



AMO's Submission to the Ontario Workforce Recovery Advisory Committee

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Preamble

The Association of Municipalities of Ontario (AMO) is a non-partisan, non-profit association representing municipal governments across the province. AMO works to make municipal governments stronger and more effective. Municipal governments work through AMO to achieve shared goals and meet common challenges. As the frontline order of government closest to people, municipal governments are active players in Ontario's local economic recovery and development.

Context

Ontario's municipal governments invest \$50 billion per year in Ontario's prosperity, equivalent to 1/3 of all provincial revenue invested across all geographic areas of Ontario. AMO appreciates the support the provincial government has provided municipal governments during the COVID-19 pandemic, including the federal-provincial Safe Restart Agreement and the \$765 million Social Services Relief Fund. These supports have been helpful to ensure municipalities have not had to cut vital services. Municipal governments have always been the Province's partners and will be key to the economic recovery of Ontario.

As COVID-19 has changed the labour market and workforce, investments are urgently needed in areas like broadband, child care, housing, long-term care, infrastructure and more. The provincial government can play a role to foster workforce development systems to help ensure that individuals have the education, skills, and training needed to obtain jobs, and to maintain a large pool of qualified workers to fill local labour market needs.

Municipal governments can also play a key role in developing and implementing local workforce development strategies. Municipal governments are ready to lead the recovery in their communities and local economies and to work with the provincial government on initiatives to shape the future of work in Ontario, while continuing to work towards improving health outcomes and combatting the ongoing COVID-19 pandemic.

AMO is pleased to provide input into this important exercise. The work of the committee is welcome, especially during this time, as we collectively turn our attention to economic and social recovery. It is essential to increasing Ontario's long-term economic competitiveness.

The municipal interest is twofold. First, municipal governments foster community economic development and therefore play a role in engaging with employers about local workforce development strategies. Second, municipal governments are large employers and in need of a trained and skilled workforce like other employers. Therefore, it is essential that Ontario municipalities have a well-considered voice through the input they provide.

Recommendations

AMO proposes the following recommendations to the Ontario Workforce Recovery Advisory Committee (OWRAC):

Pillar 1: Economic Recovery

Ontario's economic recovery is an exciting opportunity for collaboration with municipal governments to build a stronger and healthier province. Municipal governments are committed to providing high quality services and investing in the residents and businesses that depend on them. Delivering these services relies on property taxes and, as such, municipal governments need to return to updated assessments of properties as scheduled, and to ensure that revenues have the stability to support investment. In addition to this important need, the following actions are recommended to help ensure that economic growth is inclusive, and that recovery is supported with the services and resources to ensure resilience and sustainability of Ontario's world-class workforce and talent supply.

AMO supports increased investment into training and sector support targeted to meeting shared municipal and provincial priorities for workforce development. For example, there will be an increased workforce need in the health care and construction sectors to support infrastructure projects, long-term care expansion, and new affordable housing development. By increasing the supply of workers in these sectors and others, labour shortages will be filled, and high labour costs will be reduced due to the increased supply of workers.

How we can do this:

1. Initiatives to support youth in the skilled trades must be sustained and expanded. The Ontario government's \$4 million investment into Support Ontario Youth is a promising initiative to help young people access training and networking opportunities in the skilled trades. However, these initiatives should be further scaled up to be accessible province-wide to support youth in entering the skilled trades workforce.
2. The provincial government must invest in other opportunities to support local labour markets, including through programs like microcredentialing, to increase opportunities to develop a workforce with enhanced skills and training that can meet the needs of Ontario's recovery.
3. Infrastructure spending has historically been an effective option for governments to improve GDP growth, jobs, and tax revenue at federal, provincial, and local levels. AMO reiterates the call for the provincial government to accelerate infrastructure investments through additional long-term funding that is stable, predictable, and flexible to support municipal priorities.
4. Economic recovery must also consider environmental investment. Local programs to convert buildings for deep energy retrofits will update building stock, lower energy demands, and provide local jobs for workers.
5. AMO also recommends conversion of wastewater and waste systems for energy capture that can help to provide renewable natural gas without greenhouse gases.

Pillar 2: Strengthening Ontario's Competitive Position

Ontario's economic competitiveness is contingent on local communities being able to reopen safely, have access to broadband, watch and respond to labour market trends, and build partnerships and trade with other countries. Ontario municipal governments are ready to work towards building a competitive Ontario in partnership with the provincial government through ensuring there are supports in place for attracting, retaining, and rewarding workers.

During the COVID-19 pandemic women, youth, and older people have been disproportionately affected in the labour market.¹ Young women especially are facing higher unemployment rates in public-facing jobs, leading to what some are calling a "she-cession". Addressing the working and living conditions for these populations will be crucial for supporting their return to the workforce.

Focusing job recovery on these workers and ensuring that recovery efforts support workers and economic growth across the province are crucial to improving Ontario's economic competitiveness. Attracting and retaining workers and meeting the needs of employers will also be dependent on building healthy and prosperous communities. Achieving this will rely on supporting workers to thrive in their communities, including investments in affordable housing, immigration supports, public transit, and other services.

How we can do this:

6. The provincial and federal governments must work together to target immigration to place workers in areas where there are shortages. Ontario municipalities continue to be a destination of choice for many immigrants; however, the benefits of immigration are not always dispersed to where they are most needed. Current programs such as the Rural and Northern Immigration Pilot and the Ontario Immigrant Nominee Program have the potential to provide municipal governments with an increased influence on selection to increase attraction and retention in these areas. These programs must be sustained and expanded to respond to labour market needs in Northern, rural, and small Ontario communities as continuing programs. This, along with new pathways for permanent residence for temporary workers and international graduates, will help spread the economic benefits of immigration and aid workforce development.
7. Affordable housing development will be key to attracting and retaining workers, including new Canadians and Ontarians moving to different parts of the province. Expensive housing squeezes out middle-class and low-income workers, costs billions in lost productivity and commuting, pressures employers to offer wage premiums to keep their workforce intact, and deters newcomers from moving here. The provincial government needs to work with municipal governments to address the shortage of affordable housing for workers and mitigate the negative economic and social effects that are already occurring as communities become too expensive for the people who work in them. AMO reiterates the recommendations for how the Province and municipal governments can work together on housing affordability outlined in [Fixing the Housing Affordability Crisis: Municipal Recommendations for Housing in Ontario](#).

¹ <https://www.fao-on.org/en/Blog/Publications/labour-market-2021>

8. Public transit and community transportation will also be key for attraction and retention as these are crucial services allowing for the efficient movement of workers and goods. AMO recognizes that Ontario has long had a Gas Tax for Transit program that provides 2 cents per litre to municipalities for transit, adding up to over \$300 million annually, and that the federal government has committed to a permanent transit fund. However, transit will need continued support to get back to pre-pandemic levels and adapt to new commuting patterns. AMO reiterates our call for long-term funding to expand transit service and infrastructure to help ensure reliable access to public transit and community transportation for workers.
9. Child care and early learning will play a key role in Ontario's economic and social recovery. The child care sector is essential for facilitating participation in the labour force for parents and guardians, reducing poverty, and early childhood development (which leads to improved educational outcomes and a stronger future labour force). Additionally, for every 5 children in child care, it is estimated to generate one full-time employee equivalent, typically women in these sector professions. Investments in child care make good economic and social sense in a number of ways. AMO welcomes the federal government's commitment to building a national child care system and calls on the provincial government to work with AMO to identify Ontario's municipal and community priorities for implementing this system in Ontario.
10. Investment is needed in enhancing employment services and other human services supports that can help people with multiple barriers to entering or advancing in the labour market. This must include post-employment supports to help people maintain their jobs successfully, thus furthering the goals of Social Assistance Recovery and Renewal and Employment Services Transformation.

Pillar 3: Supporting Workers

Municipal governments are both large employers and leaders in communities. As we respond to the impacts of COVID-19, the provincial government should work with municipal governments to support improvements for workers in sectors that are crucial to our local economies.

How we can do this:

11. Greater broadband and cellular connectivity is the mechanism for COVID-19 recovery. Accelerating improved internet access and cellular coverage has proved to be crucial for residents and communities as school and work have increasingly moved online. AMO is encouraged to see the provincial government commit nearly \$4 billion to bringing service to underserved or unserved communities across Ontario. Together with the nearly \$2 billion committed by the federal government under the Universal Broadband Fund (UBF), these investments are substantial and are much needed to incentivize the private sector to once and for all bring service to all Ontarians by 2025.

Conclusion

AMO looks forward to continuing to provide advice to the Ontario Workforce Recovery Advisory Committee on how provincial support for municipal governments can contribute to Ontario's recovery.

AMO also encourages the Committee to consult with the Economic Developers Council of Ontario (EDCO) which represents economic development professionals predominantly at the local level. Their members have ongoing relationships with their local communities and understand the local needs of the business community related to workforce and support. EDCO is a trusted voice from the municipal economic development community to provide additional advice and knowledge, informed by them on the ground experience of their members.