services in Ontario are funded entirely out of general revenue. This means that all citizens pay for these services, regardless of whether or not they use them. By appropriately applying user-pay to some of these services, government could continue to provide them, while reducing the amount of money it contributes.

   b. User fees also help regulate and mitigate unnecessary or fraudulent demand and encourage more efficient use of public services.

   c. Example: In 2003, Transport for London UK (TfL), London's public transit agency, introduced a congestion charge in central London. The congestion charge acts as a user fee for roads in downtown London: during working hours, motorists are charged a tariff for bringing their vehicle into a designated area of the city. As a user pay scheme, the congestion charge has successfully acted to regulate the demand for road infrastructure and raise revenues.

7. **Adopt a Means Testing provision for specific services**. Means testing means that recipients with greater means may be asked to make a greater contribution to the cost of that service. Many services and benefits in Ontario are currently available to all Ontarians at the same upfront cost (often at no charge), despite significant variation in people's financial means.

   a. Adding a means-testing provision to the price of a service takes into account an individual's 'ability to pay'. From a fiscal perspective, *means testing* can be a method by which government secures additional funds by reducing access for those with higher incomes. Individuals with greater means will pay more for a means-tested benefit or service.

b. By varying the cost of or access to a service based on means, it can also increase the efficiency and effectiveness of government spending. Means testing reduces spurious demand, thereby increasing access to those that require the service.

c. *Example: Australia integrated means-testing into residential aged care as part of a reform package. The government reduces the amount it contributes toward the care and accommodation of individuals with greater financial means. This is one strategy that Australia is taking to increase the sustainability of aged care, in the context of an aging population similar to that of Ontario.*

VIP 2015-5-2 11:27 AM
Deleted: <#>**Adopt new revenue-generating policies in post-secondary education** ... [1]

8. **Investigate cost saving alternatives** for the location of provincial back office functions to save on real estate, wages, and cost of living.

VIP 2015-5-2 11:31 AM
Deleted: outside of the GTA core

9. **Review the option to enhance the marketing and sale of Ontario Saving Bonds** where the return on investment would improve the provincial debt management position including the investment of surplus cash in the bond program rather than in external financial markets.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create a cost-savings for the government

OCC POLICY COMMITTEE COMMENTS:

The Policy Committee raised concerns about the length and scope of this resolution, noting that it does not fit OCC resolution criteria. Specifically, the background section length is too long (OCC suggests that background sections be 300 words max.) and the recommendations too numerous (OCC recommends that there be a maximum of 3 recommendations). The Committee noted that given the breadth of topics covered and the sheer scope of the resolution, the contents would be better presented in a series of smaller resolutions.

CARRIED AS AMENDED

5. Mississauga Board of Trade - Promoting Greater Transparency in the 'Open for Business' Initiative (Sunsetting)

Issue:

With the passing of the new *Better Business Climate Act, 2014* and the recent renewal of the *Open for Business* initiative, the Ontario Government has established a framework for a more responsive regulation of Ontario's business environment. However, there are still unaddressed transparency issues in the mandatory review process for government-wide regulation reduction and currently there are no requirements for ministries or their agencies to publish their findings.

Background:

The Ontario government's Open for Business (OFB) initiative came into effect in 2009. Since 2009 it has seen two renewals, the first through the Open for Business Act, 2010 and more recently through the Better Business Climate Act, 2014. Through these initiatives the Ontario government seeks to engage in government-wide regulatory burden reduction and service modernization. Its role is to help improve Ontario's business climate by reducing burdens, streamlining regulations, and creating smarter and faster government-to-business services.

Since the implementation of OFB initiative, Ontario ministries have made some progress over the past ten years in reducing the time and cost to businesses involved in dealing with government. Approval processes have been streamlined, more online services have been introduced, and paperwork has been reduced or eliminated. Through Open for Business, ministries have eliminated 80,000 regulatory burdens — a 17 per cent reduction in regulatory requirements. However, this is 8 per cent less than the original target of 25 per cent set in 2009 by the government.

The recently passed *Better Business Act, 2014* claims that it will create a better business climate by reducing burdens for business. The Government has proposed that the Act will accomplish the following:

- Each year, ministries would identify, measure and report on at least one initiative that can help further reduce the regulatory burden on businesses.
- Through this initiative, the government would help stakeholders save millions of hours and $100 million in costs by 2016–17.

In 2012, the Ontario Chamber of Commerce's Policy Resolution "Business Regulations and Enforcement – A True 'Open for Business' Environment" included six key recommendations to improve the effectiveness of the Open for Business initiative. Since then the Ontario government has made progress on some of these recommendations however, there are still some remaining issues, particularly with government accountability, transparency and compliance, and a lack of public input and review of cost-benefit analysis on proposed regulations.

Recommendations:

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

1. Ensure that there is public disclosure on the regulations review process and that accountability mechanisms are clear.

2. Require Ministries to publish reports and provide details of the review of their respective regulations.

3. Conduct a review on compliance levels of Ontario ministries to the Regulator's Code of Practice in devising new regulations.

4. Conduct a robust cost-benefit analysis of all new regulations, to determine their impact on Ontario's competitiveness and disclose the findings of the cost-benefit analysis to the public.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- **Be cost-neutral to the government**

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED AS AMENDED

VIP 2015-5-2 11:35 AM
Deleted: Make it a requirement for

6. Newmarket Chamber of Commerce - Essential Service Designation for Provincially Funded Transit Services (Sunsetting)

Issue:

A broken arbitration system coupled with transit labour disputes are holding Ontario businesses and taxpayer's hostage. A two-pronged solution that begins with mending the arbitration system and is followed by designating provincial transit an essential service will preserve the economic stability, competitiveness and health of our province in these uncertain times.

Background:

The labour arbitration system in Ontario is badly broken. Municipalities, taxpayers and businesses are paying hundreds of millions of dollars in wage settlements resulting from binding interest arbitration.

Arbitration law governing essential services in Ontario sets out five criteria which arbitrators and arbitration boards must consider when making interest arbitration decisions, including the employer's ability to pay and the economic situation in Ontario and the municipality. In most of the interest arbitration awards for emergency services in 2010, arbitrators/arbitration boards failed to establish that these criteria were considered, resulting in arbitrated settlements that typically cost employers more. "Arbitrated settlements are often based on comparisons to provincial, not regional services and to comparative professions rather than other regional workers. As a result, emergency services costs are rising faster than other municipal services, the cost of living and the rate of inflation.

Binding interest arbitration attempts to balance the loss of the ability to withhold services (through lockout or strike) with fair compensation. The arbitration process, must also balance the economic realities of the region and the employers' ability to pay. In its absence, the cost of transit goes up, and that increase is passed along to taxpayers in the form of higher fees, higher taxes or cuts to other services.

A two-pronged solution will create a sustainable, efficient and reliable regional transit system that enables the province to remain economically competitive while contributing to growth and innovation. The first part of the solution is the repair of the labour arbitration system. The labour arbitration system must be fixed (see Kitchener-Waterloo resolution for more on arbitration) to actively consider a municipality's ability to pay and provide a rationale for the award is key to mending the current system and making settlements more affordable to taxpayers and businesses. Second, transit in the province must be designated an essential service. Transit strikes prevent workers from reaching their destination, cost employers millions, and prevent small businesses from functioning. For example, the Toronto Transit Commission (TTC) strike of 2008 cost the city $50 million a day and affected approximately 1.5 million riders, while the London Transit strike of 2008 cost that community an estimated $132 million dollars. The three-month York Region strike in 2011-12 was the longest transit walk-out in Ontario history, and affected more than 44,000 commuters daily, costing millions of dollars in lost productivity.

All cities are driven by economic competitiveness of which good mobility systems are a key feature. In large regions, such as the GTHA, London, Ottawa and Windsor, it is imperative that transit functions smoothly, reliably and consistently. There are now about the same number of jobs in neighbouring GTA municipalities as there are inside the City of Toronto. Ridership on municipal transit systems serving Ontario's 15 largest urban centres was projected to increase to 833 million trips by 2013. As the Region's population grows, with the GTHA in particular reaching 8.6 million by 2031, more people will be dependent on transit. In addition to the Toronto example, many other Regions throughout Ontario have been impacted by striking transit workers, or the threat of a strike or lockout.

In 2012, York Region Residents and Businesses were impacted by a three-month transit strike that impacted 60% of its operations. The reduced level of local transit service had a tremendous impact on riders and businesses, as well as the ridership and operational costs of the Regional Government.

Essential service designation for transit in the GTHA would keep busses running, people moving and enable much–needed economic growth in these financially uncertain times.

Acknowledging the centrality of transit to economic vitality, in 2011 the City of Toronto declared the TTC an essential service. However, the TTC is one of nine transit providers in the region. The interconnectedness of our economies and the increasing prevalence of intra-regional commuting patterns highlights the need for uniform status across all systems in the region. Communities, led by local chambers of commerce and Metrolinx have implemented transit incentive programs such as SMARTCOMMUTE to encourage ridership in the business community. These initiatives are jeopardized by transit labour disputes that force people back into their cars, increasing congestion on roads and making goods movement a challenge. Ensuring stable labour relations and uninterrupted service provision reinforces our collective economic, environmental and health priorities.

Recommendations:

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

1. Reform the current arbitration system in order to mitigate the cost increases inherent in interest arbitration. Arbitrators should be required to apply local economic criteria and consider the financial 130 impact of settlements on the municipality and its wages within the context of other services and programs.
2. Subject to agreement on recommendation #1, designate all provincially supported transit in Ontario an essential service, ensuring a stable, healthy and competitive business environment.

Estimated Financial Impact to the Province

- Create cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

The Policy Committee notes that this resolution does not mention any developments since 2011.
CARRIED

7. Greater Oshawa Chamber of Commerce - Lack of Transparency and Accountability of School Boards to the Property Taxpayers

ISSUE:

Currently there is a lack of transparency and accountability to the taxpayers between school boards and municipalities. This can have a negative impact on business and good municipal planning through property taxes and residential and non-residential development charges. School boards and municipal councils need to ensure they work together on decisions regarding education infrastructure so as not to undermine local economies.

BACKGROUND:

One area of the property tax base that has flown under the radar screen and is currently lacking accountability and transparency to the taxpayers is the education portion of the property taxes which can be 20% to 25% and the education development charges. DC's assist municipalities achieve good planning. In light of the provincial legislation these areas can be negatively impacted long term by the Ministry of Education Accommodation Review process used by the school boards across Ontario.

The province of Ontario dictates the education tax rate to the municipalities who collect the taxes and remit it to the school boards. The province gives a set base rate per student and the Ministry tops up the amount where necessary.

Currently on school closures, the regulatory requirement on surplus schools is that municipal councils and other public institutions (such as colleges or universities) effectively have right of first refusal if the school board seeks to sell a school. There is, however, a stipulation that any sale must be at "fair market value". Should the ratepayers have to pay for property they already have paid for?

Many municipalities are concerned about the negative impact that school closures are having on their community's property tax base, development charges, and the socio-economic fabric. Over 40 Ontario municipalities have past council resolutions referencing the lack of meaningful consultation between School Boards and the municipality's on this issue.

The Community Schools Alliance (CSA), a group of municipal leaders representing over 150 of Ontario's municipalities, is advocating for a 'smart moratorium' on disputed school closures. They believe that closing a school because of underutilized space may result in a significant increase in student travel time and actually have a negative effect on student academic achievement

The Association of Municipalities of Ontario (AMO) is also concerned about the impact of school closings. In a December 2014 letter to the Minster of Municipal Affairs and Housing, they stressed that school closures have a social and economic impact and affect community and neighborhood wellbeing. AMO stressed that when a school is shut down; the entire way of life in the local area is impacted, including spin off economic impacts. AMO feels that school closures go beyond impacting educational services making it very difficult to keep and attract new families to a community or neighbourhood when a school is lost. They believe that the viability of communities and neighbourhoods is directly related to local access to elementary and secondary education.

In November 2014 the government conducted consultations on the Pupil Accommodation Review Guideline (PARG) Review. PARGs give school boards the absolute power to close a school. As part of the report the Government committed to develop/support school-community hubs to promote efficient use of public assets, build better ties between schools municipalities and other community organizations, and ensure that more viable schools are able to remain open.

However, both the CSA and AMO are concerned about the limited role that municipalities play, even under the new guidelines. Currently, there is nothing there is nothing a community or municipality can do to require a reconsideration of a closure decision.

The CSA believes that such an option should exist and that; the opportunity to appeal a closure decision to an independent third party should be created; a much better process is needed to determine changes to pupil accommodation and that the PARG now proposed will move us in the wrong direction. Until that better system is in place, the CSA is again calling on the Minister of Education to impose a moratorium on disputed school closures.

AMO members feel that the decisions to close schools has not adequately accounted for the value of the schools, the role that they play in a community's fabric, and how they strengthen communities. AMO's primary concern with the proposed changes to the PARG is about the shift in emphasis to student achievement to the exclusion of other value considerations to the community and local economy. AMO feels the proposed revisions to the PARG will only deepen the potential disconnect between school board decisions and local municipal planning priorities.

AMO is understanding of the Province's fiscal situation, and has proposed that municipalities and school boards grow schools into community hubs by consolidating school assets and integrating local programs and services, such as libraries and community centres within existing school infrastructure, where it may be practical and cost efficient for municipal governments. AMO requested that the Ministry conduct research to assess the real cost savings of closing schools to determine if the closings only bring short-term savings but entail longer term costs to human, social, and community capital.

This proposal has received popular support, and was even endorsed in an editorial in the Globe and Mail by Johnathan Scott, former vice-president of the Ontario Student Trustees' Association, and former speechwriter to Premier Kathleen Wynne.

RECOMMENDATION:

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

1. Put in place a standing committee of the legislature to review and report its observations, opinions and recommendations as it relates to the disbursement of public money on the education system collected and disbursed from the property tax base.

This process would include but not limited to:

- transparency and accountability to the taxpayers between municipalities and school boards
- a mutually agreed upon Accommodation Review committee process for school closings to provide the opportunity for municipalities to work together with the Ministry of Education, school boards and to develop policies addressing;
  - planning for declining enrolments,
  - an appeals process for municipalities
  - a collaborative approach to pupil accommodation.

Such findings should be based on principles that consider the broad impact, including but not limited to both social and fiscal effects, of any changes to the infrastructure on students and their community.

2. Direct the standing committee to consult with the provincial business sector, through the Ontario Chamber of Commerce, on measuring the economic impacts of school closures.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create cost-savings for the government

OCC POLICY COMMITTEE COMMENTS:

The OCC Policy Committee understands that this an important issue, but does not believe it fits the resolution criteria of "an important matter of principle that requires the OCC to be on the public record". Further, this could lead to a perception of the OCC meddling in municipal affairs.

CARRIED AS AMENDED

VIP 2015-5-2 11:39 AM
Formatted: List Paragraph, Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 0.63 cm + Indent at: 0.63 cm

VIP 2015-5-2 11:39 AM
Formatted: Font:(Default) Arial, 11 pt

TAKING ADVANTAGE OF NEW OPPORTUNITIES IN THE GLOBAL ECONOMY

1. Greater Kitchener Waterloo Chamber of Commerce - Expanding Economic Opportunities through the NGTA Corridor

Issue:

Businesses across Ontario, particularly in the manufacturing sector, require improved transportation infrastructure at border points and highways leading to these centres for optimizing international market opportunities.

The proposed Niagara to GTA Corridor (NGTA) through the Niagara Region offers significant potential for economic growth across all of southwestern Ontario. The provincial government should commit to proceeding with this project.

Background:

The Ontario Ministry of Transportation (MTO) has been examining an additional corridor from the Greater Toronto Area to Fort Erie since the 1950s. A new highway would significantly relieve congestion along the Queen Elizabeth Way (QEW), particularly for commercial traffic.

In 2001, former Premier Mike Harris announced that his government would be proceeding with the Mid-Peninsula highway (later termed NGTA Corridor) after the MTO indicated, in their 1998 Niagara Frontier Gateway Study, that the route was urgently required to connect Niagara and the GTA.

In 2007, the Niagara Economic Development Corporation, Niagara Region and the City of Hamilton commissioned an independent study by Wilbur Smith Associates to examine potential economic opportunities from the proposed highway. The report estimated that construction of the 4-6 lane structure could lead to an average annual growth rate of 2.73 percent compared to the projection of 1.03 percent for the Hamilton-Niagara region. Total potential economic benefits to 2030 include 130-177,000 jobs, $7-$9 billion in additional income, and $3.4-$4.4 billion in tax revenue.

Most notably, the study concluded that failure to invest in this corridor capacity will leave the region faced with the reality of lost opportunities in terms of lower than projected growth and potential declining economic activity.

A January 4, 2011 letter from Ontario Chamber of Commerce President & CEO Len Crispino to Transportation Minister Kathleen Wynne indicated that “the OCC has long advocated for the development of a Mid Peninsula (Niagara to GTA) Trade Corridor.” The project would not only address capacity deficiencies but would also complete a multi-modal system for port, airport and US border crossings. A request was made to MTO for immediately establishing the NGTA Trade Corridor while continuing to move forward on current plans in the Niagara Region.

The 2011-2012 OCC Transportation Policies Compendium also notes that the Government of Ontario must move forward with the Mid Peninsula. Instead, a widening of the QEW is proposed and while this expansion is welcome, the requirement remains for a new corridor.

In September of 2013, the MTO published a development strategy which indicated that a Niagara Region highway would not be constructed until further studies are completed. The strategy again proposed widening the QEW to eight lanes and constructing a new highway for connecting Fort Erie and Welland.

Recommendations:

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

1. Immediately commit to the construction of the NGTA Corridor.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Entail a large cost to government (higher than $200M) – note that the OCC has previously committed to supporting this project

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

2. Windsor-Essex Regional Chamber of Commerce - Support for Travel Rebate Incentive Program (TRIP)

Issue:

The Travel Rebate Incentive Program (TRIP) is a proposed tax rebate that would encourage U.S. tourists to shop in Canada. American visitors travelling into and out of Canada through a land border crossing would be eligible for a rebate of 5% (equal to the GST) on purchases made during their trip.

Background:

In the past decade, the annual number of U.S. travellers to Canada decreased by 23.9%, with a particularly alarming decline of 14% in the number of travellers crossing the border by car between 2008 and 2013. The total amount spent by U.S. visitors to Canada over the same time period declined by 32.7%.

To incentivise U.S. travellers to cross the border for shopping the Frontier Duty Free Association proposed pilot project as part of the 2015 federal budget. The TRIP program initiative would give a tax rebate to U.S. tourists that shop in Canada. The initiative would be for land crossings and the amount of eligible rebate would be for 5% of the purchase price (equal to the GST) on purchases made during their trip. The applications for this rebate would be available at participating Canadian duty free stores located at land border crossings across the country.

Since then four Ontario Chambers' of Commerce expressed their support for the initiative and wrote a letter to the Hon. Joe Oliver, PC, MP, Canada's Minister of Finance urging the Minister to support the initiative. The voice of the Ontario Chamber of Commerce in support of TRIP will greatly amplify the will of our business community to support our retailers and other Ontario based small and medium size businesses.

TRIP would provide a boost to the Ontario economy and it would encourage additional spending by U.S. travellers. The falling Canadian dollar is an ideal opportunity to create a pilot project that would give our retailers an extra competitive edge.

Recommendations:

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

1. Support the Canada wide Travel Rebate Incentive Program
2. Create its own U.S. visitor incentive program to boost visits and spending in Ontario

Estimated Financial Impact to the Province

- Cost-neutral to the government

An economic study suggests that even under adverse conditions the program would be revenue neutral and would likely be revenue positive – up to $40 million.

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

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

1. Halton Hills Chamber of Commerce - Reduce the Cumulative Regulatory and Cost Burden on Ontario Employers

Issue:

Ontario employers face rising costs as a result of new provincial programs and regulatory changes. Government seems to be taking a piecemeal approach to program and regulatory changes, with little consideration of their cumulative impact on Ontario's business climate.

Background:

Ontario employers are facing volatile foreign exchange rates and energy costs. Ontario employers are also facing rising costs including some of the highest workplace safety insurance rates in the country, the highest minimum wage in the country, and a new standalone provincial pension plan. Meanwhile, regulatory changes to the Employment Standards and Labour Relations Act are imposing further costs on businesses. Many of these issues place Ontario employers at a disadvantage compared to their peers in other provinces.

There is no indication that the provincial government is approaching their program and regulatory reforms with an eye to the total cost these changes impose on employers. Government should be taking a broader view as there is a strong correlation between regulatory effectiveness and employment growth. There is also a strong correlation between a jurisdiction's business climate and the amount of foreign direct investment it receives.

Ontario is taking some steps in the right direction. In 2013 they expanded the Regulatory Registry to allow businesses and the public the opportunity to provide feedback on regulations. The province's new Burden Reduction Reporting Act establishes a framework for more responsive regulation. However, there is no indication that government is considering the cumulative impact that new programs like the Ontario Retirement Pension Plan are having on Ontario's overall business climate.

Recommendations:

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

1. Cease its piecemeal approach to the introduction of new programmatic and regulatory changes that are negatively impacting Ontario's business climate and instead adopt a principled approach that aims to reduce the total regulatory and cost burden on Ontario employers.

2. Conduct a robust and public cost-benefit analysis of all new regulations to determine their impact on Ontario's competitiveness.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

2. Halton Hills Chamber of Commerce and Greater Kitchener-Waterloo Chamber of Commerce - Reinstate Scheduled Corporate Income Tax Rate Reductions by 2017-18 (Sunsetting)

Issue:

The Government of Ontario pledged to reduce the Corporate Income Tax (CIT) rate to 10 percent by 2013. That promise was halted in 2012 in light of the province's deteriorating fiscal situation, and so the CIT rate remains at 11.5 percent. The government has pledged to reintroduce the scheduled reductions once the budget is balanced.

Background:

As part of the provincial government's 2009 comprehensive tax reform package, Ontario's CIT rate has dropped from 14 percent to 11.5 percent since 2010. It was scheduled to drop a further half percent in July 2012 and another 1 percent in July 2013. However, in 2012 the provincial government announced that it was delaying the CIT rate reduction in light of the province's fiscal challenges.

With the province pledging to balance the budget by 2017-18, it is imperative that they also commit to reducing the CIT rate to 10 percent that same year. The CIT rate reduction forms an integral part of the government's 2009 tax reform package. According to a report by the University of Calgary, once fully implemented, Ontario's comprehensive tax reform package will create 591,000 jobs and increase capital investment in Ontario by $47 billion.

In his 2012 report to the Ontario Government, Don Drummond says that once fully implemented, the government's tax reforms will make Ontario one of the most attractive jurisdictions in the industrialized world in which to invest and create jobs.

The CIT rate reduction is important to securing much needed FDI into Ontario. According to a joint study by Harvard University and the World Bank, on average, a tax rate decrease of one percentage point results in a 3.3 percent increase in FDI inflows.

By adhering to its comprehensive tax reform package, the government would send a clear message of stability to Ontario's business community, who are looking to the provincial government for a stable policy regime and responsible fiscal and economic stewardship.

Recommendations:

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

1. Reinstate scheduled corporate income tax reductions by 2017-18.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

Explanatory note: If this resolution passes, Kitchener-Waterloo will withdraw their resolution from 2013 entitled “Restoring Corporate Income Tax Rate Reductions.”

CARRIED

2013 WITHDRAWN

3. Greater Kingston Chamber of Commerce and Greater Peterborough Chamber of Commerce - Unrealized "Heads and Beds Levy" hurts Ontario's Economic Competitiveness (Sunsetting)

Issue:

There has been an unacceptable period of inaction to raise the annual payment in lieu of taxes or "heads and beds levy" (*Section 323 of the Municipal Act 2001*) on specified public institutions (i.e. provincial correctional facilities, hospitals, and universities). As a result municipalities are forced to compensate in other ways, including hiking property taxes.

Background:

The payment in lieu of taxes made by the Province of Ontario on behalf of post-secondary education institutions and hospitals was $50 per student or hospital bed in 1973. This rate changed to $75 in 1987 and has not changed since.

This rate of $75 per student/bed does not reflect the change in cost of delivering services to Ontario municipalities. The result is undo pressure on all tax classes, particularly the commercial and industrial classes which are taxed at a ratio that averages about 1.5 times the residential rate.

Payments in lieu of taxes tend to be a controversial issue, but with all of the pressures on municipalities, including the arbitration system, this levy is an unrealized resource. The Ontario Chamber of Commerce (OCC) asked in 2012 to increase the heads and beds payments to $140 per student/bed to reflect inflation. However, given the current provincial financial pressures we are suggesting an increase of the levy to $100 per student/bed then attach it to the Consumer Price Index (CPI).

Using the $100 to reflect inflation:

- In Kingston, it has been estimated that an increase in the heads and beds levy to adjust for inflation would provide approximately $1 million in additional funds to the City's annual budget.
- In Peterborough, based on current expectations, an increase in the heads and beds levy would result in approximately $1.1 million in additional funds to the annual budget.

The economic impact of such funds in municipalities would be immediate.

Post-secondary institutions across the province are working on the premise that full-time enrollment numbers will continue to increase. A number of reports on health care system predict the number of acute beds will remain stagnant, but that does not mean the amount of the payment in lieu of taxes should. As a result of the levy remaining at 1987 levels, Ontario municipalities with post-secondary institutions are facing significant competitive disadvantages and ultimately, this will have an impact on Ontario's economic recovery.

The Province has seen fit to attach Minimum Wage to an economic factor such as the Consumer Price Index (CPI) based on an argument from the Ontario Chamber of Commerce Network. We feel this mechanism would be effective for the "Heads and Beds Levy" as well.

Recommendation:

The Ontario Chamber of Commerce urges the Ontario Government:

1. To reflect inflation since the last levy increase in 1987, increase the "Heads and Beds Levy" to $100 per student/bed and then tie future yearly increases to the Consumer Price Index (CPI).

Estimated Financial Impact to the Province (For discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

While generally supportive of mechanisms that improve the fiscal health of municipalities, the Policy Committee noted that this resolution would entail a significant cost for the provincial government at a time when fiscal restraint is needed.

CARRIED

4. Greater Kitchener Waterloo Chamber of Commerce - Support for Ontario Food Processors

Issue:

Productivity and innovation levels are restricting growth and opportunities in the Ontario food processing sector.

Background:

The 2013 closures of the Heinz facility in Leamington and Kellogg's in London generated a high volume of media attention and initiated serious concerns regarding the viability and competitiveness of the provincial and national food processing sectors.

According to a 2014 report from the Canadian Agri-Food Policy Institute and Ivey Business School at Western University, Ontario experienced 52 percent of all food processing job losses across Canada from plant closures in 2006 to 2014. However the report also notes that jobs were gained from 2004 to 2011, suggesting that openings and expansions have generally balanced the losses.

In October of 2013, Premier Wynne in her former capacity as Minister of Agriculture and Food "challenged" the provincial agri-food sector to create 120,000 new jobs by 2020 through positioning the province as one of the top five jurisdictions in North America for food manufacturing and doubling provincial exports. Statistics from 2013 indicate the Ontario food processing sector is composed of 3,000 companies employing 125,000 people, contributing over $11 billion to the provincial GDP.

Food processing ranks second to last in productivity growth among Ontario's 21 manufacturing industries, resulting in SMEs trailing larger operations in the application of technology. A complex and changing regulatory environment at all three levels of government imposes high compliance costs and restricts ability to innovate. Also, compliance with global-leading domestic food safety programs and technological applications requires significant capital and human resource investments.

The Southwestern Ontario Food Innovation and Technology Collaborative, a partnership between food processors, Conestoga College, University of Guelph, University of Waterloo and Wilfrid Laurier University, has recently been established to eliminate barriers to industry growth and expansion. In 2013, the Alliance of Ontario Food Processors (now Food & Beverage Ontario) released a report which recommended the establishment of a Food and Beverage Innovation Centre for global leading technology and business development to drive a new level of competitiveness across the Ontario industry. The centre will provide a location for industry to secure expertise and resources to improve productivity, including commercialization and accessing capital.

Recommendations:

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

1. Collaborate with industry and educational institutions on provincial Food and Beverage Innovation Centres for elevating technology and productivity;

2.

3. Develop a "one window" approach to provincial regulations impacting the Ontario food Industry.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION:

While the Policy Committee supports this resolution, they have concerns about recommendation one. They suggested that recommendation one may not be the most effective course of action, because Ontario has had at least one food incubator program which ultimately was shut down. One Policy Committee member suggested that small manufactures need co-packing facilities that will allow them to scale through excess capacity. Several of these facilities already exist (e.g. Conestoga College and the Guelph Food Technology Centre) but more are needed, particularly for meat or dairy products. This Policy Committee member suggested amending this recommendation to urge the government to expand co-packing facilities and continuing education training opportunities, and develop a resource list of co-packing facilities in the province.

CARRIED AS AMENDED

VIP 2015-5-2 2:45 PM
Deleted: a

VIP 2015-5-2 2:47 PM
Deleted: Support the Southwestern Ontario Food Innovation and Technology Collaborative to address on-going industry competitiveness issues;

5. Greater Kitchener Waterloo Chamber of Commerce - Workforce Development in Ontario Agriculture and Food Processing

CO-SPONSORED BY THE GREATER KINGSTON CHAMBER OF COMMERCE

Issue:

Employers across the Ontario agri-food industry, one of the province's two largest economic sectors, are facing chronic and threatening skills deficits. The provincial post-secondary system requires expansion to meet escalating demands.

Background:

A 2011 study compiled by the Food Processing Human Resources Council estimated that the number of student spaces in agriculture and food post-secondary education programs will not meet future employer requirements. A University of Guelph report in 2012 subsequently indicated that industry demand far exceeds the supply of post secondary graduates, where three jobs exist for every degree graduate and two positions for every diploma graduate.

Within the food and beverage processing industry across Canada, 1.5 percent of the total workforce retires annually. As processing facilities become more automated and advanced technology is applied in primary agriculture, the skills demands of employers have significantly transformed. Research conducted by the Food Processing Human Resources Council through employer surveys indicates that recruitment in general is a challenge for all positions and the relatively "low profile" of Ontario's agri-food sector is a factor in this continuing challenge.

A 2014 report from the Canadian Agri-Food Policy Institute and the Ivey Business School at Western University indicated that between 2004 and 2011, the food sector nationally lost 5,281 manufacturing jobs while gaining 8,783 non-manufacturing positions. In interviews, food executives expressed concern over where they were going to find workers for their plants, particularly employees with the skills for sophisticated equipment.

The range of positions in the Ontario agri-food sector is significant. The provincial biotech/bioproducts sector employs more than 6,000 people, including 700 scientists, and invests $166 million annually in research. Ontario ranks in the top three jurisdictions across North America in terms of workforce and R&D expenditures in the ag-biotech sector.

The Canadian Meat Council (CMC) has noted that a shortage of butchers, meat cutters and labourers is restricting industry expansion and growth opportunities in rural municipalities. Rates of pay in this sector have generally been increasing faster than inflation with larger employers offering generous benefit packages.

Skills development in the provincial agriculture and food sector absorbed a serious setback with the University of Guelph's decision, in 2014, to terminate programming at both their Kemptville and Alfred campuses in eastern Ontario. College Boreal in Sudbury and La Cite Collegiate in Ottawa assumed delivery of French language programs at Alfred, however Kemptville will not be accepting any new students into their agricultural programs for fall 2015

The Kemptville College, opened in 1917, has been an important institution for rural economic development across eastern Ontario. The 2015 Regional Economic Outlook compiled by the Credit Unions of Ontario and Ontario Chamber of Commerce notes that "one trend not expected to change soon is the dominance of a metropolitan area in a region relative to rural centres. In some regions, economic and population trends are considerably less positive in those rural areas." This gap cannot be closed by cutting funding to institutions and programs that serve businesses outside the GTA and other major southern Ontario urban centres.

Following the University of Guelph's decision on closing Kemptville in March 2014, the Ontario government provided $2 million to maintain training in construction and other trades. New students have been accepted into these programs however no similar funding commitments have been made by the province for agricultural education at this institution.

Recommendations:

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

1. Increase capacity in programs that are relevant to agri-food industry skills requirements;
2. Create new programs to address gaps in the current system;
3. Immediately provide additional funding to the University of Guelph and Colleges to update agricultural and food processing programming.

VIP 2015-5-2 2:51 PM
Deleted: enrolment and

VIP 2015-5-2 2:52 PM
Deleted: Guelph

VIP 2015-5-2 2:53 PM
Deleted: restore and maintain all agricultural related

VIP 2015-5-2 2:53 PM
Deleted: at their Kemptville Campus

OCC POLICY COMMITTEE SUPPORTS RECOMMENDATIONS ONE AND TWO BUT NOT THREE

While the committee supports the resolution, they note that recommendations one and two are similar in nature to recommendations from an existing Ontario Chamber of Commerce resolution, entitled "Workforce Development for the Agri-Food Industry". The committee also noted that recommendation three may be too specific given its reference to the University of Guelph. As such, recommendation three may not be in keeping with OCC resolution criteria that all resolutions by provincial in scope or impact.

CARRIED AS AMENDED

6. Greater Niagara Chamber of Commerce - Ensuring Competitiveness for Ontario's Marine Transportation Industry (Sunsetting)

Issue:

The State of New York has passed ballast water regulations in January 2013 for new vessels (vessels manufactured after January 1, 2012), and it has a significantly negative impact on Ontario's marine transportation industry. Under the new regulations, ships are required to adhere to a standard that is 1,000 times greater than current International Maritime Organization (IMO) standards when entering New York waterways. All other vessels have to be compliant with these new regulations. The regulations for existing vessels are 100 times greater than current IMO standards. The technology does not yet exist to meet the new standards set by New York State. The U.S court of appeals has currently placed a stay on the regulation, but the regulation still looms.

Background:

Ballast water is part of a process that is utilized to balance a ship but it may pose serious ecological, economic and health problems due to the marine species carried in ships' ballast water.

The International Marine Organization (IMO) has worked to establish international standards for the management of ballast water and sediments.

Under IMO standards, Performing ballast water exchange must be done with an efficiency of 95 percent volumetric exchange of ballast water and ships using a ballast water management system shall meet a performance standard based on numbers of organisms per unit of volume.

In the United States, individual states can set marine standards for their respective waterways. New York State's water ballast regulations are set at a level that is 1,000 times greater than the thresholds set by the IMO. According to the Canadian Shipowners Association (CSA), there simply are no onboard technologies currently available that CSA's members could install to comply with the ballast regulations by the applicable deadline.

New York's ballast water regulations could effectively stop all inter-provincial, inter-state, and international traffic through the St. Lawrence Seaway into the Great Lakes. Also, New York's rules would also affect all cargo moving through the Port of New York and New Jersey.

The estimated overall economic impact of the industry in Ontario is $1.5 billion

CSA asserted that the Environmental Protection Agency radically underestimated the cost of fitting regulation compliant technology at between $444,730 and $526,525 per vessel. In contrast, the Coast Guard estimated installation costs between $3.5 million to $11.7 million per vessel.

It is projected that based on the New York State water ballast regulations, the impact on the bi-national Great Lakes-Seaway economy, (which includes two provinces, eight states), could result in the disruption and abandonment of $34.6-billion of economic activity and 227,000 jobs.

Recommendations:

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

1. Work with Ontario marine industry, and Canadian federal government, to advocate for a harmonized regulatory system for the Great Lakes.

2. Work with the government of New York State to adopt more achievable regulatory requirements that can be technologically implemented;

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

7. Greater Peterborough Chamber of Commerce - Support for TransCanada's Energy East Project – new jobs, investment and growth for Ontario

CO-SPONSORED BY BELLEVILLE CHAMBER OF COMMERCE, SARNIA LAMBTON CHAMBER OF COMMERCE, THUNDER BAY CHAMBER OF COMMERCE

Issue:

All Canadians should benefit from Canadian oil. Energy East is a rare nation-building opportunity that will move oil from the West to refineries and terminals in the East, creating jobs and economic growth in Ontario, while reducing our reliance on foreign oil.

Background:

TransCanada is proposing to build a critical new piece of energy infrastructure that will directly connect western Canadian oil with eastern Canadian refineries and ports for the first time.

The $12 billion Energy East Pipeline will draw upon Ontario's vast resources of skilled tradespeople, professionals, manufactured goods and services – including the 1,100+ businesses in Ontario that currently supply Canada's oilsands – with communities across Ontario seeing significant economic benefits.

According to the Conference Board of Canada, Energy East will support more than 4,200 direct and indirect full-time jobs in Ontario during the seven year planning and construction phases of the project. In addition, Energy East will generate nearly 1,400 full-time jobs in Ontario during the first 20 years of operation.

Most recently, GE Canada's heavy motor plant in Peterborough was awarded a contract by TransCanada to build 85 large electric motors for some of the 72 pump stations which will be built along the pipeline. That's 250 jobs in Peterborough and their central Ontario supply chain, if Energy East is approved.

Over the past 18 months, TransCanada has spent more than $30 million for supplies and services related to the Energy East project in Ontario.

In addition, the Conference Board predicts Energy East will generate $2.6 billion in additional tax revenues in the province during the construction phase and the first 20 years of operation. Ontario's GDP will get a major boost, estimated at $15 billion over the same period – by far the largest share of any province along the pipeline.

Energy East will also add $20 million per year in new property tax payments to municipal governments along the route in Ontario.

Energy East has already garnered significant support from a diverse group of stakeholders across Ontario, including the Canadian Manufacturers and Exporters, Ontario's Building Trades and three organizations representing over 120 municipalities across Northern Ontario. All recognize the rare, nation-building opportunity Energy East represents.

As with any national energy project, Energy East must first be approved by the independent National Energy Board. This review will have extensive public participation and will ensure the project is in the national interest based on economic, consumer and environmental considerations.

Recommendations:

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

1. Support the Energy East project before the National Energy Board provided there are guarantees that the project will not have any negative cost or supply impacts on natural gas customers particularly in the affected areas of the existing natural gas pipeline between North Bay and Ottawa.

VIP 2015-5-2 3:24 PM
Deleted: Formally s

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Create cost-savings for the government

OCC POLICY COMMITTEE COMMENTS:

Members of the Committee were divided on this issue and could not come to agreement on a decision. The Committee notes that this resolution has the potential to create tension within the Ontario Chamber network given the divergent perspectives held by various members on the impact of Energy East on natural gas supply and prices. For their part, Union Gas and Enbridge have publically stated that they are largely supportive of Energy East, but object to the proposal to convert the existing North Bay to Ottawa gas pipeline to oil and replace it with a new smaller gas pipeline, which they say will reduce capacity and drive up natural gas prices. At the same time, committee members believe that, on the whole, the Energy East project would bring significant economic benefits to the province.

For their part, the authors of the resolution feel strongly that support for Energy East should be simple and straightforward, knowing that the appropriate reviews will take place regardless.

CARRIED AS AMENDED

8. Port Hope & District Chamber of Commerce - Support the Proposed Great Lakes Protection Act and Monitor to Ensure Timely Creation and Implementation of Conservation and Prevention Programs

Issue:

The Great Lakes are severely threatened by a growing population and increased run off from cities and farms. These issues affect water levels, stream flows, and the quality of water in the Great Lakes, which supplies 80% of Ontarians with their drinking water. They also impact popular beaches, fish, birds and wildlife that live in or next to the Great Lakes and St. Lawrence River Basin. The vitality of the Great Lakes is essential to many aspects of Ontario's economy including tourism, food production, manufacturing and shipping.

Background:

On February 18, 2015 the Ontario government re-introduced the proposed *Great Lakes Protection Act* which was first presented in 2012. The goals of the proposed Act are to reduce algal blooms, protect wetlands, as well as monitor and report on the health of the Great Lakes. The Act also proposes to establish a Great Lakes Guardians Council which will bring together a wide range of stakeholders, including conservation authorities.

The Great Lakes provide multiple benefits:

- They provide water for many uses including: individual homes, municipalities, farms, and businesses. Over 40 million people in the region get their drinking water from the Great Lakes, waterways and groundwater.

- Many Ontarians live along the shores of all the Great Lakes and use them for fishing, swimming, boating, hiking, and cottages. In 2012, the estimated value of residential waterfront properties in Ontario Municipalities adjacent to the Great Lake shores was $28.5 billion. There are 94,000 waterfront properties along the Great Lakes shoreline and connecting channels, they support approx. 233,000 seasonal and full-time residents. The 10,000 cottages located on the Eastern and Northern shores of the upper Great Lakes contribute over $100 million to the local and regional economy. The estimated economic importance of waterfront properties in the upper Great Lakes to Canada is $39 billion (USD).

- They contribute to food production, manufacturing, hydroelectric generation, tourism and provide important shipping routes. In 2012 it was learned that Ontario's fishing industry alone has an annual economic impact of $330 million, directly and indirectly employs 1500 people and contributes $20 million in tax revenue. The Great Lakes support the world's largest fresh water commercial fishing industry. In 2010, the Great Lakes region saw 73 million tourist visits with an estimated spending of $12.3 billion (CAD). The Great Lawrence Seaway System generated $33.6 billion (USD) in direct and indirect economic activity in 2010. This contributed $4.6 billion (USD) in tax revenue in federal, provincial/state and local tax revenue in Canada and the US. In addition, over 225,000 direct and indirect jobs in Canada and the US were a result of the commercial shipping industry and harbours in 2010.

Protecting and improving the Great Lakes and St. Lawrence River Basin and their watersheds also supports a healthy economy for Ontario. Being stewards of the environment ensures a necessary resource for many important Ontario industries.

Upstream activities such as urbanization, increased water uses, pollution, and agriculture affect water quantity and water quality downstream in the Great Lakes. Recently the Ohio State Senate voted to restrict farmers from spreading livestock manure on frozen and rain-soaked fields or when heavy rains are on the way. This was a direct result of 400,000 Ohio and Michigan residents, who draw water from Lake Erie, having their water contaminated in summer 2014 by algae. This legislation is an initial step from the State to help improve water quality in Great Lakes and, as a result, Ontario. Ontario's agriculture practices already require farmer's with 300 livestock to adhere to a nutrient management plan. The farmers monitor the runoff and ensure they don't leak too much phosphorus, the algae's preferred nutrient, into the waterways.

Recommendations:

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

1. Develop programs that will promote conservation and protection of the Great Lakes to ensure healthy Great Lakes for use by residents and industry.
2. Include a representative for business on the Great Lakes Guardian Council to ensure representation for the interests of Ontario businesses.
3. Monitor upstream activities that are affecting the Great Lakes (agriculture, urbanization and pollution) and work to minimize nutrients like phosphorus in the runoff. Encourage Michigan and Ohio to also monitor phosphorus levels.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

9. Richmond Hill Chamber of Commerce - Creating a Competitive High Speed Internet Policy

Issue:

There are no current standards for availability and access to high-speed (also termed "broadband") internet infrastructure in Canada at any level of government. We are, as a result of limited competition, falling behind other economic zones in this area.

In order to enact any form of standards for broadband, many levels of government, from federal down to municipal, need to collaborate to enable businesses to be competitive in an increasingly performance-demanding world.

Background:

In November 2014, in the U.S.A., President Obama put forward a proposal that the Internet be classed as a utility, in part because some government services are now only available on the Internet and require continuous access. As government services are tax-payer funded, this represents legislation to enact this process. The Canadian Government has made a similar move, but has yet to establish standards or an adequate jurisdictional framework for what constitutes "The Internet".

Richmond Hill, along with other municipalities in Ontario, including business and residential areas in particular, is falling behind even rural United States, in terms of broadband access. A current standard of 1Gbps is generally available in the U.S.A. but is not contemplated here, for the near-term.

It must also be recognized that many of our residents conduct their business through the internet at their home office, whether it is their principal location or whether they are employed by a company, recognizing the potential efficiencies of this kind of set-up, so they must have the fastest possible Internet access, and not be discounted in the process. There might even be cost benefits to the Internet Service Provider in this situation, since all customers will be treated equally, and material costs will benefit from greater volume purchasing.

That there is some controversy regarding health issue for those living in close proximity to wireless-transmitters, and this increases the preference for hi-speed via some sort of wire connectivity.

Lastly, we must also recognize that technology is rapidly evolving, and this forces existing decisions and legal frameworks to become rapidly obsolete.

Recommendations:

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

1. Follow the lead of the U.S. and class the Internet as a utility, since some tax-payer funded provincial services are only available online. Further, that the classification as a utility include a guarantee of access.

2. Establish access, performance, and reliability standards by which guarantee of access be evaluated, which are themselves competitive with neighbouring jurisdictions, to encourage competitiveness of industries that depend on access to information technology.

3. Amend the provincial building code standards to ensure that new and modified dwellings include provisioning for physical Internet access where practical.

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

10. Sarnia Lambton Chamber of Commerce - Advance Ontario's Bioeconomy

Issue:

The chemical industry is on the cusp of transformation: petroleum-derived chemicals will be increasingly substituted or blended with more sustainable chemicals. Ontario can leverage its strengths in advanced manufacturing to lead the way on provincial and national bioeconomy strategies that will create new businesses, high quality long term jobs and stable growth.

Background:

The bioeconomy is based on using renewable resources derived from plants and waste to produce a wide range of products, such as bio-fuels, plastics and pharmaceuticals, while minimizing impact on the environment. It involves all processes including invention, development, production and use.

Multiple industries, such as health, agriculture, forestry and natural resources, as well as rural and urban communities stand to benefit from the bioeconomy. The net result is the creation of new businesses, revitalization of old businesses and more importantly - jobs.

In 2008, Canada's bioeconomy was valued at $78.3 billion dollars, equivalent to 6.4% of GDP. That seems significant, but Canada is lagging behind other industrialized countries. In the same year, the United States' biobased economy –measured in GDP on a per capita basis- was over 60% more developed than Canada's, upwards of $1.25 trillion dollars, or 8.45% of GDP.

Perhaps recognizing this opportunity, the Government of Canada created a $500 million NextGen Biofuels Fund™ in 2007 to encourage the private sector to increase production and commercialize biofuels. Natural Resources Canada is partnering with industry, research institutes and the financial sector to lead Canada's forest industry into the bioeconomy through the Bio-pathways Project.

Between 2008 and 2014 the Ontario Ministries of Research and Innovation (MRI) and Economic Development, Employment and Infrastructure (MEDEI) provided $10.5 million and Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) contributed $300,000 in funding to Bioindustrial Innovation Canada (BIC), a business accelerator located in Sarnia. BIC established Sustainable Chemistry Alliance (SCA) as an investment vehicle and provided $5.5 million for investing in start-up companies. With matching contributions from private partners, SCA leveraged an additional $143 million which has grown into $500 million in 14 investments. Up to 630 constructions jobs, 243 direct jobs and 1200 indirect jobs were created.

Despite government support, both Ontario and Canada lack bioeconomy strategies. Communities that are looking to develop their own unique clusters need support and direction through appropriate programs to foster the partnerships.

Sarnia-Lambton is building its future without the support of a provincial or national strategy. Following ten years of effort Sarnia-Lambton recently attracted BioAmber and their joint venture partner, Mitsui & Co., to build the world's largest commercial biosuccinic acid manufacturing facility. The plant will open in 2015. This US $125 million investment is creating 60 full time, high value added jobs and several hundred construction jobs. The bio-based product can be complementary to traditional petro-based chemicals.

BioAmber chose to locate in Sarnia because it is a unique bio-hybrid chemistry cluster with a skilled workforce, industrial infrastructure and world-class safety culture. Communities like Sarnia-Lambton deserve official government recognition and support so that it can grow and compete in the global bioeconomy.

Recommendations

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

1. Develop a provincial bioeconomy strategy that builds on existing models.
2. Take the lead in working with the federal government, provinces and territories to develop a national bioeconomy strategy.
3. Continue to fund successful business accelerators, such as Bioindustrial Innovation Canada, and venture capitalists that support bioindustrial companies and projects.

Estimated Financial Impact to the Province

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

POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

11. Sarnia Lambton Chamber of Commerce - Drive Innovation with Affordable Energy Costs

Issue:

Since 2003, Ontario has experienced a 13% increase in electricity generation while demand has declined 10%. This period of surplus electricity generating capacity has occurred during the same period of dramatically increasing electricity rates for residents, businesses and industry. By allowing industry to purchase surplus power at reduced rates, industries located in Ontario, and the communities in which they locate, gain a competitive advantage

Background:

According to Association of Major Power Consumers of Ontario's (AMPCO) latest benchmarking analysis, in 2012 Ontario had the highest industrial electricity rates among the six provinces and five US jurisdictions surveyed. Ontario was more than double that of Texas, significantly higher than British Columbia, Quebec, Manitoba and New York. Yet surplus power is being sold at Ontario's cost to competing jurisdictions in the US.

The Government of Ontario has taken positive steps to date in improving load management and the management of electricity demand through the Industrial Electricity Incentive (IEI) program, which is offered by the Independent Electricity System Operator (IESO). It is attracting incremental load and investment to the province.

Using surplus power for the benefit of the province vs. export is good policy. Ontario could benefit from large scale industrial complexes and the community of Sarnia-Lambton has been a willing host for many years. Sarnia's existing petrochemicals cluster is complemented by emerging bio-hybrid chemical opportunities. Corporate taxation rates and access to large talent pool of local skilled labour are positives to maintain and attract new investment to the Sarnia area. Sarnia-Lambton also has the strong industrial infrastructure and history, skilled workforce, labour relations and safety and environmental performance to compete globally.

However, the cost of electricity – a key input cost for petrochemical and biochemical operations - greatly limits Ontario's competitiveness. Without price certainty, investment will go to competing jurisdictions outside the province.

When existing industry and other potential new entrants are considering investment in Ontario, the projects are large, capital intensive and require a long lead time to proceed from investigation to full operation. Typically, the minimum duration from concept to full operation is often at least 5 years. While the current program, IEI Stream 3, is helpful for some smaller projects or those that have already made a commercial investment decision, its shortened implementation of three years lacks the economic development aspects that would help Ontario attract new entrants.

The IEI program should continue until the surplus power has been fully absorbed with new investment.

Recommendations:

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

1. Re-examine the provincial power surplus after Stream 3 closes.
2. Develop another provincial surplus power program for major power consumers to attract large investment.

Estimated Financial Impact to the Province

- Create cost-savings for the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

12. Thunder Bay Chamber of Commerce - Permanent Protection Of Industrial Fibre Supply (Sunsetting)

CO-SPONSORED BY: GREATER SUDBURY CHAMBER OF COMMERCE & TIMMINS CHAMBER OF COMMERCE

Issue:

There is a need to establish in law that 26 million cubic meters of accessible wood fibre will be available for industrial use. The government must also commit to conducting socio-economic impact analyses on all proposed legislation, regulation and policy in a transparent manner prior to any final decisions being made in keeping with the three pillars of sustainability – economic, social and environmental.

Background:

Due to the global recession, Ontario's forest products sector has faced enormous challenges in recent years; however, as the market recovers the sector is witnessing tangible signs of a rebound. Greater demand for wood products, increase U.S. housing starts, and a lower valuation of the Canadian dollar are all contributing to the recovery of the forest products sector. Ontario forestry companies harvested over 14 million cubic metres in 2013, an increase from 10.5 million cubic metres in 2010. During the Ontario Election in June 2014 in her written response to a survey from the Ontario Forest Industries Association, Premier Wynne stated that 'a Wynne administration will fully support our forestry industry in utilizing the full available harvest (26 million m3 /yr)'.

Ontario's forestry companies are investing hundreds of millions to upgrade and renew operations, increase capacity, employment and production, and build brand new facilities. According to Natural Resources Canada, Ontario's forest products sector supported 55,600 direct jobs in 2012, an increase of 2,100 jobs since 2011. The Ministry of Natural Resources and Forestry data states that each direct sector job in Northern and rural Ontario supports 3.05 indirect jobs in the Province.

These growth opportunities cannot be realized without the permanent protection of a predictable, affordable and accessible wood supply. Far too often the Government of Ontario has developed its environmental policies with little regard for social or economic consequences – an action that leads to unbalanced and unsustainable policies. As a result, many communities are feeling the impacts of policies that focus solely on environmental concerns at the unnecessary expense of social and economic factors, including the loss of economic development and employment opportunities.

This required 26 million m^3/yr can be derived on an annual basis from 26 million hectares which provides a wood supply objective that must be pursued within the context of all three pillars of sustainability – economic, social and environmental.

FAST FACTS

Each one million cubic metres of sustainable industrial fibre:

- Supports 196 direct employees;
- Pays $800,000 in provincial income tax per year;
- Spends $13.4 million annually on goods and services; and,
- Generates $40 million in tax revenues annually for all three orders of government.

RECOMMENDATIONS:

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

1. Permanently establish through regulation a minimum of 26 million m^3/yr of accessible fibre for industrial use and support the forest industry in fully utilizing allocated wood supply.

2. Conduct and publicly release socio-economic impact assessments of all legislation, regulation, and policies that could reduce the provincial fibre supply and/or reduce access to the land base/natural resources. These assessments must consider all three pillars for sustainability (social, economic and ecological) in protecting Ontario's productive forest land base within the Area of the Undertaking (AOU).

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

One member of the Policy Committee does not support the prescriptive nature of recommendation one, suggesting instead that it should read "Government should facilitate stakeholder engagement directed towards creating a sustainable supply".

CARRIED

13. Tillsonburg District Chamber of Commerce - Province of Ontario Wide Load Permit (Sunsetting)

Issue:

The Ontario Provincial Wide Load Permit System is very complex making it difficult for companies to comply when their vehicles travel throughout Ontario's county roads that are not designated as King's highways.

Background:

Most companies do not understand the requirements of the permit system.

A provincial wide load permit costs a business $300.00 annually and is valid ONLY for King's highways. This cost is considered very reasonable.

Alternatively a business can also purchase a "trip" permit valid for a limited timeframe.

Since the provincial permit is valid for King's Highways only, in some cases businesses must also purchase county wide load permits as well as permits from the "lower tier" municipalities in that county.

This current system forces a business to contact each county and municipality that maintains the roads their vehicles will be travelling on to determine the trip permit process and requirements. This is a very inefficient, time consuming and complex process.

It is a burden to small and medium sized companies (SMEs) that require wide-load permits to fulfill their obligations to their clients. Ontario companies affected are: excavating companies, construction companies, farm machinery dealerships, agricultural suppliers, for example.

Complexity Highlights

The regions of the Province of Ontario contain 23 Counties with 211 "lower tier" municipalities embedded within the 23 Counties. And, there are 11 single tier municipalities (i.e. Toronto, Ottawa, Chatham-Kent, Haldimand, etc.); which leaves a total of 245 potential contacts for permits.

In light of these statistics, business owners must know what municipality maintains the particular road their vehicles will be travelling on in order to legally transport equipment. To determine this, a business would need access to an entire database of Ontario roads and who maintains/owns them.

In our research, most businesses did not know their compliance requirements; and only one knew that County permits were required but did not know about the lower tier municipal permits.

In speaking with one local business, they were stopped and charged multiple times in the past 10 years; both times for $400.00. It is their feeling that it is cheaper to pay the fine than to spend the time to acquire the necessary permits.

In summary, the current Wide-Load Permit system is a barrier and a financial burden for companies in Ontario to do business.

RECOMMENDATIONS:

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

Investigate the opportunities available to create a one-permit system for wide, high, and heavy loads to navigate throughout Ontario's roads regardless of the regions, counties or municipalities vehicles must travel through.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

14. Timmins Chamber of Commerce - Maintaining Ontario mining tax rates

CO-SPONSORED BY GREATER SUDBURY CHAMBER OF COMMERCE, THUNDER BAY CHAMBER OF COMMERCE, NORTH BAY & DISTRICT CHAMBER OF COMMERCE

Issue:

The Ontario government is facing pressure to review the provincial mining tax system in order to increase tax rates for operating mines. This would threaten the viability of Ontario's mining sector and discourage further investment in resource development.

Background:

The Ontario mining industry is a significant contributor to the provincial economy, investing approximately $4 billion every year in exploration, construction, equipment and R&D. Roughly 256,000 people are employed in Ontario's mineral cluster, generating $500 milllion annually in personal income taxes. Moreover, mining is the largest private-sector employer of Aboriginal Canadians, who account for 9.7% of all mining jobs in Ontario.

Despite these contributions, the Ontario government has recently expressed an interest in increasing the mining sector's tax burden as a means of addressing the provincial debt. In its 2012 and 2013 budgets, the provincial government indicated its intent to re-examine the mining tax regime, suggesting it would seek "fair compensation for its non-renewable resources." This would mean revisiting Ontario's Mining Tax Act, which dictates a 5% tax rate on profits from remote mines, and a 10% tax rate on profits from non-remote mines. The province's sole diamond mine – the De Beers Victor Mine – is subject to a separate 13% rate through the Ontario Diamonds Royalty, which is contained within the Ontario Mining Act.

While this idea was dropped from the 2014 budget, special interest groups such as MiningWatch Canada continue to press both the provincial government and the auditor general for a review in order to raise tax rates for Ontario's remote, non-remote and diamond mines. Other groups, such as the Canadian Centre for Policy Alternatives and the School of Public Policy at the University of Calgary, have since echoed the call and continue to apply public pressure.

However, a heavier tax burden would only threaten the vitality of Ontario's mining sector -- which routinely identifies rising costs as a major challenge -- and exacerbate the industry's existing regional challenges. Soaring energy rates and regulatory uncertainty resulting from legislation like the Far North Act have already damaged Ontario's competitiveness: ranked among the top 10 mining jurisdictions in the world by the Fraser Institute's 2006 Annual Survey of Mining Companies, Ontario sunk to 23rd in the 2015 rankings as mining firms react to government policies that impede investment and development.

Recommendations:

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

- Maintain the current mining tax rates for remote, non-remote, and diamond mining operations.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

15. Windsor-Essex Regional Chamber of Commerce - Financial Protection for Canada's Fresh Fruit and Vegetable Industry

Issue:

Agriculture is the largest or the second largest industry for Ontario. Historically, Canadian and Ontario agriculture businesses have been protected under a long standing preferential access to the U.S. Perishable Agricultural Commodities Act (PACA) guaranteeing protection in case of bankruptcies and when payment issues arise. This preferential access was revoked by the U.S. Department of Agriculture on October 1, 2014. The newly created situation puts Canadian and Ontario agriculture companies at a disadvantage.

Background:

Canada had been the only country granted the same access as U.S. entities to the protections offered by PACA to recover payments both during bankruptcies and to recover unpaid bills outside of bankruptcy.

In order to address the gaps in protections between the two countries, the Canada-U.S. Regulatory Cooperation Council (RCC) mandate agreed to by President Obama and Prime Minister Harper in 2011 included a commitment to establishing a comparable Canadian approach for protecting Canadian and U.S. fruit and vegetable suppliers from buyers that default on their payment obligations.

Due to a lack of progress in fulfilling this commitment, on October 1st 2014, the US Department of Agriculture (USDA) revoked Canada's preferential access to the PACA.

This will have significant consequences for the fresh produce industry in Canada, putting jobs, Canadian farms and other parts of the supply chain at risk. Unpaid bills (such as those due to a bankruptcy) will increase for Canadian companies exporting to the U.S., who will have lost their previously strong leverage over their buyers. The only protection that is viable is posting of bond of double the value (200%) of their claim. Seventy-five percent of Canada's 10,000 fruit and vegetable producers are small businesses with average sales of less than $85,000 per year. Many cannot afford this and will simply have to walk away.

According to the Canadian Produce Marketing Association the changes to PACA rules will result in a permanent loss in Canada's GDP of at least $12.7 million annually. The lost production results in a permanent loss of 154 jobs and $5.9 million in labour income. Our upper bound assumptions result in losses to GDP of $38.4 million, along with the permanent loss of 464 jobs and $17.7 million in labour income.

Creating of a limited statutory deemed trust that provides financial protection for produce sellers in Canada in the event of bankruptcies will meet the U.S. requirements for a comparable Canadian system in order to reinstate our preferential access to PACA.

Recommendations:

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

Advocate to the Federal government:

1. To support the creation of a limited statutory deemed trust that provides financial protection for produce sellers in Canada in the event of bankruptcies. The assets available to trust creditors would be limited specifically to produce accounts receivable, and any cash and inventory from the sale of the produce.

Estimated Financial Impact to the Province

- Be cost-neutral to the government

A trust does not require any government funding or administration.

OCC POLICY COMMITTEE COMMENTS:

The Policy Committee is concerned this resolution is not provincial in scope. The resolution refers to a Federal statute, and cannot be easily amended. One Policy Committee member suggested that Export Development Canada's Trade Protect program may be a viable solution for the business affected by these regulatory changes. The Trade Protect program insures individual sales that are less than $350,000 and have payment terms of less than 90 days.

The submitting chamber notes stakeholders in the industry say that the Trade Protect program is not widely used and largely ineffective.

CARRIED

OTHER POLICIES OF STRATEGIC SIGNIFICANCE

1. Brampton Board of Trade - Fairness for Businesses in Customer Initiated Transactions (Sunsetting)

Issue:

Section 43 of the Consumer Protection Act, 2002, and its associated Regulations is overly broad and captures within its requirements businesses, trades people, and contractors who should be exempt from the provisions.

Background:

Section 43 of the Consumer Protection Act, 2002 ("CPA"), deals with the cooling off period available to consumers when they enter into business contracts at a place other than the provider's place of business. These are defined as "Direct Agreements" or "Direct Sales Contracts". In such a situation, the customer has 10 days to cancel the contract. Generally, it is used to cover those direct energy companies who go door to door convincing customers to enter into lengthy and expensive energy contracts, or other annoying solicitors. The problem is, however, is that the legislation is worded too broadly and captures any business who attends at the customers home.

For example, a customer contacts an electrician because they have a problem. The electrician makes an appointment, attends at the customer's home, does an inspection, and provides an estimate. If the customer accepts the proposal, the electrician will make an appointment to return on another day to complete the jobs. In the interim, the electrician is spending time making arrangements with the local utility, acquiring parts and scheduling other jobs around this one. If the customer has a change of heart before the electrician returns to complete the work, he or she can cancel it without any charges. If the electrician has started the job, the customer can still cancel and is only required to pay the "reasonable" costs of the work completed.

This is difficult for any business that relies on direct contact from the customer to initiate the sale (i.e. electricians, contractors, renovations, lawn or yard maintenance, landscape, babysitters, dog walkers, etc.). These are not businesses that rely on solicitation of the customer, such as door-to-door salesmen. Unfortunately, the legislation does not draw the distinction.

Besides the obvious inconvenience to the business in terms of lost efficiency, if the business is regulated by a government agency, the director can face severe consequences beyond those outlined in the Consumer Protection Act. For example, electricians are regulated by the Electrical Safety Authority. If the electrician is found not to be complying with the Consumer Protection Act, they can have their business license suspended or revoked.

Recommendations:

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

1. Following the BC Legislation, amend section 43(1) of the CPA and its Regulations to reflect exemption from cancellation of Direct Agreements by customers when customer or person authorized on behalf of the customer, initiates contact with business within a reasonable time period.

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

2. Brampton Board of Trade - Moving Forward on the GTA West Corridor (Sunsetting)

Issue:

There is an urgent need for the Province of Ontario to move forward with strategic transportation corridors such as the GTA West Corridor. The pace at which these projects are moving forward has a severely negative impact on the ability of businesses and municipalities to effectively plan for future growth and address transportation and land-use challenges.

Background:

The GTA West Corridor has been identified as a necessary transportation infrastructure project needed to advance the province's overall economic competitiveness and to address the significant delays on the GTHA transportation networks. The congestion through this network has led to a significant drain on the economy and places Ontario businesses and municipalities at a competitive disadvantage to other regions in terms of attracting new investment.

As trends in population growth, manufacturing activity, foreign trade and investment indicate, there is an expansion in the amount and value of goods transported across Ontario's highways. Additional transportation infrastructure capacity is required to provide better links for goods movement between existing and new economic centres.

This corridor is seen by many, including Ministry of Transportation (MTO) staff, as a strategic link between the Urban Growth Centres in the west of the GTA such as Downtown Milton, Brampton City Centre, Vaughan Corporate Centre and Downtown Guelph. MTO staff and the GTA West Study Team have also indicated that the considerable population and employment growth in the Guelph, Kitchener/Waterloo, and Cambridge triangle introduces new transportation challenges in the western portion of the Greater Golden Horseshoe (GGH).

In addition, this strategic transportation corridor would also improve how goods are moved as it will provide enhanced accessibility to existing and new industrial areas in municipalities such as Brampton and Caledon. Completion of this project would also benefit employment lands in the City of Mississauga with the diversion of trips from Highway 401 to the new corridor.

The GTA West Transportation Corridor Route Planning Environmental Assessment Study moving forward to Stage 2 of the process is positive progress. However, the overall pace at which this project is moving forward is of concern for both businesses and municipalities across the province.

According to the project schedule, the second stage will be completed in 2018. MTO has also indicated that the process to initiate the project will take at least 15 to 20 years.

This is far too long for the planning processes of businesses and municipalities. Furthermore, there is considerable risk of encroachment on the land needed for the construction of this strategic transportation corridor. The province should identify the location of the corridor and release lands that will not be required to enable the municipalities to continue their planning processes and help promote business development.

Recommendations:

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

1. Support early designation and protection of major transportation corridors such as the GTA West Corridor and its expansion.

2. Move forward expeditiously on the GTA West Corridor Study implementation process within 10 years.

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

The OCC Policy Committee suggested minor content revisions. The submitting chamber has accepted these suggestions and included them in the resolution.

CARRIED

VIP 2015-5-2 4:00 PM
Deleted: including

3. Burlington Chamber of Commerce & Ajax-Pickering Board of Trade - Workplace Mental Health Strategy

Issue:

Mental illness in the workplace is having a severe impact on Canada and Ontario's productivity and, if the problem is left unabated, that impact will only worsen. The provincial government has a key role to play in mitigating the cost that mental illness levels on businesses.

Background:

According to the Mental Health Commission of Canada, the total economic cost arising from mental health problems and illnesses is at least $50 billion per year. Health care, social services and income support costs make up the biggest proportion of these costs, but the costs to business are also staggering: Canadian businesses experience $6.4 billion in lost productivity (from absenteeism, presenteeism and turnover) every year. If left unabated, the cost to business will increase to $16.0 billion by 2041.

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.

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.

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 emphasizes mental health awareness, education and rehabilitation for employees. The strategy must not be prescriptive or place an additional burden on businesses but should instead be focused on improving mental health awareness.

VIP 2015-5-2 12:05 PM
Deleted: treatment

2.

3. 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.

4. 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.

5.

VIP 2015-5-2 4:16 PM
Deleted: Establish metrics that track the incidence of employee disability due to mental disorders.

VIP 2015-5-2 4:17 PM
Deleted: Ensure that what, in the past, has been referred to as mental illness, be termed a mental health challenge.

Estimated Financial Impact to the Province

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

While the policy committee approved the resolution, one committee member raised concerns about the potential costs on employers that would arise from the implementation of a provincial workplace mental health strategy. The authors of the resolution noted that recommendation #1 explicitly states that the provincial strategy must not be prescriptive or place an additional burden on businesses.

CARRIED AS AMENDED

4. Hamilton Chamber of Commerce - Goods and People Movement Long-Range, Multimodal, Integrated Transportation Plan (Sunsetting)

Issue:

Ontario's transportation system is crucial to the economic well-being of Ontario and to the country as a whole. The efficient movement of goods and people, within Ontario and into the U.S. directly, affects business and impacts Ontario's ability to compete with other jurisdictions.

To help facilitate the movement of goods and people, transportation planning at the local, regional and provincial levels is critical. At the present time, Ontario does not have a province-wide transportation plan, and current regional plans do not adequately address the inter-regional movement of goods and people.

A province-wide Long Range Transportation Plan (LRTP) is needed to address the movement of goods and people between regions and across borders.

Background:

Ontario is a vast province with diverse regions (economic and otherwise) facing unique transportation challenges. For example, many areas in Northern Ontario require additional transportation capacity to help facilitate goods movement to attract business investment and diversify local economies.

In Southern Ontario, particularly in the Greater Toronto and Hamilton Area (GTHA), explosive suburban labour force in the goods movement corridors, coupled within inadequate investments in transportation infrastructure, has led to crippling congestion. To address unique regional issues, while regional transportation plans, such as The Big Move, have been developed, there is a lack of province wide focus

Ontario's various regions do not exist in isolation. Regions and economic clusters throughout the province are unique and are interconnected. For example, in the auto manufacturing cluster in Southern Ontario, there may be, steel parts sourced from plants in Hamilton, Sarnia or Pittsburgh, with electrical components manufactured in Toronto and final assembly occurring in Windsor or Markham with eventual shipping to markets across Canada and Northeastern United States. Facilitating the efficient movement of these goods between regions is critical for economic sustainability, increased investment and economic growth. The need is made more urgent by increasing value of trade across the North America advanced manufacturing value chain.

Competing jurisdictions in the U.S. have recognized the need for integration of transportation networks between regions. High-level transportation planning is common in the U.S., with state-wide transportation plans being required by Federal law. State-wide transportation plans span 20 to 30 years in outlook, are updated every five years, and plan for the integration of all modes of transportation. The plan is critical for the future of the Ontario economy as The province's multimodal transportation system moves over $1.3 trillion in goods per year which constitutes

49% of Canada's total international trade (across all modes) and almost 70% of road trade with the U.S.

We believe a province-wide LRTP will contribute to employment and economic growth by:

- Improving linkages between transportation modes and between freight hubs, which make up over 70% of Goods Trade in Ontario
- Enabling the province to effectively develop and implement policies that improve and better utilize Ontario's extensive network of road, rail, marine and airport facilities; and
- Placing Ontario on a level playing field with competing U.S. jurisdictions.
- Enhance the ability of businesses in Ontario to latch onto North American manufacturing value chains.

Recommendations:

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

1. Develop a 30-50 year, province-wide LRTP, to be completed by the fall of 2018.

2. The LRTP should include:

    a. Stakeholder consultation;
    b. Short, medium and long-term planning and investment objectives spanning 30-50 years;
    c. Comprehensive mapping out of the multi modal connections that facilitate goods and people movement throughout the province;
    d. A financing plan for transportation improvement projects; and
    e. Quick wins to improve connections between regions.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

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

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED AS AMENDED

5. Greater Oshawa Chamber of Commerce - Canadian Nuclear Innovation (Sunsetting)

Issue:

"Canada's nuclear industry must have continued investment in nuclear science and technology and its applications that benefit both the environment and the Ontario economy.

Background:

The current restructuring of Atomic Energy of Canada Limited and the need for an innovation mandate for Canadian Nuclear Laboratories (CNL) create an opportunity for the Federal and Ontario governments along with nuclear industry partners to play a lead role in fostering nuclear innovation by leveraging CNL's S&T capabilities. The parties should develop a new collaborative approach for defining nuclear science, technology and innovation priorities and for establishing program funding that will enable Ontario's nuclear industry to be competitive and sustainable in world markets.

Recommendations:

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

1. Through its Energy, Research and Innovation and Economic Development ministries work with federal government counterparts and Ontario nuclear industry leaders in establishing a joint government –industry nuclear science, technology and innovation program that will ensure that Ontario and Canada retain their leadership position in the global nuclear industry."

VIP 2015-5-2 4:35 PM
Deleted: The Ontario Government t

Estimated Financial Impact to the Province

- Be cost-neutral to the government

OCC POLICY COMMITTEE SUPPORTS THIS RESOLUTION

CARRIED

LATE RESOLUTION

Quinte West, Bellville and Prince Edward County Chambers of Commerce- Removal of the Repeal of Section 12(3)(a) of the Professional Engineers Act

- **Other policies of strategic significance**

Issue:

On October 25, 2010, the Ontario government gave Royal Assent to *Bill 68, the Open for Business Act* and repealed section 12(3)(a) of the *Professional Engineers Act*, which enables acts of professional engineering on production equipment or machinery to be carried out by unlicensed individuals in a manufacturing workplace. Implementation of the repeal will occur on the date this section of *Bill 68* is proclaimed. On June 12, the government removed its previously announced proclamation date of September 1, 2013. The new implementation date is not known at this time.

Implementing the repeal of the industrial exemption will add an additional cost to manufacturing when evidence to date shows the current system is meeting the objectives of improving employee safety.

Background:

History of the *Professional Engineers Act*, the Repeal of Section 12(3)(a) and the introduction of Regulation 851 Section 7.

Section 12(3)(a) of the *Professional Engineers Act* (1984) that is Law on the Books of the Ontario Government. The *Professional Engineers Act* was amended in 1946, 1949, 1960, 1969, 1984 and 2010

Section 12(3)(a) Was placed into the Act to:
Enable certain acts of engineering to be carried out by non-engineers in a manufacturing workplace. The requirement proposed by the exception was later replaced by a different regulation (Regulation 851 Industrial Establishments 1990), (Section 7) commonly known as the Pre-Start Health & Safety Review which fell under the *Occupation Health and Safety Act*. This, in fact, is the current requirement for industry where they must seek approval from professional engineers for pre-start health and safety reviews.

Points of Discussion:

1) There has been no evidence that the repeal will increase a Workers Health & Safety in the workplace.
2) Statistics of accidents that could have been prevented by an engineer or that have been caused by a non-engineers work in the industrial sector have not been produced.
3) Ontario is the most safety regulated province in Canada and given the numbers of workers in industry we are the safest.

a. Ontario is the only province or territory in Canada that has Regulation 851 Section 7 enforcing Engineering Approval for new equipment installs, process changes, machinery moves within an industrial establishment.
b. ESA Inspections on all industrial electrical work including process changes, equipment installs and major renovations ensures electrical safety
c. Hydro One Equipment Approvals are mandatory for all existing and new equipment being installed in an Industrial Establishment ensuring safety compliance.
d. TSSA Approvals required for most other changes and installs especially when pressure, gas or liquid involved.

4) Removing the Exemption without removing the Regulation 851 Section 7 Pre-Start Health & Safety Reviews will only add another layer of redundant inspections and signatures while adding an additional layer of cost while increasing the time to market and decreasing our competiveness in Ontario even further.

Recommendations:

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

4. Request the Ontario Government withdraw the Royal Assent for this portion of *Bill 68* to ensure manufacturers do not have to worry about this repeal being brought forward at any time without prior notice and negatively impacting their operations.

5. If the repeal cannot be cancelled then Regulation 851 needs to be removed or the two combined to reduce the cost, time and duplication to manufacturers.

Estimated Financial Impact to the Province

- **Be cost-neutral to the government**

Explanatory Note: Please note that this a late resolution so it has not been reviewed by the OCC Policy Committee and cannot be voted on at the AGM. At the pleasure of AGM delegates, this resolution can be referred to the OCC Board of Directors for discussion.

REFERRED TO BOARD