

Chamber responds to jobs act



MPP Todd Smith and Bancroft and District Chamber of Commerce general manager Greg Webb. / FILE PHOTOS

By Sarah Sobanski

The province's 2017 workplace legislation could cost the average household up to \$1,300 per year, according to a new study. The Canadian Centre for Economic Analysis study suggested the economic impact of the Fair Workplaces, Better Jobs Act, 2017 will cost \$23 billion over the next two years, jeopardize 185,000 jobs and impact small businesses five times more than it impacts large business.

Simply put: it's too much, too fast, said Bancroft and District Chamber of Commerce general manager Greg Webb. Local chamber members participated in surveys for the study. It was released by the Keep Ontario Working Coalition, in partnership with the Ontario Chamber of Commerce and the Bancroft and District Chamber of Commerce, Aug. 14.

The study estimated consumer prices will rise 0.7 per cent on average which could add up quickly depending on a household's everyday shopping. It's one of the \$10 billion in 2018, and \$13 billion in 2019, in cost challenges Ontario businesses will face. This is based on what the study called the expected scenario where 185,000 jobs in the province will be at risk. Jobs at risk include both current and potential new jobs.

The Bancroft and District Chamber of Commerce's survey with local business owners seemed to solidify these expected results. Participant responses included increasing service fees and prices.

Our small businesses sometimes cash flow is strapped. Sometimes they're relying on the next form of source of income, said Webb, explaining the stress of Bancroft's seasonally fluctuating economy. You need to be, in your heyday, as they say, making hay and putting it away. At least \$1,000 a week if you can afford it because when the off season hits it's going to be really hard to keep your minimum bills up.

Around 2.7 per cent of all Hastings, Renfrew, Lennox and Addington, Haliburton, Kawartha Lakes and Peterborough jobs will be at risk. A little higher than the 2.4 per cent average for people working in all of Ontario.

Manufacturing, accommodation and food services, retail trades and wholesale trades businesses will be the hardest hit 64,000 employees at risk across the province, according to the study. Those working under 25 and working women will see 30,000 and 96,000 jobs at risk. Around 83 per cent of jobs at risk will be for those over 25.

Those food services and accommodation jobs particularly in tourism communities, it's really going to hurt in those areas, said Prince Edward-Hastings MPP Todd Smith.

Chamber survey participants varied on how much aspects of the act would impact them. One business owner said increasing wages to \$14 per hour would cost \$143,000. Another said it would cost \$48,000. Others suggested their costs would be less. One member commented the increase would cost \$1,430 while two noted they already pay their employees \$15 per hour and \$16 per hour respectively.

When you kind of look around and see the amount of accommodat[ion businesses] we have, from the motels to the bed and breakfasts, the restaurants, unless they're doing that right now [where] they're paying higher than minimum wage which I really don't think a lot of them are they're definitely going to be affected, said Webb.

Members also suggested they would give their employees fewer hours or refrain from hiring students without government support. The study noted risks also come from companies expecting more out of fewer employees, holding back on hiring new employees and substituting labour for technology.

Smith said he had expected these results. They represent what he's been hearing from business owners about the act.

‘The few large business owners that I’ve talked to have actually said what this is probably going to do for them is push them quickly to replace people with computer screens where possible,’ he explained, noting large grocery and retail chains. ‘The small and medium business owners, what they’re saying it’s going to mean for them, is significantly cutting back the hours of their employees. Working class people won’t be the only ones impacted. If municipal, provincial and federal governments absorb 100 per cent of the costs of the act to businesses, the study predicted each will net losses. Federally, the government will bring in an extra \$500 million but face \$610 million in costs. Provincially, the government will bring in \$620 million but face \$1.1 billion in costs. Municipalities won’t bring in any extra revenue and face \$500 million cost in employee wage increases.

‘It’s not that the chamber doesn’t support it, just over time it’s really going to affect a lot of businesses – especially small business,’ said Webb.

Some member participants in the survey were in favour of the act. One commented, ‘I am proud that Ontario is leading the way to an actual living wage. There are many companies out there that are already doing this so the whiners should take lessons from them and learn how to business plan better and do it now. I know that is a harsh comment but I oversee one business and own another... Rather than fighting the wage increase, advocate business tax reduction or rebates. We are overtaxed anyway.’

Another suggested, ‘Costs across the marketplace will be adjusted so that people at the low end of the scale are no longer so marginalized. We all need to pay the proper costs of goods and services so that everyone in society is treated fairly. We shouldn’t profit on the backs of disadvantaged workers.’

‘If this was brought in at a time when business was really thriving and doing well, it might make a little more sense,’ said Smith, who, like Webb and some of his chamber’s members, didn’t say the act was all bad.

‘Every time there’s a poll or some kind of survey that the local chambers of commerce do, they indicated that in a lot of cases, they’re hanging on by a thread to keep their business open as it is,’ he said. ‘If things were flying and business was soaring maybe you could look at it at that time, but right now businesses are struggling the way they are and it doesn’t seem like the right time to bring in this legislation.’