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**ONTARIO
FEDERATION OF
LABOUR**

Bill 100: Protecting What Matters Most

Standing Committee on Finance and Economic Affairs
Ontario Federation of Labour
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Standing Committee on Finance and Economic Affairs
Ontario Legislature
111 Wellesley St W
Toronto ON M7A 1A2

Dear Committee Members,

People are what matter most.

The Ford government's first budget and its accompanying legislation – Bill 100, *Protecting What Matters Most* – however, fails to introduce measures and protections for workers, their families, their communities, and the public services they depend on.

Instead, much like other pieces of legislation from this government, Bill 100 protects the wealthy and big businesses as well as the Ford's government partisan agenda.

Instead of increasing access to justice for equity-seeking groups, Bill 100 makes it harder to sue the government by increasing the legal threshold needed to proceed with civil litigation, including class action lawsuits and breach of contracts.

Instead of respecting collective bargaining rights, Bill 100 sets the stage for age discrimination in the workplace.

Instead of consulting with the labour movement and ensuring worker and public safety, Bill 100 is creating conditions for a race to the bottom for worker protections.

Instead of investing in public-delivered health care, Bill 100 proceeds with one of the biggest structural changes in Ontario's health history.

Instead of investing in public education and reversing decisions to increase average class sizes, Bill 100 prohibits a school board from having an in-year deficit for a fiscal year.

Instead of building more child care spaces, Bill 100 introduces the inequitable and inefficient Childcare Access and Relief from Expenses (CARE) tax credit.

Instead of enforcing the law and protecting vulnerable workers, Bill 100 legislates gas stations to drive Ford's partisan, anti-climate change agenda with stickers about the cost of federal carbon-pricing measures; otherwise, fines of up to \$10,000 will be issued daily.

The Ontario Federation of Labour (OFL), which represents one million workers across this province, therefore demands that this government withdraw Bill 100. We encourage the government to adopt the recommendations of the OFL's 2019 pre-budget submission, which puts workers and their families first.



Chris Buckley
President



Patty Coates
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Ahmad Gaied
Executive Vice-President



Schedule 39

Pensions are workers' deferred wages. They are paid from workers' retirement accounts – not an expense for institutions.

Bill 100 gives broad authority to the Minister of Training, Colleges and Universities – through regulations – to require post-secondary institutions to reduce, limit, or alter the compensation of individuals who are working after having taken their pension. In other words, this Schedule provides the government with the authority to direct the override of signed, ratified, and legally binding collective agreements.

It is paramount that where employment rights and conditions, such as those related to retirement and pensions, are governed by collective agreements – the government respect those negotiated provisions. Collective bargaining must happen at the table between the employer and the union – not through legislation. Otherwise, it is a violation of workers' constitutionally protected charter right – their fundamental freedom to associate meaningfully in pursuit of collective workplace goals.

In addition to respecting collective bargaining rights, any government policy or legislation around this issue must also uphold the Ontario Human Rights Code. Schedule 39 targets workers on the basis of their age. Mandatory retirement was eliminated in Ontario over a decade ago in an effort to eliminate age discrimination in the workplace. This provision is a step backwards.

The budget papers indicate that the government is introducing this provision because "employees are remaining in their positions longer and limiting turnover that would bring in earlier career professionals...".¹

This is not true.

The decreased rate of junior faculty hiring can be attributed to many factors. The government fails to recognize the adverse effect of underfunded post-secondary institutions on full-time faculty hiring rates and the significant increase in the hiring of precarious contract faculty at Ontario colleges and universities.

The government's faculty renewal strategy must therefore include a plan to replace retiring faculty members with full-time tenure stream faculty, increase overall full-time faculty hiring, and deliver fairness for contract faculty. It is important that the government not undervalue the contributions of long-serving faculty members as teachers, researchers, innovators, community leaders, and mentors.

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The OFL represents many workers who are directly employed in the skilled trades in Ontario – from building trades, teachers and support staff in the elementary, secondary and post-secondary education sectors, retail, commercial to industrial trades people.

We are deeply concerned with the proposed phase-out of the Ontario College of Trades and the lack of meaningful consultation with organized labour – experts in the trades – as to the role and function of the new structure and direction for skilled trades and apprenticeships as described in Bill 100.

¹ 2019. Government of Ontario. Protecting What Matters Most. p. 188.

Authentic trades training is the foundation of a training system designed to increase the pool of skilled labour. Studies have demonstrated that investing in apprenticeship training provides an average return of 138 per cent.ⁱ Others have concluded an economic benefit of 430 per cent. It is estimated that 100,000 skilled workers contribute approximately \$83 million to Ontario's tax revenue base.ⁱⁱ

This reality makes authentic apprenticeship training a matter of vital economic concern, not only for workers themselves but for government and employers. Indeed, the well-being of the Canadian economy as a whole, rests on the urgent need to implement policies that will create jobs, increase authentic apprenticeship opportunities, enforce high standards, and fund high-quality curricula in elementary, secondary, and post-secondary schools.

Unfortunately, these policies are not being implemented.

A General Lack of Consultation

In discussion with our affiliated unions, early indicators point to the fact that there has been a lack of consultation between the government and the legitimate apprenticeship training providers in Ontario.

The OFL is committed to improving the trades training system in Ontario. We believe the best course forward is the development of a robust trades regulation system that will effectively serve tradespeople – especially apprentices as well as those looking to enter the trades – taxpayers, consumers, and construction employers.

If the government is committed to making real transformation in the skilled trades sector, they must listen to all stakeholders, especially trade unions with a strong and lengthy history of skilled trades training and development.

The Harris Legacy: Fragmenting the Trades

In the late 1990s, the Harris government decimated the legislation that governed trades and apprenticeship training: the *Trades Qualification and Apprenticeship Act* (TQAA). The majority of trades were removed from the TQAA and placed under a new Act: the *Apprenticeship and Certification Act* (ACA), where they were fragmented into pieces or skill sets.

The OFL argued that, the ACA undermined and diminished the career potential of authentic trades by reducing and eliminating their associated benefits. The ACA fragmented authentic trades by redefining skill sets as “trades” even though far less time, training, and on-the-job experience was necessary to learn them. By blurring the distinction between authentic trades and skill sets, the ACA undermined high-quality apprenticeship training, leaving workers with fewer skills and less mobility than that was provided under authentic apprenticeship training programs. Under-skilled workers – those with recognized skill sets but without expertise in the trade as a whole – can be paid less and are more vulnerable to labour market cycles because their skills are less transferrable.

Preserve Authentic Apprenticeship Programs

The OFL envisions an authentic, bona fide apprenticeship program as one that teaches the whole trade, not simply portions of it. In the same way that medical doctors must learn and demonstrate a level of expertise and skill in understanding the human body (and how it interacts with its environment) before further specialization is undertaken, so must skilled journeypersons understand all aspects of their trade before developing areas of specialization.

An apprentice learns 80 to 90 per cent of the trade on the job, under the mentorship of a certified journeyperson. A typical apprenticeship takes approximately four years to complete, and only 10 to 20 per cent of the program taught in a classroom setting.

Certification is time-based to ensure that an apprentice has had enough time and exposure to qualified journeypersons to turn basic skills proficiency into expertise. It is this expertise that is recognized through certification. Further, it is this level of expertise that the public assumes exists when contracting licensed professionals. This public trust is a key reason why the definition of certified journeypersons should not be diluted or confused through short-sighted government policy decisions.

The British Columbia Model

A decade ago the government of British Columbia moved to de-skill the trades and a recent research report shows that B.C. now has four times the injury rate in the trades than Ontario.ⁱⁱⁱ

Fire, environmental destruction, accidents, chemical hazards, injuries, and even deaths are a few of the enormous hidden costs associated with de-skilling the workforce. Workers with only niche training are more susceptible to the fluctuations of a changing labour market and ultimately, to layoff – another hidden cost that is borne by all.

The government must therefore promote the trades as a viable and preferable career choice by maintaining the mobility, versatility, and wage benefits associated with certificates of qualification in authentic trades, high-quality apprenticeship training, and the red seal program.

Protecting the Health and Safety of Workers and the Public

High workplace health and safety standards not only protect workers on the job but also ensure that the public interest is protected.

Whether they work on a construction site, work with hairdressing chemicals, or meat cutting blades, apprentices are sent to jobs where safety needs to be a priority.

One of the many strengths of the traditional apprenticeship system lies in the role of the journeyperson in teaching the apprentice how to do the job safely. Health and safety are one of many reasons that established ratios of journeypersons to apprentices are so essential. While some may suggest that ratios are barriers to employers' ability to hire apprentices, the OFL argues that ratios ensure apprentices are not used as cheap labour and have enough access to a journeyperson, who ensures that safety on the job is a priority for the apprentice.

The need for people to have a Certificate of Qualification is crucial for maintaining the health and safety of not only workers but also consumers. When a license is required to do a trade, this means that standards are set for the trade.

Compulsory certification and mandatory training ensure that health and safety knowledge and skills are incorporated into authentic apprenticeship training. The apprentice must be tested and licensed before becoming a certified journeyperson. This maximizes the safety of services being contracted and minimizes risk for the consumer and general public.

The reality is that there has been an overall de-skilling of those working in the trades. The qualification standards were reduced to that of basic proficiency with simple skill sets, in isolation from other skills

and aspects of the trade as well as with little regard for how such skill sets interact. The system ushered in place today is creating generations of workers who lack an understanding of their complete trade.

Further, while certificates are being provided to only partially trained individuals, the public remains largely unaware that the standards represented by the certificate have been drastically diluted.

Among the largest advantages in restoring whole trades and increasing the number of compulsory certified trades is the added protection for the consumer. By ensuring that consumers can trust the expertise of skilled trades persons, many of the worst problems faced by consumers can be eliminated.

Consumers will be protected at three levels. First, increasing the number of compulsory certified trades will, by definition, establish and extend health and safety training standards for apprentices. Second, the overall quality of work undertaken will be improved because only those genuinely qualified and experienced will be performing the work. Third, increasing the number of compulsory trades will, by definition, increase the extent of the monitoring and enforcement of all regulations that protect consumers, such as building codes as well as protections against dangerous goods and chemicals.

Promoting health and safety for workers and the public must therefore be a key function of any trades' governance structure.

Real Representation and Accountability Required

It goes without saying that representatives must indeed be representatives – accountable to, and selected by, those they represent. Without such structures of representation, there can be no meaningful exchange of ideas and viewpoints from a perspective broader than the individual worker or employer. This is especially crucial for employees.

Representatives must have independence – the ability to speak freely without an implicit or explicit threat of employer retaliation on the work site. Such conditions do not exist for non-union workers, and as a consequence, employee representatives who are not unionized may not put forward views that are seen to be in conflict with employer representatives. Indeed, our own experience to date – with Provincial Advisory Committees in which non-union employees are appointed – confirms that it is all too typical that non-union employees represent the views of the employer.

Moreover, without structures of accountability, the best that can be hoped for from non-union employees is that they represent only their own individual views. Simply put, while organized labour can generalize experience and identify trends, and while labour can select knowledgeable and accountable representatives through its democratic structures of accountability, no similar structure or provision exists for non-unionized workers. Hence, there can be no such thing as a non-union employee “representative”.

The OFL therefore strongly recommends that within any contemplated trades governance body, organized labour – defined as the Ontario Federation of Labour and the Ontario Building Trades Council – be given the right to select employee representatives for all positions earmarked for workers.

In conclusion, increasing the number of compulsory certified trades must be part of a broader strategy to expand the number of good jobs available in Ontario and to boost the skills and productivity of Ontario's workforce. In short, this discussion should be seen as one of many urgent steps that are required to ensure that Ontario is equipped for current and future labour market developments.

The OFL believes the healthy development of a skilled workforce has already been compromised by the failure of the policies implemented by previous governments. The starting point of any discussion on apprenticeship must be the urgent need to restore authentic apprenticeship training in the whole trades and to return to one piece of legislation such as the *Trades Qualification and Apprenticeship Act*, which was repealed in 2013.

The OFL believes that by restoring authentic apprenticeship training in whole trades, increasing the number of compulsory certified trades through one act, and improving enforcement mechanisms – this will have positive effects on the economy by:

- increasing the value of certification among employers, apprentices, and the general public;
- maintaining high training standards and premium wages associated with trade certification;
- limiting the scope of the underground economy;
- increasing the tax revenue base by reducing activity in the underground economy and increasing legitimate economic activity;
- expanding apprenticeship opportunities;
- improving the quality of work undertaken; and
- enforcing high-quality standards in the area of consumer and environmental protection.

Schedule 53

Bill 100 repeals those provisions of the *Public Sector Labour Relations Transition Act* (PSLRTA) that create an expanded idea of “health services integration” and replace it with a narrower scope of application to two types of events: the amalgamation of two or more health service providers as well as the transfer of all – or substantially all – of the assets of one health service provider to another.

This means that there will be a restricted range of health care integrations to which PSLRTA will apply and that PSLRTA will not apply to the transfer of services from one health provider to another.

As discussed in the OFL’s Bill 74 submission, *The People’s Health Care Act* is concerning for workers because it is unclear which labour relations regime (e.g., *Labour Relations Act*, *Public Sector Labour Relations Transition Act*) applies to resolve issues of successorship that will inevitably arise from integrated care delivery system designations, self-integrations, integrations achieved through funding changes, and transfers. The Act also overrides layoff, termination, and severance rights that may otherwise apply when employees are transferred from one employer to another.

That is not to mention the fact that the narrower scope of PSLRTA application, introduced through Bill 100, will contribute to greater labour disruptions resulting from impending integrations and will create greater instability. The reality is that bargaining agents have come to understand the PSLRTA process and it offers predictability in labour relations.

Ontario’s health care system is built and sustained by public care workers. This government needs to recognize that.

Schedule 57

Bill 100 proposes the CARE tax credit, which is based on a sliding scale for families with annual household incomes of \$150,000 or less. Families earning \$20,000 or less per year will qualify for 75 per cent of eligible expenses per child.

Under the tax credit, families with children under seven will top out at \$6,000 and children between seven and 16 will receive a maximum of \$3,750. Children with severe disabilities will receive up to \$8,250.

The reality is that this tax credit is rooted in bad public policy – it is both inefficient and inequitable.

According to a 2019 Canadian Centre for Policy Alternatives report, Ontario continues to be home to the most expensive child care in the country – with some parents paying more than \$20,220 a year.

Given that the total amount most families can receive will be capped at \$6000 and it is purported that the government will cover 75 per cent of costs, families will need to find child care that costs \$8000 annually. That is far below the yearly cost of child care for children aged three to school age (i.e., in the largest category of child care) across the province: Toronto (\$13,800) and its suburbs of Brampton (\$13,752), Mississauga (\$13,524), and Ottawa (\$12,084).^{iv}

It is also important to recognize that low-income families cannot afford to pay sizeable child care fees upfront and then wait until the following year's tax season to receive a rebate. In such cases, parents will be forced to rely on unregulated and for-profit arrangements, which have proven to provide inferior quality of care and undervalue care work compared to public and non-profit sectors.^v

The CARE tax credit therefore fails to bridge the affordability gap for Ontario parents -- even for the lowest income families.

That is not to mention the fact that tax credits do not build quality child care spaces, reduce wait lists, nor create decent work for all child care workers. The government must protect our children and establish universal access to child care that is affordable, high-quality, and publicly delivered.

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ⁱ 2006. Canadian Apprenticeship Forum. Return on apprenticeship training investment for employers – A study of 15 trades.

ⁱⁱ 2005. Ontario Chamber of Commerce. Taking action on skilled trades: Establishing the business case for investing in apprenticeship.

ⁱⁱⁱ 2017. Prism Economics and Analysis. BC's (not so) great apprenticeship training experiment: A decade reconsidered. BC Federation of Labour.

^{iv} 2019. David Macdonald and Martha Friendly. Developmental milestones: child care fees in Canada's big cities in 2018. Canadian Centre for Policy Alternatives.

^v 2014. Laurel Rothman and Martha Friendly. The case against for-profit big box child care. Toronto Star.