

5 Moira St. E.
Belleville ON
K8P 2S3

613-962-4597



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January 22, 2020

Honourable Rod Phillips
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd floor
95 Grosvenor Street
Toronto ON M7A 1Z1

Dear Minister Philips:

I appreciated the opportunity to present the following comments in person at the 2020 Budget Consultation event held in Wellington, Ontario in December 2019.

The Chamber appreciates what the government can do to keep more money in the pockets of Ontarians and have advocated for a long time that increasing wages is counterproductive to the economy from this perspective. The cost of increased wages while appearing to increase personal wealth is often felt at the lowest socio-economic level with increased prices of the necessities including groceries for families and home care that has enabled seniors to stay in their homes. Cutting the provincial income tax is a much more effective way to ensure businesses can remain viable, afford to manage increasing wages at a living wage rate (rather than a jump in minimum wage). The labour market is competitive and wage rates are rising accordingly on their own.

Lowering taxes on small business was the first step but the real barrier to growth is the current tiered system that increases rates at certain thresholds rather than increasing gradually. That 3.2 percent tax rate jumps to 11.5 percent once a business' annual income goes from \$499,999 to 500,000. A gradual increase won't put a cap on a business' intention to grow when their capacity is there.

I would also implore that while we want to encourage employers with high skilled jobs to move to our region, funding models based on job creation alone are off the mark. We have too many jobs for the available work force now.

Attainable housing and transit are two of the barriers our region has in attracting the people we need. The greatest barrier to sustainability for business in our region at this time is not the creation of jobs, but the ability to engage the workforce. We are experiencing a disproportionately low rate of participation as skilled people retire early and move to the area – and are able to remove themselves from the workforce with real estate gains and personal investments.

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Counter to this, it has become more difficult to support newcomers to the region who are prepared to initiate their career in entry level positions but are unable to afford to do so. Housing is a real issue and increasing opportunities for younger families and newcomers to access accommodation is a real barrier to resolving our labour shortage.

There are areas close to our urban centre that are more affordable but lack of transit keeps this out of reach.

With reference to your plan to prepare people for jobs, the government can help people find the jobs they want and employers find the people they need by investing in education at the elementary and secondary levels with regard to exposure to hands-on, life-based skills that may even trigger an interest in seeking careers in these areas. From understanding nutrition to hammering a nail – these are no longer gender-based skills but a necessity for everyone. As a generation, we have streamlined the idea of career choices while the job market is more diverse and complex than ever before. We are not going to train people for jobs of the future – we need to train people to learn new things and adapt their skills to the needs of whatever job they are doing.

Soft skills and employee expectations are the lament of employers everywhere. Schools (and perhaps parents) are not preparing future employees for the rigour of being present or on time or the communication needs in the workplace. Programs like Elevate and the newly announced funding project for the food service industry to be run out of the Prince Edward Hastings CMHA are key to assisting the other sector of people not participating in the workforce – those who are barriered by lack of education or basic skills.

The government can help support workers to grow their careers by understanding the needs of employers. The education sector needs to engage employers in the development of programs and take advantage of access to facilities. We are hearing how employers, particularly in the skilled trades, are ready and willing to make time and space available for training. This is an opportunity that would increase access to apprenticeship training and assist other colleges in providing access to infrastructure that might be difficult to invest in and will take too long to build. Students need access to these resources now and private partnership, if the public sector were to reach out, is available. Ultimately, very few of us were trained in school on the systems we currently use but we have adapted to technology as the work around us required it.

Thanking you for the opportunity to share our concerns with you.

Sincerely,



Jill Raycroft

CEO | Belleville Chamber of Commerce

w: 613-962-4597, ext 4 | c: 613-847-4090