



December 2, 2016

To: Mayor Bevilacqua and Councillors of Vaughan

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Communication
COUNCIL: <u>Dec 13 / 16</u>
FAA Rpt. No. <u>15</u> Item <u>3</u>

Dear Mayor and Councillors,

The Toronto & York Region Labour Council represents 205,000 women and men who work in every sector of the economy, including many of the construction trade unions whose members build the vital infrastructure of Vaughan. I am writing to share our views about the report from the Finance, Audit and Administration Committee on developing a Fair Wage policy.

Greater Toronto has a strong, vibrant construction industry, with good co-operation between labour and management on key issues such as training and safety. It has a very high level of unionization, as contractors are able to employ a very productive construction workforce due to a strong commitment to apprenticeship training and upgrading, combined with the constant flow of new immigrants willing to work hard as new Canadians. The prevailing wage standards for almost all trades work in Vaughan are the same as Toronto, falling within OLRB Board Area 8 jurisdiction. There would not be any undue burden on staff to determine those rates.

The report suggests that a Fair Wage policy is not suitable at this time. It says that only 2% of municipalities have one – but the seven cities that do have one represent over a third of all Ontario residents. And others are considering a policy in the near future. The fact is that wages represent less than half of the value of a typical construction contract. But the fair wage regime does act as a barrier to companies that operate in the underground economy, evading WSIB payments, employer health tax, or income tax deductions.

It is apparent that this report does not reflect a full understanding of the dynamics of Fair Wage as a public policy. I would respectfully request that the report be referred back to create an opportunity to fully consult with contractors, unions and industry experts on the best approach for the City to take.

Sincerely,

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