

Ontario auto industry lobbies against proposed labour changes

By Greg Keenan

May 30, 2017 – *The Globe and Mail*

The auto industry – a key sector of the Ontario economy – is pushing back against proposed changes to the province’s labour laws, saying they would hurt Ontario’s competitive position as it tries to win new automotive investment.

Revisions to the laws, which include raising the provincial minimum wage to \$15 an hour from \$11.40, allowing union certification through the totalling of signed cards instead of holding a secret-ballot vote and changing the way temporary workers are treated, were on the agenda Wednesday for the Ontario cabinet, sources said.

Business and labour groups have debated the proposals publicly and privately but auto parts makers are speaking out as a decision nears.

If the changes being discussed are approved, “your specific [policies] will discriminate against the competitiveness of your No. 1 industry,” said Flavio Volpe, president of the Automotive Parts Manufacturers’ Association of Canada, which represents companies that supply vehicle manufacturers with parts.

Another industry source said Labour Ministry officials told automotive executives that “you’re not going to like what you see.”

“This is not smart,” Mr. Volpe said, adding that many offshore investors regard Ontario as too union-friendly while neighbouring jurisdictions that compete with it for investment become less union-friendly. Michigan and Indiana, for example, have become so-called right-to-work states that do not force employees to pay union dues even if a majority of employees vote in favour of a union.

One of the changes being proposed would move Ontario in the opposite direction, sources

said. At the moment, when enough employees in a workplace have signed union cards, a union can apply for a secret-ballot vote as another step in union certification.

Sources said Ontario is proposing to eliminate the necessity of the secret vote and rely on signed cards as the determining factor in whether a workplace becomes unionized.

That does not sit well with Linda Hasenfratz, chief executive officer of engine and transmission parts maker, Linamar Corp. “People have a right to a voice and to not give people a vote as to their future is a huge mistake,” she said.

Ms. Hasenfratz said she has advised the Ontario government to rethink the legislation.

Linamar, based in Guelph, Ont., employs about 9,000 people in non-union factories in Ontario.

Mr. Volpe added that any changes that force auto-parts companies or auto makers to provide temporary workers the same benefits as full-time workers would be particularly harmful to the sector because temporary workers are necessary to cover temporary increases in production, such as when a company is launching new vehicles or new components.

Kevin Flynn, the province’s Labour Minister, told *The Globe and Mail* in March that he understands that revisions to the law need to be balanced.

Jerry Dias, president of Unifor, which represents workers at the Canadian operations of the Detroit Three auto makers as well as many parts companies, sent a letter to Mr. Flynn and Premier Kathleen Wynne on Wednesday saying recommendations from the

review of workplace changes must be followed quickly by legislation.

“Workers in Ontario have long suffered under woefully out of date employment laws,” Mr. Dias wrote.

In an interview, he criticized auto-parts executives for opposing reforms.

“Here are people who are in the auto industry. You would think it would be in their best interests to have Ontarians being able to buy a car,” he said. “You can’t afford a car making minimum wage.”