

Bill 66 – *Restoring Ontario's Competitiveness Act*

Submission to the Standing Committee on General Government

18 March 2019

Introduction

The Association of Municipalities of Ontario (AMO) is pleased to share municipal perspectives on Bill 66, the *Restoring Ontario's Competitiveness Act, 2019*, with members of the Standing Committee on General Government. AMO is a non-partisan non-profit representing almost all of Ontario's 444 municipal governments. We appreciate the opportunity to contribute to the Committee's deliberations on this particular bill as we work together with provincial legislators and the Government of Ontario to make municipal governments resilient and more effective.

Bill 66 is a broad piece of legislation guided by important objectives — to help our businesses and families in Ontario succeed by reducing red tape and regulatory burden. It also meaningfully addresses a long-standing municipal request that the provincial government clarify that municipal governments are not construction employers. AMO welcomes this proposed reform and supports measures that help Ontario businesses and families thrive as a matter of principle. While we support the *Labour Relations Act* reforms, this submission respectfully proposes a number of amendments to improve the legislation. We focus our comments on:

- ❖ Schedule 2, which repeals the *Pawnbrokers Act*;
- ❖ Schedule 3, which introduces amendments to the *Child Care and Early Years Act* and the *Education Act*;
- ❖ Schedule 4, focused on sub-metering related amendments to the *Ontario Energy Board Act*; and
- ❖ Schedule 9, which introduces long-awaited reforms to the *Labour Relations Act*.

AMO also appreciates the Ontario government's decision to table an amendment removing Schedule 10 of Bill 66. This schedule proposes changes to the *Planning Act* intended to help streamline the land use planning approval process to facilitate business development under prescribed circumstances. While the concept itself has merit, Schedule 10 did not offer clear direction or provide assurances related to other important societal values important to local communities such as water quality and public consultation.

Schedule 2 — Repeal of the *Pawnbrokers Act*

Schedule 2 of Bill 66 repeals the *Pawnbrokers Act* in its entirety. Created in the early 1900s, the Act was originally passed to regulate pawnshops and secondhand stores and to enable important public protections. While outdated, this legislation provides today's law enforcement with tools to reduce criminal activity related to pawnshops and to help property owners recover stolen goods. The legislation also provides safeguards for Ontarians looking to do business in the secondhand market.

Although municipal governments would retain the authority to create bylaws and business licenses regulating pawnshops, repealing the Act would eliminate a key law enforcement and public safety tool. Municipal governments would be left attempting to fill in the gap with limited tools and resources. Police would also lose powers helpful in helping them track down and recover stolen items. For these reasons, instead of revocation, the *Pawnbrokers Act* should be modernized to reflect 21st century realities. It should not be repealed without an up-to-date replacement.

Recommendation #1: That Schedule 2 be removed from Bill 66 so that the Government of Ontario can consult with law enforcement and municipal governments to determine how best to modernize the *Pawnbrokers Act* to reflect 21st century realities.

Schedule 3 — Amendments to the *Child Care and Early Years Act* and the *Education Act*

While changes to rules regarding in-home child care services will likely improve access to child care, AMO is concerned that the proposal to increase the permissible number and age of children per provider a day will create children's health and safety concerns and, also reduce the quality of childcare available in Ontario. Changes that lead to the expansion of unlicensed child care offerings also create health and safety concerns related to quality of care.

Instead of moving forward with the proposal at this time, in our view Ontario should take a pause and consult with child care providers and municipal Service System Manager partners to determine how best to improve access to child care without reducing service quality and compromising health and safety.

Recommendation #2: That proposed amendments to the *Child Care and Early Years Act* be reconsidered until a more thorough discussion can be had between the Government of Ontario and municipal child care Service System Managers.

These discussions can take place as the Province develops a plan for its child care-related campaign promises.

Schedule 4 — Sub-metering and the *Ontario Energy Board Act*

The proposed change deletes references to 'unit sub-metering' from the *Ontario Energy Board Act* and replaces them with references to smart meters. Most municipal governments and social housing providers have converted to smart metering or would continue to include energy costs in the rent. While AMO anticipates that there will be little impact on municipal governments, some municipalities have raised concerns of potential negative impacts down the road. Ontario should monitor the effects of the legislative change and prepare a response should negative impacts related to billing arise.

Recommendation #3: That sub-metering related amendments to the *Ontario Energy Board Act* continue. However, where this creates billing concerns for social housing, a solution should be developed to resolve concerns.

Schedule 9 – Amendments to the *Labour Relations Act*

AMO welcomes the proposal to amend the *Labour Relations Act* to clarify municipal governments are not construction employers. Currently, construction employer designation affects a handful of municipal governments. It drives up the cost of municipal infrastructure projects by limiting competition and excluding qualified, eligible contractors — both unionized and non-unionized — from bidding in the procurement process. Designation also ignores that construction is not a core municipal function. In fact, many municipal governments contract out capital projects to construction companies. These companies are construction employers — not the municipal governments contracting their services to advance infrastructure development.

Clarifying that municipal governments are not construction employers will reduce infrastructure costs by increasing healthy competition. It will also help municipal governments be open for business for all qualified construction companies interested in bidding for a municipal capital project.

This reform is a long standing municipal ask and AMO has supported past private members' bills of a similar nature. Schedule 9 of Bill 66 will provide much needed relief to unwilling municipal governments currently impacted by construction employer designation. It will also protect the rest of Ontario's municipal governments from being incorrectly designated construction employers in the future.

While AMO welcomes this reform to the *Labour Relations Act*, Schedule 9 of Bill 66 could be improved by also covering arm's length municipal corporations that are standalone legal entities.

Recommendation #4: To exempt all municipal employers, section 127 (1) should be amended to include: 1) municipal service corporations within the meaning of the *Municipal Act*; 2) local housing corporations within the meaning of the *Housing Services Act*; and 3) District Social Service Administration Boards within the meaning of the *District Social Services Administration Boards Act*.

Conclusion

AMO appreciates the Standing Committee of General Government's consideration of these proposed municipal amendments to Bill 66. With some fine-tuning, Bill 66 can meet its objective of restoring competitiveness across Ontario while also addressing the concerns raised by Ontario's municipal order of government on the frontlines.

AMO staff are at the ready to help the Committee as it looks to amend and improve the proposed legislation. You can reach Monika Turner, AMO's Director of Policy, at mturner@amo.on.ca. AMO's Policy Team can also be reached at policy@amo.on.ca. We look forward to addressing any of the Committee's questions or concerns.