

2020 Vaughan Chamber of Commerce Provincial Pre-Budget Submission

The Vaughan Chamber of Commerce represents over 900 businesses across Vaughan. This submission has highlighted several issues our members have identified as key areas of consideration for the Provincial Government's 2020 budget.

Addressing Skills and Labour Shortages

One of the most pressing concerns facing Vaughan, is the inability for companies to be able to find skilled workers. Below are three options which we believe could help to assist this issue:

- **Support of the Provincial Nominee Program**

The Vaughan Chamber supports the recent amendments to the Provincial Nominee Program, which will allow for a greater influx of workers to alleviate the skills and labour shortage. However, we urge the Government to work closely with its Federal and Municipal partners to ensure that it avoids regular challenges currently within the immigration system. The Federal government's recent announcement regarding the Municipal Immigration Program, which will consult municipalities regarding their specific skills gaps, offers a preferable option to solve this issue at the micro-level. The Vaughan Chamber would encourage the Provincial government to align its approach with the Federal government to ensure there is a targeted approach to the integration of skilled migrants into the workforce.

- **Promote the Completion of the Apprenticeships**

On average, less than 50% of apprentices complete their trade certification. This is often due to companies poaching apprentices prior to them achieving Journey person status, as there is little incentive for them to attain this designation. The Government should consult with companies to develop both a policy and legislation to ensure companies encourage their employees to complete their apprenticeships. Expanding the \$2000 Provincial Completion Grant beyond its current scope of high school students, would increase integration into the trades.

- **Connect Young People with Industry**

According to the OCC, as few as 26% of young people consider a career in the trades despite the widespread shortages. The Vaughan Chamber believes this is partly due to youth and industry having few opportunities to connect. The Vaughan Chamber would encourage the Government to work with school boards and academic institutions to allow students to meet with industry professionals to learn more about the trades. Allowing promotional opportunities similar to those afforded to academic institutions will promote a better distribution of information on the trades. This will ensure that students are making informed decisions based on opportunity and market statistics and as a result, potentially alleviate the skilled labour shortage currently being experienced across the trades.

Remove the Regulatory Burden

While the Provincial government has done a great deal of work to try and reduce the regulatory burden felt by companies, Ontario still has over 380,000 regulations in place; the most regulations of any province in Canada. The Ontario Government has done an excellent job of both identifying and removing needless legislation, which has limited this regulatory burden. We encourage the Government to work with Chambers of Commerce and Boards of Trade as well as other business associations across the Province to ensure continuous identification and streamlining of the removal of red tape regulation across Ontario.

- **Small Business Red-Tape Reduction**

Small-to-medium sized businesses are the lifeblood of the Ontario economy, consisting of over 98% of businesses in the province. While the Vaughan Chamber applauds the steps taken by the Government to reduce red-tape, we believe more can be done to assist small businesses. While the most recent Fall-Economic Statement did introduce several tax cuts, and removed layers of red-tape, (e.g. the removal of Cap & Trade and alterations to WSIB premiums) these cuts affected both small and large businesses in equal measures. The Federal government applies a ‘small business lens’ when evaluating new legislation, which accounts for what effects it will have on SME’s. The Vaughan Chamber would recommend that the Provincial government adopts a similar approach when looking at cutting legislation and red-tape.

- **Consult with all Levels of Government to Remove Layering**

We would encourage the Provincial Government to work closely with the Municipal, Regional and Federal governments to ascertain which areas of legislation have been duplicated. Once this has been established, we hope that the Provincial Government works with its’ partners to remove these avoidable steps, which have inhibited the growth of companies in Vaughan. The electricity, housing and transportation sectors all provide examples where both individuals and institutions are required to receive approvals from at least two levels of government. This extended process subsequently contributes to lags in the production and services these industries provide.

- **Clarify the Smart Government Approach**

The Vaughan Chamber of Commerce supports any steps to streamline government processes, which are often overly bureaucratic and slow. While the Smart Government Approach, announced by the Treasury Board Secretariat last year, seems like an excellent initiative to cut paperwork and improve service, the details of this program are limited. The Vaughan Chamber and its members would appreciate more information on what the benefits of this approach will be. The Government Red-Tape Reduction website creates a prime example. The idea of a one-stop-portal allowing corporations and individuals to offer suggestions on how to reduce red-tape is excellent, but the details are still too limited to gage the impact of the program. An outline of the website and quantitative data reflecting its impact, would be useful tools for industry to understand the benefit of the Smart Government Approach. In addition to a direct outline of the reporting process for this website, we also request examples of data/suggestions which have been taken onboard and further information as to what other steps will constitute the Smart Government Approach.



Tackle The Housing Shortage:

Affordable housing has been a major concern for Vaughan's business community as price increases in GTHA have made it more difficult for their employees to find affordable housing within Vaughan. While steps have recently been taken, including the introduction of Bill 159, the Vaughan Chamber believes more definitive action is needed to solve this problem. Below are some options the Vaughan Chamber would like the Provincial government to consider in tackling the issue.

- **Support the 'Missing Middle'**

Research from multiple sources has indicated that one of the primary concerns with the housing market is the lack of the 'Missing Middle' housing. Developers and home-buyers alike have expressed the desire for an increase in this form of housing, rather than high-rise condos and detached houses. 'The Missing Middle' ensures developers are able to generate enough revenue from the housing to justify construction, while the housing is also spacious and affordable enough to consider purchasing. Government direction on this issue is key and there are steps that should be explored, such as:

- To draft legislation to designate specific areas of land that can be exclusively developed with housing that would constitute the 'Missing Middle'.
- Use of tax-breaks to incentivize developers to move away from building high rise condos or detached housing to building 'the Missing Middle' instead.

- **Streamline Processes**

Have the Ministry of Municipal Affairs and Housing conduct a full review of the current process to ascertain which areas can either be removed or streamlined. Specifically, identify areas of the process (such as zoning and permits) which can be moved to an electronic platform. There are currently over 100,000 developments which are being held up by the current approvals process, which is directly keeping people off the housing market. Other jurisdictions, including Finland, have already moved to the e-permit process to expedite development and it would be wise for the Government to have consultations and conduct jurisdictional scans to establish what methods could be used provincially.

- **Address the Lack of GDP Spend on Housing**

While the Vaughan Chamber respects the fact that multiple governments have underspent on housing and infrastructure development, this underinvestment needs to be redressed to alleviate the pressure on the housing market. The Vaughan Chamber recommends that the government reaffirm their commitment to the original plan of raising the percentage of GDP back towards the 5.4% designated towards housing and infrastructure in 2011. Without the correct investment for housing and infrastructure by the Provincial government, it will be impossible for the requisite affordable housing targets in Ontario to be met.



Industry Snapshots:

Outside of these core key issues there are several industry specific policy areas which the Vaughan Chamber would ask the Provincial government to consider in the upcoming budget.

Trucking:

The trucking industry is significantly affected by the skills and labour shortage with 22,000 national vacancies and the highest vacancy rate of any industry in the province. The industry is also held up by red-tape, as both drivers and trucking companies have to physically submit documents and make appointments to attain approvals. These processes can often take days or weeks to complete, which results in jobs and shipments being missed. Categorizing Truck Drivers as skilled workers would be the first step in solving this issue.

Mental Health:

Institutions such as CAMH have provided excellent research on the issue of mental health in the workplace but the stigma surrounding the topic still makes information limited. The 2019 Vaughan Chamber Policy Survey found a lack of sector-specific data, which we believe would be useful to give a more targeted approach to this issue. We recommend the government work closely with industry leaders and organizations, such as CAMH, to fund further studies to gain a better perspective on what sector-specific mental health issues exist.

Transportation Fare Integration:

Fare Integration remains a primary concern for businesses and Vaughan residents who are directly affected by the lack of regional integration. In 2018, 26,000 of 63,000 daily trips between the YRT and the TTC required double payment. Since then, this issue has only grown and is adversely affecting our employers' ability to attract and retain a skilled workforce. Without a central regional fare our existing TTC assets will not receive the service originally forecasted. We urge the government to implement a fully integrated fare system as soon as possible for York Region.

Electricity Pricing:

High energy costs have been an on-going provincial issue, with roughly a 71% increase in electricity prices over the past decade. Reports indicate that much of this is due to an ineffective pricing structure, that also lacks transparency. We encourage the Provincial Government to work with Municipalities to undertake a full review of the structure to ensure an increase in transparency as the first step to addressing these high energy costs.

Drug Pricing:

Organizations within Vaughan have expressed concern at the July 1, 2020 date for the Federal Drug Price Controls to come into effect. We request the government postpone the implementation date of July 1, 2020. The timeframe for implementation will not allow PMPRB to appropriately consult stakeholders and for companies to adapt reporting requirements and business models.



References

- <https://www.ontario.ca/page/ontario-immigrant-nominee-program-oinp>
- <https://www.ontario.ca/page/more-homes-more-choice-ontarios-housing-supply-action-plan>
- <https://rccao.com/research/files/RCCAO-CANCEA-Infra-Bulletin-May-22-2019.pdf>
- https://www.eda-on.ca/portals/81/PDFs/PolicyReports/EDA_Roadmap.PDF
- <https://cmha.ca/documents/entrepreneurs-mental-health>
- https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03090.html#point2-1
- <https://www.vivanext.com/blog/category/subways/>
- <https://sudburychamber.ca/wp-content/uploads/2019/08/Compendium-of-Policy-Resolutions-2018-2021.pdf>
- <https://www.ontario.ca/page/finish-apprenticeship#section-5>
- <https://budget.ontario.ca/2019/fallstatement/contents.html>
- <https://business.financialpost.com/opinion/philip-cross-ontarios-staggering-380000-regulations-are-warping-the-way-business-runs>
- <https://www.fraserinstitute.org/sites/default/files/evaluating-electricity-price-growth-in-ontario.pdf>
- <https://occ.ca/wp-content/uploads/Talent-in-Transition.pdf>
- <https://www.cbc.ca/news/politics/municipal-nominee-immigration-program-1.5404402>
- <https://occ.ca/mediareleases/reducing-red-tape-fundamental-to-a-stronger-ontario/>
- <https://rescon.com/news/files/Jul04-2018REMI.pdf>
- <https://www.york.ca/wps/wcm/connect/yorkpublic/0f5824b0-fc9f-4e91-975d-650456ce7350/dec+13+coles.pdf?MOD=AJPERES&CVID=mLVUrxP>

