

Fair wage policies are a necessary counter balance, to the tendency of the construction industry. Fair wage policies have important direct effects, on Health & Safety Skills Training, and on deterring underground practices.

Fair wage policies encourage the use of more skilled, and better qualified labour, and thereby support worker investments in skills training and apprenticeships.

At the Local level, fair wage policies protect local employment, and thereby increase the benefits to the local economy from construction that is financed by local funds.

It has never been the intent to use tax payers' money, to drive down the wages of workers, performing construction work for the city. These sites are built better and last longer.

A few months ago, the City Administrators introduced some recommendations to undermine the integrity of Hamilton's fair wage policy. The Building Trades did not agree with these proposed changes. The members of the Audit Finance Committee voted to send it back for more details. Since that time, the Building Trades and the City Administration have met, and attempted to address concerns on both sides.

The last meeting that we had with the City, the Building Trades proposed maintaining the current fair wage policy with the rates updated to 2012, using the Building Trades base rates, we attempted to improve the fair wage administration by:

- Freezing the 2012 rates for 3 years.
- Raising the exemption threshold to \$300,000 up from current \$100,000 dollars.
- Setting the complaint fee at \$5000.00 dollars to discourage frivolous complaints and to defray the cost of a fair wage administration.
- Establishment of an AD HOC Committee to meet at least once yearly or more regularly if necessary to address any concerns and to foster better communications with City Staff.

We strongly believe that these enhancements should be accepted as an entire package.

Research conducted by respected independent researchers, support the positive public policy benefits of fair wage policies. These researchers include respected, former Deputy Minister of Labour, Tim Armstrong, Queen's University professor Dr. Richard Chaykowski and economist John O'Grady. In addition, these researchers have concluded, that there is no evidence, that Fair Wage Policies have a significant impact on construction costs. I therefore strongly object, to the commentary in the staff report in the section entitled Option – Eliminate the Fair Wage Policy.

It is a grave mistake to incorporate other collective agreements as alternative standards for fair wage. One standard should be maintained for a number of compelling reasons including: ease of administration, the number of alternative agreements and the increased potential for abuse.

The proposal you have before you, caters to contractors who manipulate the system, engage in shady construction practices, and exploit their workers in order to win construction contracts. Good tendering practices should include pre-qualifying contractors and the maintenance of a strong and effective fair wage policy. It is my strong opinion, that the City of Burlington may have avoided the many problems associated with its now infamous pier project, if such policies had been in place. It is also my strong belief that these practices help reduce cost overruns, improve quality, and reduce the potential for deficiencies.

In discussions with the affiliates of the Council, and in light of the report before you, and in the spirit of cooperation, we would like to offer a compromise to the recommendations we have made. We would be willing to modify our proposal by basing the fair wage schedule on the 2009 building trades base rates, raising the threshold to \$ 500,000.00, setting the complaint fee at \$5,000.00 and establishing an ad hoc committee.

This committee has an important decision to make today that could have a significant impact on the many skilled trades people who live in this community. I urge you to support the Fair Wage Policy and the workable recommendations that the affiliates of the Hamilton Building Trades Council have put before you.