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**Official Report
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Thursday 4 December 2014

**Journal
des débats
(Hansard)**

Jeudi 4 décembre 2014

**Standing Committee on
Finance and Economic Affairs**

Better Business Climate Act, 2014

**Comité permanent des finances
et des affaires économiques**

Loi de 2014 visant à instaurer
un climat plus propice
aux affaires

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 4 December 2014

Jeudi 4 décembre 2014

The committee met at 0901 in room 151.

**BETTER BUSINESS CLIMATE ACT, 2014
LOI DE 2014 VISANT À INSTAURER
UN CLIMAT PLUS PROPICE
AUX AFFAIRES**

Consideration of the following bill:

Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014 / Projet de loi 7, Loi édictant la Loi de 2014 sur l'obligation de faire rapport concernant la réduction des fardeaux administratifs et la Loi de 2014 sur les partenariats pour la création d'emplois et la croissance.

The Chair (Ms. Soo Wong): Good morning. Welcome to the Standing Committee on Finance and Economic Affairs. As per the order of the House on Thursday, November 27, 2014, we assemble here today to hold public hearings on Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014. The committee is authorized to sit today from 9:00 to 10:15 and from 2:00 to 6:00 p.m.

Each witness will be offered five minutes for their presentations, followed by nine minutes for questions from committee members, three minutes per caucus. Do we have any questions before we start? All right. Seeing none.

TORONTO REGION BOARD OF TRADE

The Chair (Ms. Soo Wong): At this point I'll call our first witness—I believe everybody has their agenda in front of them—the Toronto Region Board of Trade. Mr. Chris Holling, director of economic development, good morning.

Before we begin, I just want welcome you to the committee. As you heard, we have five minutes for your presentation. For the sake of Hansard, we need you to identify yourself and your position with the Toronto Region Board of Trade. Thank you and welcome. You may begin any time.

Mr. Chris Holling: Thank you very much. I'm Christopher Holling, director of economic development at the Toronto Region Board of Trade. We certainly strongly support the objectives of Bill 7, first of all with regard to reporting and tracking the reduction of red tape,

which is very important to our members, but also quite significantly with respect to the focus on spurring the development of regional clusters.

The board, for many years, has been advancing this as a strategy for improving the low level of productivity across the province, increasing wages across all of our trade and business clusters—certainly those in Toronto. We really see it as one of the key factors of success for the development of the Toronto region.

I think there's a good understanding of what clusters are, so I won't go too much into that. It's this mix of bringing together public and private sectors but also the whole range of the clusters. Clusters are different from industries. They're bringing together suppliers, educational institutions and finance together to work on common problems, to make the overall cluster and the overall region more competitive.

We've certainly seen this work quite well in the work that we've been doing on it in the human health sciences cluster in Toronto, where we've got a very senior committee directing the efforts. We're providing support to them. They've worked out a strategy. We've got a couple of key strategic objectives, and we're already on our first project, which is doing a marketing strategy and branding project for the health sciences cluster in the GTA.

I think the bill is going to be very helpful. It's important that it not be overly prescriptive in terms of how clusters are actually run and developed, so there is a need for certain parameters. I think there's a good understanding with regards to what the success factors are in a cluster project; we certainly have strong opinions about that. My sense is that there's a good understanding of what those success factors are—being private-sector-led, needing to have good personal involvement on the part of CEOs in the cluster—for really making it happen.

We certainly want the government to be open to entering into partnerships with existing cluster initiatives, not just ones that are starting. For example, our human health sciences cluster initiative would be one of those.

Finally, if you look around the world at cluster initiatives, you will often see boards of trade and chambers of commerce being a focal point for those. We can be an independent platform that allows different parties to come together in neutral territory and collaborate. So, certainly, we would encourage the government to collaborate with all the various chambers and boards of trade across the province when considering these initiatives.

Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Holling. The first round of questions will be coming from the opposition party. Is it Mr. Bailey or Mr. Arnott?

Mr. Robert Bailey: Go ahead.

The Chair (Ms. Soo Wong): Mr. Arnott, welcome.

Mr. Ted Arnott: Thank you, Madam Chair. I want to express appreciation to the Toronto Region Board of Trade for making this presentation this morning on Bill 7. We appreciate your input and your suggestions.

The first question is, do you have any ideas or suggestions for amendments to the bill?

Mr. Chris Holling: No.

Mr. Ted Arnott: So you're totally satisfied with it as it's currently written?

Mr. Chris Holling: I think it's a good framework for really stating government's intention to be supportive of this, for giving some good kind of ground rules, again, for the government, in terms of how they interact. I think it's good that it's not overly prescriptive in terms of exactly what needs to be done.

We've certainly seen in other jurisdictions in the US where there is this type of legislation that says, "We need to be open to it. We have some format for doing that." And then it's really in the implementation that it's important. We're certainly expecting to—we're very interested to see the associated regulations when this is actually implemented. Those are things you can't put into a bill. It's really going to have to be based on looking at success factors from other initiatives around the world and making sure it's implemented according to those factors.

Mr. Ted Arnott: But of course the regulations are very important. What would be your expectations in terms of consultation prior to the development and the final decisions on the regulations?

Mr. Chris Holling: I think there should be a lot of consultation. I know already we've had different discussions about our experience in terms of what we see as success factors. I think it's really important that there be consultation, yes.

Mr. Ted Arnott: For our part, as the official opposition, we would insist that groups like yours would be consulted prior to the development and the final decisions on regulations. The way this bill has been rammed through the House, we wonder.

We have literally one day for hearings—today. The order of the House that was pushed through by the government, the time allocation motion, forces us to have our amendments in place and filed with this committee by noon tomorrow, which leaves us very little time. Normally, in a normal public process, you'd have an opportunity for public hearings and then when those public hearings are completed, based on the public hearings and on the feedback that we've heard, developing the amendments and then, in turn, having them tabled at the committee in a reasonable period of time. But the public hearings are going to be finished today. The amendments have to be filed by noon tomorrow, and then we do the

clause-by-clause hearings on Monday of next week, and I guess the government hopes to have it back to the House for a third reading vote before the House rises on the 11th.

So we're concerned about that process and what we feel to be insufficient consultation, but at the same time, our position would be that groups like yours would be given suitable and adequate consultation. Certainly, we do support the idea of regional economic clusters, but we also question whether or not this bill is needed to establish those. The government would want to be supportive in whatever way it could be, I would hope. But economic clusters have developed in the absence of Bill 7, based on economic factors—

The Chair (Ms. Soo Wong): Mr. Arnott, your time is up.

Mr. Ted Arnott: Okay. Again, thank you very much for your presentation. It's appreciated.

The Chair (Ms. Soo Wong): This round, Mr. Gates.

Mr. Wayne Gates: Good morning. How are you?

Mr. Chris Holling: Good morning. Good.

Mr. Wayne Gates: I appreciate it. Thanks for coming.

It doesn't happen very often, so you might as well enjoy this while you're here: I actually agree with the Conservatives. I think that a bill like this should not be time-allocated. I think we should have the opportunity to meet with more stakeholders. I thought I'd want to make sure I get that on record.

Maybe you can explain how this bill is going to help with the—because your opening comments were interesting to me, quite frankly. Your first thing, almost, that you said was about our low productivity in the province of Ontario and wages. I'd like you to elaborate a little more on those two things, because I know that there are clusters in the automotive sector, and quite frankly, our productivity in the automotive sector is a lot higher. I'd appreciate that you talk a little more on that.

Mr. Chris Holling: Yes, and it's certainly that that finding is backed up by even the most recent Task Force on Competitiveness, Productivity and Economic Progress. It's a really excellent report that talks about this challenge that we have in Ontario, that we do have trade in clusters, but really, across the board, if you benchmark a lot of them against US peers, the wages that we're paying are significantly lower. We're kind of sitting in a lower-value-added trap. I'm not saying it's in all clusters; the automotive is an exception. But if you look at really the range of clusters, which, again, the task force did, and we've done in our various scorecard and prosperity reports, going back to 2012 and before—we've observed this issue about the productivity problems.

0910

Productivity means wages. It's really what all of us in Ontario are earning when we're going to work. There's academic and practical evidence that when you come together and you collaborate, you can find more innovative, higher-value-added activities to be pursuing. You can be exporting more. That ultimately means

higher wages, because you are doing more value-added activity around the world.

Mr. Wayne Gates: Is this bill a major overhaul to the way Ontario does business?

Mr. Chris Holling: I don't see it as a major overhaul.

Mr. Wayne Gates: That's a short answer. The short answer, is you don't see it—

Mr. Chris Holling: I see it as a useful step—

Mr. Wayne Gates: I'll add to the question: How do you think the bill is going to help?

Mr. Chris Holling: I think it's going to be very useful in really giving more profile to the need for business leaders to come together around their sectors, bringing sectors together to think in a cluster way, to collaborate on how to collectively make regions stronger. Then it gives a framework for the government to interact with those leaders.

Mr. Wayne Gates: I bet the business community is very interested in the cluster part of this.

Mr. Chris Holling: Yes.

Mr. Wayne Gates: What are you hearing from other businesses? Maybe give me some examples, if you have heard from other businesses that have gone over the bill, like the bill, think it would help their business, maybe help them expand, help with their productivity. What other businesses have you heard from about that?

Mr. Chris Holling: I would say digital media, a lot of the ICT clusters—the Toronto Financial Services Alliance is a good example of a very successful cluster, and Film Ontario. We've got cluster-building activities in the food processing industry. Here, we've got the aerospace cluster development work that's happening around Downsview. We're starting to see some focus on advanced manufacturing—

The Chair (Ms. Soo Wong): Mr. Holling, can you finish your sentence? That's it for this round.

Mr. Chris Holling: Yes. We are seeing our members talk about the success of cluster development in these other industries in Toronto.

The Chair (Ms. Soo Wong): Thank you. This round is to the government side. Ms. Albanese.

Mrs. Laura Albanese: Good morning, Mr. Holling, and thank you for appearing before our committee. I know you touched in your presentation on the importance that clusters can play in Ontario's economy. But one of the things that I wanted to ask you—I've heard you mention this and I've heard our minister, the Minister of Economic Development, Employment and Infrastructure, frequently refer to the line, "Clusters collaborate to compete." It was originally the Toronto board of trade that coined that phrase. Can you explain to the committee the connection between cluster collaboration and competing in the global market?

Mr. Chris Holling: Well, really, clusters are about bringing wealth into a particular region, into Ontario. We have companies who are doing that exporting, basically bringing the wealth into the province. Now, they are competing when they're doing that, but there are a lot of issues where, if they collaborate on mutual problems,

they can make themselves collectively stronger and individually stronger. Some of the classic examples are access to capital issues, workforce development issues, access to technology issues. If they can increase the assets that they are able to draw from, they will all be stronger, and of course they're going to each compete about making sure they're the first ones to access those resources and do it in the best way. So you do have that competitive spirit, but they've collectively made the region stronger because of that collaboration to focus on shared assets.

Mrs. Laura Albanese: I'm not sure how closely you were able to follow the debate on this bill, but one of the critiques from the opposition—and I think that also transpired this morning—is the necessity of legislating cluster development.

Now, as I understand it, this would be the first piece of legislation in North America to focus on cluster development, and demonstrates, I think, Ontario's emphasis on building up clusters. If passed, the minister would do a review every five years and publish the results. In your opinion, why is it important to legislate cluster development?

Mr. Chris Holling: I suppose our initial view was that it wasn't crucial to legislate, but it is useful and it gives profile to the need for it. It really does give the ability of the government to get some focus around it across a lot of different ministries, that it's not just the economic development ministry that's involved. It's about marshalling all the resources of the government because you never know when you do a cluster piece what some of the issues will be, and it could be some of the—well, it's usually that—

The Chair (Ms. Soo Wong): Mr. Holling, can you finish your sentence?

Mr. Chris Holling: —the solutions are found all across the government. It's an interesting approach and it's one we support.

The Chair (Ms. Soo Wong): Thank you, Mr. Holling. Thank you for being here today.

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Ms. Soo Wong): The next witness is Canadian Manufacturers and Exporters, Mr. Ian Howcroft and Mr. Paul Clipsham.

Gentlemen, can you identify yourself for Hansard? You have five minutes for your presentation, and this round we will lead with Mr. Gates from the opposition third party.

Mr. Ian Howcroft: Good morning, and thank you, Chair. Thank you to the committee for hearing us this morning. My name is Ian Howcroft and I'm vice-president of Canadian Manufacturers and Exporters. With me is Paul Clipsham, CME Ontario division's director of policy and programs.

We're very pleased to be here this morning to support Bill 7, albeit a short bill. We think it's both important and

foundational. It will set the framework that will allow us to start the process to move forward.

I'd also like just to highlight how important it is for manufacturing. Manufacturing has, I think, sometimes a bad rap. We were here earlier this week to talk about the importance of manufacturing, the image of manufacturing and how integral it is to the economy. It still produces \$275 billion in manufactured output per year, employs 800,000 jobs directly and 1.5 million jobs indirectly; 75% to 80% of R&D is conducted by manufacturers, and I think the cluster opportunity will increase with that; and for every dollar invested in manufacturing, it generates about \$3.50 in total economic activity. We think this bill will go even further to help support moving manufacturing forward.

We just did a management issues survey, identifying what the key issues are. One thing that became clear is how optimistic respondents were, manufacturers were, about the future. The vast majority saw the opportunities for growth and employment, revenues and profit to be significant. But there are a lot of challenges that have to be dealt with. One of them is new markets, exports; another is the skills challenges—and I think the cluster opportunity is enhanced by having a focus on skills; and also reducing regulatory burdens. Some of our members spend an inordinate amount of time complying with regulations, and that was highlighted in the surveys, so we have to find ways to deal with that.

Therefore, we support the bill as a key piece of enabling legislation that will help to reduce the regulatory burden and work towards developing clusters. We do recognize that we have made some progress in the area of regulatory burden reduction through the Open for Business initiative. However, that initiative also showed how much more still had to be done, how much more regulations needed to be updated, to change or streamline. Our members, the manufacturers in Ontario, continue to grapple with that. It's a high cost and the administrative burdens are significant. Many examples can be cited, particularly in the area of the environment, with toxic reduction legislation, air emissions etc. We support the goals and intent; however, we think there has to be a better way to deal with that.

The first step is to acknowledge that there is a problem and we need to inventory the volume of regulations and identify the regulations which are burdensome, which are not delivering the results that were intended, and what changes are necessary. Bill 7, in our view, is an important first step in this process, and we look forward to working with the government throughout the process, the reporting process, and developing more of the details.

When you look at regulation, it's the cumulative impact of all the regulations. When you have to comply and meet varying standards on various pieces of legislation all at the same time, it becomes extremely burdensome, and you also have examples of unintended consequences. That's why we think Bill 7 will help us have a better approach to regulation development. We can get rid of some of the cumulative impacts and we can

address some of the unintended consequences. We saw that recently with Bill 18. Well-intentioned though the goals were, there were a lot of consequences, in our view, that would result that weren't intended and would cause significant problems for manufacturers and businesses.

0920

We do support cluster development where the cluster is industry-driven and focused on innovation, skills development and productivity. A key example of this is the Downsview aerospace cluster. It's coming along, and this bill, I think, will help support that and will better establish it as a best practice that other cluster groups can look to. It's about bringing together competitors, but also developing a cluster that brings together the supply chain so that we can compete nationally and internationally as a global supply chain. I think Bill 7 will strengthen our opportunities to do that.

We have the opportunity to have a more strategic approach to cluster development by using Bill 7. It's something that, again, we support and look forward to working with the government on to develop the details, which are also extremely important.

Thank you very much. We'd be pleased to answer any questions.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Gates, you have three minutes.

Mr. Wayne Gates: I thank you for your presentation and I thank you for coming, but because you don't have a lot of time to discuss this bill, I could tell that you were talking extremely quickly.

Mr. Ian Howcroft: My wife tells me that too.

Mr. Wayne Gates: Well, I don't want to get into the family feud. But at the end of the day I believe, like you do, that manufacturing can still be the heart of the Ontario economy. I think, for whatever reason, the province doesn't see that maybe as clearly as somebody like yourself or, quite frankly, like myself, who comes out of a manufacturing background.

I think some of the things that are out there—probably a lot more important than Bill 7, by the way, is the fact that our Canadian dollar is finally coming down to probably where it should be. It's not being driven by the petrodollar that we've experienced over the last years and that really hurt manufacturing.

I'd like you to kind of say those numbers again on the jobs that are still created in the province of Ontario through manufacturing, because I think they're important, certainly for my colleagues here, the MPPs, to hear again. Because I didn't get them all down, I wouldn't mind you saying it again.

Mr. Ian Howcroft: Okay. In manufacturing in Ontario, we have approximately 800,000 direct jobs and there are another 1.5 million jobs that are indirectly dependent on manufacturing. Many of these are service jobs, high-tech jobs, HR jobs and finance jobs that are supporting the manufacturing sector.

Mr. Wayne Gates: So you're in agreement that we shouldn't be giving up on manufacturing, that we should be reinvesting in manufacturing and continuing to grow.

We have a great opportunity in a number of sectors. I mentioned auto earlier, but you mentioned aerospace. There are lots of other sectors where we can certainly do a lot better job in manufacturing; I think you're in agreement.

Mr. Ian Howcroft: Yes, total agreement. We think there are huge opportunities. We will provide the committee with copies of our management issues survey that talks about how optimistic they were from a broad range of sectors. In the food services sector, there's a huge demonstration of growth opportunities. We think that Bill 7 will complement that and will allow us to harness even more additional resources to better deal with the challenges that have faced manufacturers.

Mr. Wayne Gates: Yes; and it was unfortunate that we got out of the food processing business for a while there. It's good to see that we're starting to do it.

Is there something in the bill that you'd like to be added to make it more clear for the manufacturers in the province?

Mr. Ian Howcroft: I think the bill is quite clear, but we also want to work with the government to develop the regulations and fill in how we move forward. We think we have in Bill 7 a flexible framework to move forward with, and the intent would be to come up with the details that would allow—

The Chair (Ms. Soo Wong): Mr. Howcroft, could you finish your sentence?

Mr. Ian Howcroft: —the various clusters to take advantage of what they need in their particular area, in their particular sector.

The Chair (Ms. Soo Wong): Great. Thanks. This round is from the government. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much for coming and speaking before our committee today.

In Kitchener Centre, my home riding, we certainly understand the critical role that a cluster development can play. And forgive me; I'm going to be a bit of a cheerleader here. Our star cluster development is Communitech, which is with the tech industry. Together they brought the University of Waterloo, Wilfrid Laurier University and Conestoga College, which has a strong manufacturing background. Then we've got some large tech companies that are there: OpenText, BlackBerry and Christie Digital, just to name a few.

Put them all together with angel investors and what we have witnessed is just an explosion in the tech sector. It's very impressive. In just five years, they have created 1,700 tech start-ups—that's 10,000 jobs—and this renaissance in our downtown core, which was dying at one point. It's now seeing a resurgence with retail, and we've got a couple of large condo developments that are happening. So we know the impact that a cluster development can have. If you can comment on how you see this affecting your industry.

Mr. Paul Clipsham: Sure. Well, I think there are a couple of ways that Bill 7 is helpful. What I like about the bill, and what we like about the bill, is that it creates a framework for consultation with industry on how to best

go about developing clusters, because, as Ian mentioned, I think that's critically important that it's industry-driven and that the strategy would be developed in collaboration with industry.

So there is an important role that government can play. Part of that is bringing together the right people, the key people, the stakeholders, the decision-makers, that can help move clusters forward.

The other thing that we wanted to point out is that we think the framework—there are subsector clusters, like the Downsview clusters, which are fairly obvious. But what we've been calling for for a long time is a cluster strategy, if you will, for manufacturing more broadly, because within subsectors there's a lot of cross-pollination, if you will. So having a strong manufacturing base across a variety of subsectors is really what has been a strength for Ontario, and we need to continue to support that; so how we can apply the Bill 7 cluster strategy methodology for specific clusters like aerospace or tech, IT tech, and apply that across the manufacturing sector more broadly as well.

Ms. Daiene Vernile: Yes, we see some very encouraging—

The Chair (Ms. Soo Wong): Okay. Sorry, Ms. Vernile.

Ms. Daiene Vernile: We'll continue later.

The Chair (Ms. Soo Wong): This round of questions will be from the opposition. Mr. Bailey.

Mr. Robert Bailey: Well, thank you for your presentation today. Ms. Vernile mentioned clusters, and it made me think about Sarnia. We have clusters there as well, with the research park. It has brought a lot of activity there. My colleague said, "And that was before Bill 7." In her case as well, that they established in their cities as well.

You talked about working with the government. Is there anything off the top of your head that you could suggest today that you'd like to see as amendments or as improvements to this bill? Do you know an easy, quick win that if we could include something that you'd—

Mr. Ian Howcroft: Well, again, I think the bill sets the framework that we need to move forward. The details are going to be worked out in the regulations. We have had great success in some cluster development, and I think the bill will highlight the opportunity, better profile that success and let us have even more success as we go forward.

We're doing a lot as an organization. We're regionally based and looking for cluster opportunities as well. So I think this gives us an opportunity as an association and as a sector to make sure that we're harnessing the resources of other organizations to bring together the manufacturers, the supply chains, the educational institutions and other organizations that can help leverage all that the region or the cluster can bring to bear. So we think that this is an important opportunity that Bill 7 will allow us to better facilitate.

The Chair (Ms. Soo Wong): Mr. Arnott?

Mr. Ted Arnott: Red tape is a huge issue for manufacturers, and you know that as well as anybody,

obviously, and you hear from your members. But this was brought to my attention by a company in my riding, Aberfoyle Metal Treaters Ltd. I received this email:

“In the past, issuing of routine (less complex) oversized load permits in Ontario were typically issued within two to three days, this has now increased from five to 10 days. The two-page document is now a multiple-page process....

“In our case as an example, we are servicing a cluster of aerospace customers in Michigan that manufacture very large, complex tooling for the new Boeing 787 Dreamliner and Airbus A350. Aberfoyle is one of a very few” facilities “in North America who has a proven track record in successfully handling and processing these value-added components for the past eight years.”

But because of the fact that the permit process for these oversized loads has increased and created new red tape, this company is having trouble convincing its customers that it can deliver on time. Of course, all manufacturing is just-in-time these days.

So this is just one example, but you would concur that that’s an issue that needs to be addressed?

Mr. Ian Howcroft: Yes, we need to find ways to improve a whole variety of regulatory burdens, that being one of them. I’m very familiar with Aberfoyle Metal Treaters. They’re a very active member of ours. Thank you for raising that, Mr. Arnott. I’ll follow up with them as well to see what we can do to assist on that. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Now, Mr. Howcroft, you said earlier that you have a submission to the committee. The deadline for that submission is tonight at 6 p.m. Can you make sure you submit it to the Clerk?

Mr. Ian Howcroft: Yes, we will make sure that you get that.

The Chair (Ms. Soo Wong): So thank you so much for being here today.

Mr. Ian Howcroft: We’ll get that to the Clerk today. Thank you very much. Have a good day, everybody.

0930

ONTARIO CHAMBER OF COMMERCE

The Chair (Ms. Soo Wong): The next witness is the Ontario Chamber of Commerce, Josh Hjartarson and Alexandra Schwenger. They are both from the Ontario Chamber of Commerce. Welcome. You have five minutes for your presentation. This round of presentations will start with the government side. Can you identify yourself and your position for Hansard purposes? Thank you very much. You can begin.

Mr. Josh Hjartarson: Thank you. My name is Josh Hjartarson. I’m the VP, policy and government relations, at the Ontario Chamber of Commerce. My colleague is the policy lead on this file. This is Alex Schwenger, who is a policy analyst with the Ontario chamber.

Ms. Alexandra Schwenger: Good morning. Thank you for inviting us here today to speak on the bill. I’m

first going to comment on the Burden Reduction Reporting Act, and then the Partnerships for Jobs and Growth Act.

In Emerging Stronger, the OCC’s economic agenda for Ontario, our number one priority is fostering a culture of innovation and smart risk taking in order to be a productivity leader. This includes advocating for a better business climate through productivity and innovation.

The regulatory system plays a crucial role in creating a strong business climate. We believe that Bill 7 is a good start. The annual reporting process creates accountability and continuity which will hopefully translate into increased prioritization for burden reduction within government. However, we believe that a much more comprehensive approach is required. Although Open for Business is a good start, there needs to be an in-depth exploration of barriers from a business climate perspective.

Regulatory burden has a big impact on the business climate in Ontario. To illustrate this, I have three examples for you of regulatory burdens as experienced by three regular Ontarians.

Bill owns a plumbing company in Timmins. He has a small staff of four journeypersons and two apprentices. Two of his journeypersons are retiring soon. He would like to hire additional apprentices now to begin training to replace his retirees; however, he has to wait until his two current apprentices graduate because of the restrictive journeyperson-to-apprentice ratios. Ontario’s outdated apprenticeship ratios slow down workforce replacement and exacerbate skill shortages.

Tom grew up working at his family’s sawmill in Quebec. He now owns a piece of land in northeastern Ontario that he would like to open his own sawmill on; however, because the gray ratsnake has been placed on the at-risk species list, any economic activity on that land can be challenged or even shut down. In 2003, there were 19 species on the at-risk list; today there are over 121. The Endangered Species Act is hurting our agriculture and forestry sectors.

Marie is starting her own company. She has heard the government offers supports for start-ups, so she looks into it online. Marie discovers that both levels of government fund dedicated agencies that provide supports to targeted regions. Both also provide general incentives in granting programs to spur business investment. However, their efforts across this suite of programs are duplicative and confusing. Both levels of government need to review their supports and coordinate better so that Marie can access the supports most relevant to her.

To reduce regulatory barriers, OCC recommends the government allow MEDEI to have greater input in all new regulations in order to determine their impact on Ontario’s competitiveness; adopt a crowdsourced approach to regulatory change, such as the UK’s Red Tape Challenge; streamline approval and compliance procedures between levels of government, specifically in the area of environmental assessments; and support outcomes-based models of regulation.

With regards to the Partnerships for Jobs and Growth Act, we've begun to see clusters emerge organically across Ontario. Some examples of clusters include petroleum refining in Sarnia, life sciences in the GTA, mining and the mining supply services in Sudbury, and ICT in Kitchener-Waterloo.

Through this bill, government is responding to industry needs and supporting regional economies. Our local chambers of commerce and boards of trade are willing to, and have been, playing a role in facilitating regional or sectoral discussions around cluster creation.

The OCC's economic leadership series engages small, medium and large businesses along with industry groups, community leaders and other partners in these areas. Over the past two years, the OCC has hosted over 15 economic leadership sessions across the province in partnership with our chambers of commerce and boards of trade. Sessions have focused on both regional and sectoral priorities. We would be happy to share expertise in this area with MEDEL.

Thank you. We're now pleased to answer your questions.

The Chair (Ms. Soo Wong): Thank you very much. This round is for the government. Ms. Lalonde.

Mrs. Marie-France Lalonde: Thank you very much to both of you for being here. As a previous business owner myself, I had the great pleasure of belonging to the Orléans Chamber of Commerce, so I certainly appreciate the role that you contribute to business and industry in the province.

I heard what you're saying, and I had just maybe a question regarding—in the past few years, as you know, our government has tackled about 80,000 regulatory burdens. The minister sometimes likes to put some words there, and sometimes he says, "It isn't about what we regulate but how we do it." If I was to ask what type of regulatory reform your organization would like to see in the annual reports, if the proposed legislation is passed, what would it be?

Mr. Josh Hjartarson: That's a great question. What we'd like to see is a comprehensive suite of the cost of existing regulation. But any time a new bill or new policy is introduced—for example, the Ontario Retirement Pension Plan—along with that bill should be a rigorous cost-benefit analysis and the impact on the business climate. That should be a part of the overall, I'd say, decision-making process. It should be submitted to the cabinet table, but also should be made public so that the public and businesses have a clear understanding of what proposals are going to cost them, both from an administrative but also financial burden.

I think there's also more attention to the, if you will, regulatory burden that has accumulated by having each province pursue its own approaches; for example, waste management, waste reduction. Ontario is going out on its own and has introduced new legislation as a unique approach, but if you're a company that has offices and operations across the country and you're headquartered in Ontario, you have to comply with 13 different sets of

regulations. That should be, I would say, accounted for as you actually detail your regulatory burden, so it's not just on the specific Ontario operations, but how Ontario's approach, if it's unique, impacts a country-wide operation. Those are two suggestions.

Mrs. Marie-France Lalonde: Okay. Thank you very much.

As you know, this bill will be about producing a report on a yearly basis. So every June we will, if this bill was to be passed, produce an annual report that the ministry would be putting together. If this bill is passed, can you explain your position on how this legislation, the need for a public release, will keep our government and our future government transparent and committed by reducing unnecessary burdens?

Ms. Alexandra Schwenger: We believe that by having an annual report you're creating accountability in the process, because every year businesses can go on MEDEL's website and see what is being done in their sector or their industry to help do that. We hope by doing that, it will highlight the importance of burden reduction and—

The Chair (Ms. Soo Wong): Thank you for that response. This round of questions: Mr. Arnott.

Mr. Ted Arnott: Thank you very much. Certainly, our official opposition caucus agrees that it would be helpful to have an annual report on whatever the government is doing to reduce so-called burdens—translation: red tape.

There is a report that the government released, I believe, earlier this year called Ontario Open for Business: Fewer Burdens, Greater Growth—Burden Reduction 2013 Highlights. Are you familiar with this report that was released by the Ministry of Economic Development earlier this year?

Mr. Josh Hjartarson: I think I've seen it. It's probably crossed my desk, and I glanced at it, but I don't know the contents in detail.

Mr. Ted Arnott: This reinforces our belief that the government doesn't need Bill 7 in order to create an annual report highlighting whatever it is they've done to reduce burdens. That's one of the points we've been making. In doing so, we're trying to get the government to do more to reduce red tape and eliminate the unnecessary red tape burdens on our businesses.

We've heard from a number of groups as a result of the debate on this bill that has been initiated. We've heard that one third of Ontario's business owners have stated that if they had known about the burden of regulation, they may not have gone into business in the first place. Do you hear that from your members as well, that degree of concern about red tape?

Mr. Josh Hjartarson: Red tape is a big issue for business, and I think it's across the country and across the globe. I, myself, was a small business owner and a single proprietor, and the amount of paperwork even to comply with regulations around WSIB etc. was kind of overwhelming, I have to be honest.

This said, I think that any move the government makes to impose accountability upon itself is positive. I also

think that it would provide a platform for us to actually begin to quantify steps. So you have a standardized reporting mechanism that enables us to blast our members and to judge in a very material way, is enough being done or not?

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I think a legislated approach is good because it actually imposes a requirement, and it also creates public expectation around that requirement—so it's not buried, if you will. You can't release it on a Friday afternoon at 5 o'clock before a long weekend.

Mr. Ted Arnott: As this government sometimes does.

The Chair (Ms. Soo Wong): Thank you very much for your remarks.

Mr. Gates.

Mr. Wayne Gates: I was expecting that to come from him, not necessarily you.

I do appreciate you coming. There were a couple of things that you talked about; maybe you'd like to elaborate on where you think there should be more consultation. One of them was the Ontario retirement plan. Maybe you could elaborate on that.

Mr. Josh Hjartarson: I think most people in this room and most people in the province recognize that Ontarians aren't saving enough. I agree with you. The fundamental question is, what is the best policy response to get the desired outcomes?

There is a proposal that has been put forward by this government that in our view has not been subject to adequate public due diligence. I'm not saying that we're necessarily against it, but we would like to see—where are the numbers? Show us the numbers. We're very vocal about that. That position is shared across the entire chamber network, 160 communities and the vast majority of our 60,000 members.

I think this bill is actually illustrative of a generalized approach that can be applied to regulation, to legislation; and that is, let's be transparent and let's do a very public impact analysis. Let's publish that impact and let that inform the debate about whether or not this is the appropriate policy response for the desired outcome.

Mr. Wayne Gates: Maybe you can tell me about the annual report. Is it your understanding that it's every year?

Mr. Josh Hjartarson: The word "annual" implies every year, but I feel that there's a trick question there. So, Mr. Gates, I'm looking forward to your response to that question.

Mr. Wayne Gates: I'm the one who asks the questions, not the other way around.

Mr. Josh Hjartarson: Okay.

Mr. Wayne Gates: No, the reason why I say that is because the language in the bill says that they may do an annual report, but no later than the end of the year. So actually, the report could come out in a year and a half, not necessarily within a year. That's why it's always important, if you're reading the bill, to read the words. "May" is a different word than "shall" do a report every

year, so I thought I'd give you a heads-up on that in the bill.

Mr. Josh Hjartarson: Okay. I will rely on your expertise.

Mr. Wayne Gates: Well, I think it's important, right? If you think it's coming out annually and then you find out it's coming out in 18 months, that's a big change to your organization. As big as your organization is, they'd want to know that, I would think.

The other one that the young lady talked about is on the apprentices in a small business. I didn't catch what the entire thing was because it was hard to hear that. Maybe you could explain that again on what—small business was having a problem with apprentices.

Ms. Alexandra Schwenger: The apprenticeship ratios in many of the skilled trades require there to be two trained journeypersons to train one apprentice. In this example, the company had four trained journeypersons and two apprentices. Because it was a 2-to-1 ratio, they couldn't take on any more apprentices to replace their workforce, even though they knew that two of their employees were retiring.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation.

Mr. Josh Hjartarson: Thank you.

The Chair (Ms. Soo Wong): All right. Because we had witnesses already scheduled on a first-come basis, I'm going to ask, are there any other interested presenters in the room right now? Seeing none—

Mr. Ted Arnott: Point of order, Madam Chair.

The Chair (Ms. Soo Wong): Yes.

Mr. Ted Arnott: I would just like to confirm that all members of the committee have the presentation in front of them from the Canadian Federation of Independent Business, which is a very important stakeholder with respect to this bill. It's only a page and a half, and I would certainly encourage all the government members, hopefully, to take a few minutes to read it—

The Chair (Ms. Soo Wong): Yes, I think the Clerk had put it on the table for every member.

Mr. Ted Arnott: —because they have some suggestions about strengthening the bill. I would hope that, again, the ministry staff who are monitoring this will pay close attention to what the CFIB is recommending and implement their recommendations. Thank you.

The Chair (Ms. Soo Wong): Thank you for that reminder to the committee.

I just have a couple of housekeeping stuff for the committee. The deadline for written submissions is—

Interjection.

Mrs. Marie-France Lalonde: Just to clarify, Mr. Arnott, if I read, "we urge you to recommend the immediate passage of Bill 7"—

Mr. Ted Arnott: Well, we can't pass it today, but—

Mrs. Marie-France Lalonde: No, but just to make sure that this is what CFIB is referring to, right?

Interjection.

The Chair (Ms. Soo Wong): So let me go back to some—Ms. Vernile?

Ms. Daiene Vernile: Is there a reason why we only have paperwork from them? Are they going to be appearing?

Interjections.

The Chair (Ms. Soo Wong): Excuse me. I was told by the Clerk that CFIB was not able to be present today, so they presented something in writing to submit to the committee. That's why they submitted to us in writing, because they unfortunately weren't able to be present today.

Ms. Daiene Vernile: Okay, so we have their supportive and encouraging letter.

The Chair (Ms. Soo Wong): Absolutely.

So I just want to have a couple of housekeeping items before we adjourn. The deadline for written submissions is 6 p.m. today. The deadline for filing amendments is at 12 noon tomorrow, which is Friday, December 5, 2014. Clause-by-clause consideration of the bill is scheduled for Monday, December 8, 2014, from 2 p.m. to 6 p.m. All right? Are there any questions? Mr. Arnott.

Mr. Ted Arnott: In response to that, Madam Chair, I would just say that in a normal, useful committee process, there would be more time to allow for members to consider the responses from the public, in terms of the

public hearings, to develop the amendments and then table the amendments. This is a very, very rushed process that I don't think gives adequate opportunity for groups to bring forward concerns or for members of the Legislature to consider them and, in turn, draft amendments. As a general rule, we should be taking a little more time to do this and to develop legislation and to conclude it and bring it back to the House.

The Chair (Ms. Soo Wong): Okay, so I just wanted to make sure—

Mrs. Laura Albanese: We have time. We can discuss it.

The Chair (Ms. Soo Wong): Just so people understand, I think Mr. Arnott's concerns have been noted, but remember, committee members, this was the order of the House. So if—

Interjection.

The Chair (Ms. Soo Wong): Okay. This is the order of the House. We're going to agree to disagree. But moving forward, this is what has been ordered from the House to this committee.

Are there any more questions or comments? Seeing none, we're going to adjourn the committee.

The committee adjourned at 0948.

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