

May 31, 2012

Mr. Bob Guthrie
Registrar and Chief Executive Officer
Ontario College of Trades
655 Bay Street, Suite 500
Toronto, ON M5G 2K4

Dear Mr. Guthrie:

Re: Public Consultation on Proposed Membership Fees for Ontario College of Trades

On behalf of the Ontario Construction Employers Coalition (“Coalition”), I am writing to share our concerns with the May 2012 consultation on proposed membership fees for the Ontario College of Trades (“College”).

The Coalition completed an estimate of the potential annual membership fees to be generated by the College using the proposed membership fee ranges provided in the consultation document and data published by the Ministry of Training, Colleges and Universities on the number of apprentices, journeypersons and employers. Our estimate shows that the College could generate a minimum of \$84 million annually in membership fees. This is an extraordinary amount of new money to be taken from the pockets of Ontario’s apprentices, journeypersons and employers to support the creation of the College of Trades, without any measureable benefit to the apprenticeship system.

The Coalition has three specific concerns with this consultation process around what is, for all intents and purposes, a new \$84 million tax on employers and employees in this province.

First, as with the consultation process on the creation of new membership classes, the College has chosen to provide no background information for the proposed range of fees. To properly assess the merits of this new \$84 million tax, we require information and transparency on the College’s budgetary requirements, the policy direction and rationale in determining fees, details regarding the collection of the fees, timing and financial accountability.

We requested this information from the College in our letter of May 22, 2012. Regrettably, your response of May 23, 2012, provided no such information. Instead of being “open and transparent” as you committed in another letter to our Coalition on February 29, 2012, the College’s response to our questions on this issue has been misleading and obtuse.

Second, the “Benefits of the College” outlined on page 9 of the consultation document do not provide enough detail to justify a new \$84 million tax on the construction sector. In fact, we question virtually all of the “Benefits” presented:

- 1) Voice - the fact is that the only voice represented and heard at the College's decision-making tables is that of certain select labour unions and employer groups committed to high apprenticeship ratios and broad-based compulsory certification. The overwhelming majority of Employers/Sponsors, Journeypersons and Apprentices have little or no influence in decision-making at the Ontario College of Trades.
- 2) Ownership – the Ministry of Training, Colleges and Universities currently defines the scope of practice, training and certification standards for the skilled trades. This is nothing new. The College is simply a duplication of MTCUs mandate, does not add value and is an additional tax on Ontario workers.
- 3) Protection – This is also not new. There are already significant processes in place to protect the value and integrity of skilled trades in Ontario, particularly those overseen by both MTCU and the Ministry of Labour, as well as other regulatory bodies.
- 4) Productivity – there are no objective studies that show certified tradespeople are more productive than non-certified tradespeople. This is a direct and public insult to hundreds of thousands of hard working Ontarians.
- 5) Recruitment – government and industry associations are actively promoting and recruiting for the skilled trades. This is nothing new and we do not need another government agency involved in this area.
- 6) Status – journeypersons and apprentices are already recognized under existing processes. This is nothing new.
- 7) Mentorship – The entire premise of an apprenticeship system is based on mentorship and currently exists today. This is nothing new.
- 8) Discounts – a government agency should not be involved in the negotiation of discounts nor can this be counted as a benefit when there is no identification of what these discounts might be. How can journeypersons assess the potential benefit when it is identified as “future”?

The reality is that this is a new \$84 million tax based on the premise of dubious benefits, most of which are already being delivered.

Third, once again, the College is limiting the responses to the consultation questions to 250 words. This limit makes it a challenge for any organization to provide an informed, comprehensive response.

It appears that the Ontario College of Trades is going to impose excessive membership taxes on the skilled trades sector, with no real justification, fictional “benefits”, and a limited opportunity to provide meaningful, informed input.

The Coalition will be submitting a formal response to the consultation process. However, due to the limit on the number of words, we had no choice but to also submit this letter outlining our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', is positioned below the word 'Sincerely,'.

Sean Reid
Chair
Ontario Construction Employers Coalition

Copy: Mr. Ron Johnson
Chair, Board of Governors
Ontario College of Trades