

October 26, 2017

Regional Clerk's Office  
Regional Municipality of York  
17250 Yonge Street  
Newmarket, Ontario

Good Morning,

On behalf of the Newmarket Chamber of Commerce, I would like to request Deputant status for the Committee of the Whole meeting on November 2<sup>nd</sup>, 2017. I have also attached a resolution that the Newmarket Chamber of Commerce would like to put forward for consideration by Regional Council.

Do you require the name of the person making the deputation?

Regards,

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## **Impacts to Businesses Stemming from Bill 148, the Fair Workplaces Act**

### **Issue:**

Businesses are worried about the impacts that will result from the implementation of *Bill 148, The Fair Workplaces, Better Jobs Act (The Act)*. These issues which include the rapid increase to minimum wage and the lack of clarity surrounding the scheduling changes put businesses in a tough position for their long-term planning. The Government must make the necessary amendments to this legislation to ensure that neither businesses or more broadly, Ontario's economy is affected.

### **Background:**

On May 10, 2017, the Government of Ontario announced *Bill 148, the Fair Workplaces, Better Jobs Act (The Act)*, and as part of *The Act*, proposed sweeping changes to the existing *Employment Standards Act and Labour Relations Act*.

While the *The Act* contains numerous provisions and updates to existing rules contained in the *Employment Standards Act and Labour Relations Act*, there are five key parts of the legislation that are harmful to businesses.

1. The Rapid Pace of Changes to the Minimum Wage
2. Personal Emergency Leave & Paid Sick Days
3. Scheduling
4. Exclusions from Collective Bargaining
5. Measures to Increase Unionization

These changes will have extremely detrimental consequences, the scale of which will be largely unknown until the full force of the legislation is brought into effect. In fact, a majority of businesses across Ontario are predicting a decline in their revenue over the next 12 months.

According to the Economic Impact Analysis on *The Act* by the Canadian Centre for Economic Analysis (CANCEA), Bill 148 will create a \$23 billion business challenge over the next two years, which will make it impossible for the Government of Ontario to make businesses, even small ones, whole through offsets.<sup>1</sup>

Additionally, the Financial Accountability Office (FAO)<sup>2</sup>, estimates that Ontario's proposed minimum wage increase will result in a loss of approximately 50,000 jobs (0.7 per cent of total employment), with job losses concentrated among teens and young adults.<sup>3</sup>

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<sup>1</sup> Measuring the Potential Economic Impacts of the Fair Workplaces, Better Jobs Act (Bill 148), 2017. Report from the Canadian Centre for Economic Analysis. September 2017.

<sup>2</sup> The FAO was established by the *Financial Accountability Officer Act, 2013*. The Financial Accountability Office (FAO) provides independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

CANCEA’s report also provides an overview of Jobs at Risk specific to York Region. The numbers below reveal that of the 185,000 jobs at risk in Ontario 15,920 of those jobs are within the Region of York. Some of the industries that may be affected are as follows:

<b>York Region Jobs at Risk</b>	
<b>Sector</b>	<b>Job Numbers</b>
Accommodation and Food Services	1,180
Administrative and Support, Waste Management and Remediation Services	370
Agriculture, Forestry, Fishing, and Hunting	40
Arts, Entertainment and Recreation	100
Construction	990
Finance, insurance, real estate, rental and leasing and holding companies	1,630
Information and Cultural Industries	570
Manufacturing	1,340
Mining, Quarrying, and Oil and Gas Extraction	10
Other Services (except Public Administration)	640
Private Educational Services	40
Private Health Care and Social Assistance	560
Professional, Scientific and Technical Services	1,630
Retail Trade	1,270
Transportation and Warehousing	360
Utilities	70
Wholesale Trade	2,030

Based on a poll by the Newmarket Chamber of Commerce, member businesses have suggested that they would have to decrease the number of employees because of the rapid increase in operating costs resulting from this legislation. FAO’s analysis supports this view and states that “Ontario’s proposed minimum wage increase is both larger and more rapid than past experience, providing businesses with a greater incentive to reduce costs more aggressively”.<sup>4</sup> If this

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<sup>3</sup> Assessing the Economic Impact of Ontario's Proposed Minimum Wage Increase. Report from the Financial Accountability Office. September 12, 2017.

<sup>4</sup> Assessing the Economic Impact of Ontario's Proposed Minimum Wage Increase. Report from the Financial Accountability Office. September 12, 2017.

legislation is implemented in its current form, many will have no other option than to close their doors and cease their operations. As evident by the two Economic Impact Analyses, there is no feasible way for businesses to adjust to a 32 per cent hit in less than 18 months, the bulk of which is an even more unmanageable 23 per cent increase a mere seven months from now.

The Government of Ontario has announced that they will introduce measures to help small business transition into the new rules. However no details of these measures have been revealed for businesses to start examining offsets to rapidly increasing costs. Additionally while offsets are important, the impact from Bill 148 is not isolated to SME's. Some of the largest employers in Ontario have spoken out against this legislation. Large employers contribute heavily to the local economy and offer opportunities for economic development at both the Provincial and Municipal level. It is critical that measures to help businesses positively impact businesses of all sizes.

### **Recommendations:**

1. That York Regional Council call on the Ontario Government to make amendments to the rapid pace of changes introduced to existing Labour Laws and recommend to the province to make amendments to the minimum wage increase by adjusting the pace of the increase to a period of 5 years
2. That York Regional Council call on the province to adhere to the recommendations made in the Changing Workplaces Review in adopting a sector-specific approach to any regulation regarding scheduling<sup>5</sup>

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<sup>5</sup> Changing Workplaces Review. Report from C. Michael Mitchell and John C. Murray to review the *Labour Relations Act* and the *Employment Standards Act*. May 23, 2017.