

ORHMA

ONTARIO RESTAURANT HOTEL & MOTEL ASSOCIATION

Hon. Greg Sorbara
Minister of Finance
Frost Building South, 7th Floor
7 Queen's Park Cres.
Toronto, ON M7A 1Y7

November 8, 2004

Dear Minister:

On behalf of the Ontario Restaurant Hotel & Motel Association (ORHMA) and our members province-wide, I am writing today regarding the Ontario Health Care Premium (OHCP). During a recent meeting of the ORHMA Board of Directors the issue of the OHCP was raised, and is of significant concern to our members, particularly those with collective agreements.

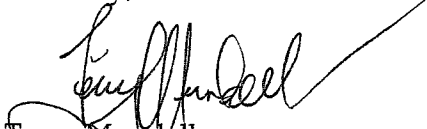
Recent media reports have indicated that there have been four arbitrators' decisions regarding the duty to pay the OHCP. We are aware that three of those arbitrators have ordered the employees to pay the OHCP, whereas a fourth has ordered the employer to pay the premium. This is of great concern to our members, particularly those in the accommodation sector who have a collective agreement with their staff.

Further, we are aware that Bill 106, Budget Measures Act, has not yet received approval in the Legislature. Minister, we respectfully request that you make an amendment to the Act, to remove any existing doubt, to clarify that the employer is not bound to pay the OHCP on behalf of its employees. We have read with interest the Premier's comments in both the media and specifically in the Legislature on October 27 when he stated "It has always been our intention that taxpayers would pay this and not employers. That remains our intention and that is what we want to see happen." We are asking that the legislation reflect that intent.

As you know, Minister, our industry continues to struggle to recover from the impact of SARS. We are vulnerable to a high Canadian dollar, border delays, and ever-increasing cost of energy. The possibility that employers may be liable for the payment of the OHCP on behalf of employees could prove disastrous for our industry. Without an amendment to the legislation the government is forcing the business community to take on the exorbitant cost of arbitration hearings. This is simply a cost the hospitality industry cannot bear.

Our members look to you to address this very important issue and bring clarity to the situation. Thank you consideration of this matter. I look forward to your reply.

Sincerely,



Terry Mundell
President & CEO

cc: Premier Dalton McGuinty
Hon. Jim Bradley, Minister of Tourism and Recreation
Hon. Jim Watson, Minister of Consumer and Business Services
Hon. Joseph Cordiano, Minister of Economic Development and Trade
Peter Wilkinson, Executive Assistant to the Minister of Finance