

August 22<sup>nd</sup>, 2017

Ms. Emily Yorke  
Ministry of Finance  
90 Elgin St  
Ottawa, ON

Dear Ms Yorke,

Thank you once again for meeting with the Association of Professional Computer Consultants (APCC) a few weeks ago in Ottawa.

Our membership primarily consists of Independent Contractors providing high complexity / high value consulting services in the fields of Information Technology, Engineering and Accounting. They operate and thrive as small businesses, motivated by a desire to pursue valuable skill specialization opportunities, opt out of large company organizational dynamics and achieve greater work life flexibility.

We greatly appreciate you taking the time to hear our concerns regarding the “Fair Workplaces, Better Jobs Act” (Bill 148) and its impact on Independent Contractors operating in Ontario.

While the draft legislation has not yet been presented, our members are concerned by the recommendations 125-127 of the Changing Workplaces Independent Review Committee’s final report, which pertain specifically to Independent Contractors. These concerns can be summarized as;

1. **Conflicting Policy.** The propose changes will create meaningful differences between the Provincial and Federal frameworks for assessing Independent Contractor relationships. The current framework is confusing, highly subjective and unpredictable, and we believe this dynamic will become significantly worse once the Ontario panel’s recommendations are added.
2. **Insufficient Study & Unintended Consequences.** Consultation with the Ontario Changing Workplaces Committee was dominated by Minimum Wage and shift scheduling considerations, with Independent Contractor relationships getting only minor consideration. The resulting recommendations were a surprise to industry, and contain great potential for unintended consequences.
3. **Core issues not addressed.** It is the view of the APCC that any Independent Contractor policy update should serve the twin purpose of protecting vulnerable workers, and create objective clarity around what situations are permitted under law to be recognized as a valid Independent Contractor relationship. The Bill 148 recommendations achieves neither objective, but introduces significant risk and uncertainty to all parties, which is likely to stifle this important part of the economy.

The trend towards Independent Contract engagements is the most significant and meaningful shift in Canadian Labour markets is the last twenty years, and has been an overwhelmingly positive contributor to Canada’s tax base and innovation agenda. By all credible sources, this transition will only accelerate going forward<sup>1</sup>.

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<sup>1</sup> Independent Work: Choice, necessity and the gig economy. McKinsey Global Institute, 2016.

In a recent survey of the APCC's membership, 100% agreed with the statement that they were "Independent Contractors by Choice" and shared the following motivations for their decision;



These statements are overwhelmingly positive, and match public research by credible organizations placing Independent Work at 20-30% of the total labour force in the United States and Europe, and estimates it will grow to as high as 30-45% of the working age population <sup>2</sup>.

All this supports the need for a comprehensive approach to recognizing and regulating Independent Contractor relationships that is consistent across all of the Federal Government and Provincial government touchpoints, specifically tax, CPP/EI and Employment Standards recognition.

Recognizing the Ministry of Finance's interests and ongoing efforts, we feel it is important to share this information. We hope that you share our concerns and that there may be an opportunity to work together to address them in the near future.

Sincerely,

Kent McCrea  
 Director, Ottawa Chapter (Volunteer)  
 Association of Professional Canadian Consultants

<sup>2</sup> Independent Work: Choice, necessity and the gig economy. McKinsey Global Institute, 2016.