

Protect Municipalities by Expanding Access to Goods, Services, and Skilled Labour

AMO'S SUBMISSION TO THE STANDING COMMITTEE ON FINANCE AND
ECONOMIC AFFAIRS ON BILL 2, *PROTECT ONTARIO THROUGH FREE TRADE
WITHIN CANADA ACT*

May 27, 2025

Executive Summary

AMO appreciates the opportunity to provide comments on Bill 2, *Protect Ontario Through Free Trade Within Canada Act, 2025*. With ongoing trade and tariff disruptions causing unprecedented challenges and uncertainty, municipalities are committed to fostering economic opportunities and support proactive action to strengthen our economy. AMO applauds the government's leadership on trade response and is pleased to express its support for the changes to labour mobility and interprovincial trade proposed under Bill 2.

The Importance of Labour Mobility for Ontario's Municipalities

We understand that the proposed legislation would remove labour mobility barriers by streamlining credentials for skilled workers certified in other provinces. We also understand that the government intends to consult on additional measures to increase labour mobility for regulated health professions.

Ontario's 444 municipalities rely on over 235,000 employees from a wide range of professions and fields to build and maintain local infrastructure while delivering local services that Ontarians rely on every day. As almost 4% of Ontario's paid workforce, municipal employees contribute to the economic and social fabric in every region of the province. Municipalities offer good jobs with competitive compensation, benefits, job security, and the opportunity to make a meaningful difference to the communities they serve. Yet like many sectors, municipalities are struggling to attract and retain the workforce they need.

Now more than ever, municipalities require a strong workforce that can support work advancing critical municipal infrastructure, social housing projects, and delivering essential services to residents and businesses impacted by economic challenges. Municipalities also continue to face challenges attracting health care workers such as doctors and nurses, particularly in rural, northern and remote communities.

AMO supports Bill 2's proposed "as of right" rules which will help attract and retain the widest range of qualified professionals to support the work of municipalities, support local economic development, and make it easier for health care professionals to move to Ontario and fill critical positions across the province.

We are aware that in considering similar legislation, the Government of Nova Scotia identified concerns that professional licensing and oversight bodies may not be able to investigate or resolve complaints against workers who moved from one province to another without obtaining local licenses. A lack of professional oversight could result in health and safety risks, or increased liability for employers – including municipalities – who hire out-of-province workers under the new labour mobility regime. AMO calls on the government to ensure that appropriate professional oversight for out-of-province

workers are maintained and are equal to any oversight in place for Ontario workers.

Enabling Interprovincial Trade Opportunities for Municipalities

We understand that the proposed legislation would remove all 23 of Ontario's Party-Specific Exceptions (PSEs) under the Canadian Free Trade Agreement (CFTA) and maintain no trade related exceptions against other provinces, territories or the federal government. AMO welcomes the removal of interprovincial trade barriers that respond to municipal calls for the provincial government to unlock interprovincial trade in order to create stronger trade and economic opportunities within Canada.

We recognize that the legislation would enable the provincial government to designate a 'reciprocating jurisdiction' and harmonize or remove regulatory requirements for any agreed to goods and services. While AMO agrees that this approach may allow provinces to negotiate for faster and easier movement of goods and services, we also recognize that the range of goods and services that could be implicated by mutual recognition remains undefined in the legislation.

Many of the regulatory requirements in place for various goods and services serve an important health and safety role. Given that the mutual recognition framework being proposed under this legislation is very broad, the impact to municipal by-laws and standards remains unclear. As such, we call on the province to take steps to maintain strong health and safety standards as inter-provincial trade barriers are lifted, and to address any impacts to municipal by-laws as the government implements 'reciprocating jurisdiction' barriers between provinces. AMO looks forward to engaging further with the appropriate ministries on this topic.

Further Opportunities for Trade and Economic Growth

In April, AMO surveyed municipalities about their procurement practices in the context of recent trade and tariff disruptions. Municipalities identified that while the vast majority of the \$22 billion municipalities spend annually to procure non-construction related goods and services already comes from companies with a Canadian address. However, municipalities reported a reliance on US procurement for critical goods and services where Canadian alternatives are not readily available. These would include:

- IT and communications products such as data server storage, software licenses, and public emergency notification systems;
- Heavy machinery and vehicles such as fire trucks, ambulances, plows and road graders; and,
- Goods needed for public health and safety such as equipment and chemicals for water treatment plants, and equipment that meets provincial standards for fire, police and EMS responders.

These goods and services are outside the scope of the 23 PSEs in the CFTA that Bill 2

proposes to remove. This underscores the continued importance of identifying Canadian alternatives for these critical US-sourced goods and services. To support this work, AMO recommends that as the government explores ways to diversify trade within Canada and abroad, it should consider ways to fill domestic supply chain gaps by identifying alternative cost-effective suppliers for goods and services that municipalities rely on.

Municipalities are eager to leverage their buying power to support local businesses and the broader provincial response to US tariffs. We also encourage the provincial government to align economic development initiatives with efforts to support diversify the supply chains and meet local procurement needs.

Conclusion

AMO is pleased to see the government taking action to increase labour mobility and enable interprovincial trade for regulated professions, including health care workers. Municipalities are eager to support government efforts to ease the effects of trade and tariff disruptions and look forward to discussing with the government how the sector can inform and support your economic development and trade strategies. As the province implements its new mutual recognition framework, we ask for engagement and clarity on how it will maintain strong health and safety standards and address any impacts on municipal bylaws. AMO looks forward to continuing to work with your government to ensure municipalities emerge stronger and more resilient so that Ontario's communities can prosper.