

March 15, 2018

With the upcoming provincial election in June I am communicating to you on behalf of our members who are business owners throughout the province of Ontario. The Lumber and Building Materials Association of Ontario is a not-for-profit trade association representing over 500 businesses in the home improvement sector. Our members are privately owned building supply retailers belonging to such groups as Castle Building Centres, Home Hardware Building Centres, RONA Building Centres, TIMBER MART Building Centres, as well as independent retail outlets.

Our members are major employers and contributors to the tax base in the communities they serve. Many have been in business for 30, 50, 70, and 100 years or more in the cities and towns they provide services to. Our members are entrepreneurial, fiscally responsible and provide employment to several thousands of full and part time people in their communities.

Based on a survey of our members we would ask that you consider the following results of our survey towards a fiscally responsible government in Ontario. We enjoyed a 19.7% response from our members indicating that they are concerned about the direction our current government is taking in fiscal management of the economy.

Question 1

We asked how much their energy costs have risen in the past 3 years and the response was:

0 – 10%	7%
11 – 20%	25%
21 – 30%	13%
Over 30%	5%

When asked if they felt that the increases where justified, 78% indicated no. As well, when asked to comment, most felt that mismanagement of the energy file was the primary reason for the high increases, not market conditions.

Question 2

When asked about the impact of the minimum wage and the other changes to the Employment Standards Act for leave, the following were the responses in order of importance:

1. Increase retail prices
2. Hire less seasonal employees
3. Lay off employees
4. Do nothing

The conclusion from the results would indicate that the changes mandated by the government will be inflationary and result in hiring less employees and reducing hours of operation, therefore any net benefit of the increases will be offset by less hours for employees and layoffs.

Question 3

When asked about their priorities in the fiscal management of the provincial economy and budget, they prioritized the following:

1. Balance the annual operating budget
2. Reduce size and cost of government
3. Reduce long term debt

As indicated in the introduction, many of our members have been in business for many years and are family owned. The primary reason for such longevity in such a competitive environment is that they take fiscal management of their operations very seriously and expect their elected representatives to take the same approach when managing the provincial economy.

Question 4

Towards the objective of reducing size and cost of the provincial government, a good start would be to consider moving the public sector to a defined contribution pension benefit rather than a defined benefit employee plan. A defined benefit pension is expensive and for the most part is underfunded in the public sector. Most private sector companies cannot afford such a generous benefit and the public sector needs to move towards this format of pension benefits. This can be introduced at the bargaining table for upcoming collective agreements for new hires with existing employees grandfathered in for the existing program.

70% of our survey respondents agree to moving the public-sector pension program to a defined contribution benefit.

Question 5

During the course of the last provincial election we saw special interest groups actively campaigning for support of their interests. We certainly support the right of free speech, however, once an election is called we would take the position that only registered political parties can campaign via the media positioning their party platforms. Under the Elections Ontario Act, registered parties must meet the stringent guidelines of the act on what and how they promote their platforms. This levels the playing field and ensures oversight and accuracy on the media campaign. 65.4% of our members would agree.

Question 6

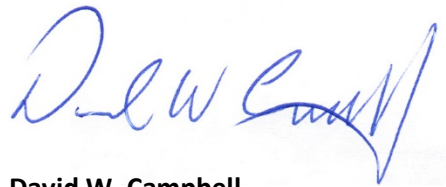
The level of compliance towards the Occupational Health and Safety Act, Employment Standards Act and other legislative mandatory training and compliance in Ontario is the highest in the country. The administrative costs to maintain these programs is becoming cost prohibitive and is contributing to a decline in those individuals and companies wishing to start a new business in Ontario. We heartily agree in meeting the training requirement to ensure a safe workplace, however, many of the mandatory compliance training borders on attempting to legislate common sense procedures. When asked, our members responded in the following manner:

Adds considerable costs to our business	83%
Would rather see increased fines and punitive enforcement (criminal & civil prosecution)	29%
Agree with existing level of mandatory training and enforcement	7%

Our members ensure they provide a safe workplace for their employees. Rather than enforcing training that adds considerable costs, we would encourage a new government to reduce the red tape now currently downloaded on the small to medium sized businesses. If the fines and potential civil and criminal liability is strong enough, most businesses will ensure they meet the requirements of providing a safe workplace. It is our belief that the existing enforcement is driven by a small number of irresponsible employers. It should also be noted that you cannot legislate common sense and employees need to understand their need to take some responsibility in how they conduct themselves to provide a safe working environment, also recognizing the ultimate responsibility is on the owner of the business.

We are communicating to all the party leaders and each MPP in the Province. Regardless of who enjoys forming a new government, a more fiscally responsible government needs to be in place; one that recognizes that political opportunism to solicit votes is damaging to the economy and the future of this Province. Good governance in managing the province is long overdue!

Sincerely,



David W. Campbell

President, on behalf of the Board of Directors
The Lumber and Building Materials Association of Ontario