

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-37

**Journal
des débats
(Hansard)**

F-37

**Standing Committee on
Finance and Economic Affairs**

Fair Workplaces,
Better Jobs Act, 2017

2nd Session
41st Parliament

Thursday 2 November 2017

**Comité permanent
des finances
et des affaires économiques**

Loi de 2017 pour l'équité
en milieu de travail
et de meilleurs emplois

2^e session
41^e législature

Jeudi 2 novembre 2017

Chair: Ann Hoggarth
Clerk: Eric Rennie

Présidente : Ann Hoggarth
Greffier : Eric Rennie

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



ISSN 1180-4386

Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

CONTENTS

Thursday 2 November 2017

Fair Workplaces, Better Jobs Act, 2017, Bill 148, Mr. Flynn / Loi de 2017 pour l'équité en milieu de travail et de meilleurs emplois, projet de loi 148, M. Flynn	F-1377
Wellesley Institute.....	F-1377
Ms. Lauren Bates	
Canadian Centre for Policy Alternatives.....	F-1379
Ms. Sheila Block	
Canadian Manufacturers and Exporters	F-1381
Mr. Ian Howcroft	
Mr. Paul Clipsham	
Ms. Josie Rudderham.....	F-1384
Provincial Towing Association (Ontario) Inc.; Ontario Recovery Group Inc.....	F-1387
Mr. Joey Gagne	
Mr. Doug Nelson	
Ontario Federation of Labour.....	F-1389
Mr. Chris Buckley	
Mr. Matthew Green.....	F-1391
Ontario Nurses' Association	F-1394
Ms. Simran Prihar	
Ontario Retirement Communities Association.....	F-1396
Ms. Laurie Johnston	
Mr. Brent Binions	
Toronto and York Region Labour Council	F-1398
Ms. Andria Babbington	
Mr. John Cartwright	
United Food and Commercial Workers Canada.....	F-1400
Ms. Debora De Angelis	
United Steelworkers, Canadian national office.....	F-1403
Mr. Mark Rowlinson	
Ontario Chamber of Commerce	F-1405
Mr. Karl Baldauf	
Unifor.....	F-1408
Ms. Naureen Rizvi	
Ontario Council of Agencies Serving Immigrants	F-1410
Ms. Avvy Go	
Coalition of Concerned Manufacturers and Businesses of Ontario	F-1412
Mr. Peter Gossmann	
Ms. Jocelyn Bamford	
Ontario Network of Injured Workers Groups	F-1415
Mr. Karl Crevar	
Mr. David Newberry	
Mississauga Board of Trade.....	F-1417
Mr. David Wojcik	

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 2 November 2017

Jeudi 2 novembre 2017

The committee met at 0900 in room 151.

**FAIR WORKPLACES, BETTER JOBS
ACT, 2017**

**LOI DE 2017 POUR L'ÉQUITÉ EN MILIEU
DE TRAVAIL ET DE MEILLEURS EMPLOIS**

Consideration of the following bill:

Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts / *Projet de loi 148, Loi modifiant la Loi de 2000 sur les normes d'emploi et la Loi de 1995 sur les relations de travail et apportant des modifications connexes à d'autres lois.*

The Chair (Ms. Ann Hoggarth): Good morning. We are meeting here this morning for public hearings on Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts. Each witness will receive up to five minutes for their presentation, followed by up to nine minutes of questioning from the committee.

Are there any questions before we begin? All right.

WELLESLEY INSTITUTE

The Chair (Ms. Ann Hoggarth): I will call our first witness. It is the Wellesley Institute. If you would, please state your name for Hansard, and then your five minutes will begin.

Ms. Lauren Bates: My name is Lauren Bates. I'm the director of policy at the Wellesley Institute. We are a non-profit, non-partisan, independent research and policy institute. Our mandate is to advance population health and reduce health inequities across the greater Toronto area.

Our recent research and policy work related to reform of Ontario's employment laws has been done in partnership with Toronto Public Health, so my presentation today is going to be based on that joint work and that combined expertise. I thank you all for the opportunity to share that with you this morning.

The research is clear: Good jobs promote health. Conversely, jobs with low incomes, limited benefits and poor working conditions are associated with negative health outcomes, including poor mental and physical health, increased rates of disability and, indeed, lower life expectancies. We also know that some groups are more

likely than others to find themselves in low-paid and precarious work, including persons with disabilities, racialized individuals, indigenous persons and newcomers. These groups then bear a disproportionate burden of poor health, and this costs everybody.

Employment laws should promote and protect the health of Ontarians, to the benefit of us all. This is the lens that we bring to the discussion of Bill 148 and which we hope you will incorporate into your important work. There are many aspects of Bill 148 that have the potential for a major impact on health. In the time that we have together today, I'm going to focus on three of those: paid sick days, a healthy minimum wage, and effective monitoring of implementation.

All of us need time to attend to our health. Access to paid sick days promotes good health for individuals and communities and reduces health system costs. The inclusion of two paid days of personal emergency leave is an important step forward; however, it is not adequate to the need. This is particularly so because it must also cover bereavement and family emergencies. It's insufficient to cover the median sick days required by Ontario workers or to bridge to long-term disability benefits.

Where there are not adequate paid sick days, low-wage workers may attend work despite sickness because they cannot afford to do otherwise. They may defer seeking treatment until they are seriously ill, or fail to do important preventive screening. No doubt this is why a lack of paid sick days is associated with a range of negative health consequences, including increased morbidity. It is also associated with an increased spread of illness in the community. In the end, it's costly for individuals, employers and for the health system. That's why paid sick leave is available across the European Union and in Australia. We therefore recommend that the paid days of personal emergency leave be expanded to seven.

To my second point: Ontario's minimum wage should be a healthy wage. We need a wage that's sufficient to enable workers to afford nutritious food, safe and appropriate housing, health services that include prescription drugs and dental care, and social inclusion. We need to go beyond a discussion of what we need for bare physical survival and talk about what's needed so that all Ontarians can be healthy and participate in our society. While the progressive increases to a \$15 minimum wage by 2019 are, again, an important step forward, Wellesley Institute's recent research on the wage or the resources needed to thrive in the GTA demonstrates that it still falls

far short of what is needed for residents of the GTA to lead healthy lives. A \$15 minimum wage is a bare minimum and any step backward will be a step back for the health of workers.

Our final point is to the importance of monitoring for effective implementation of Bill 148, once it is passed. We must ensure that the advances of Bill 148 do not fall short of their potential, and that we retain the ability to adapt to a rapidly changing labour market and employment environment. We recommend the development of new tools to collect and analyze labour market data and trends. As well, we recommend that the legislation mandate an independent review after five years, as has been done in other legislation of similar importance and scope in the past. To us, this is a matter of good governance, and given the once-in-a-generation importance of this reform, we believe it to be a vital necessity.

The Chair (Ms. Ann Hoggarth): Thank you. We will open questioning this morning with the third party: MPP Forster.

Ms. Cindy Forster: Thank you, Lauren, for being here today. The government, as part of their minimum wage proposal, is proposing to continue to have a sub-minimum wage for alcohol servers and for students. Would you like to comment on that?

Ms. Lauren Bates: As I mentioned, we bring a health lens to all that we do. It is certainly important that for all Ontarians there is a sufficient income to ensure that everybody is able to afford what they need to be healthy and to thrive.

Ms. Cindy Forster: Has there been a living wage review/report done for Toronto and the GTA? I know, as we travelled across the province in the summer, that just about every community talked about what that figure was for their community. It ranged from a low of about \$14.80, I think, to a high of \$18-plus. Has something similar been done in Toronto?

Ms. Lauren Bates: What Wellesley Institute recently did was not looking so much at a living wage but at a thriving wage, so looking at what we need to do to be healthy and move forward. That included things beyond the bare minimum: the ability to save for retirement, the ability to pay off your student debt. That actually brings us to a number closer to \$25 an hour. We're not suggesting at this point that we raise the minimum wage to \$25 an hour, but that gives you a sense of the resource that is needed, whether in terms of employer benefits or other types of supports, for people to be able to lead healthy lives in a community that's as expensive as the GTA and in our current environment, where we receive fewer supports and benefits through employment.

Ms. Cindy Forster: Did it include things as well like child care and—

Ms. Lauren Bates: This was actually for single, healthy individuals between the ages of 25 and 40. We will be following up with a report later this fall on what it costs to live healthy lives in retirement.

Ms. Cindy Forster: Thank you so much.

The Chair (Ms. Ann Hoggarth): We will move to the government: MPP Baker.

Mr. Yvan Baker: Thanks very much for coming in and speaking to us today. I found it interesting to hear—and in the past I've read your team's work on social determinants of health.

Ms. Lauren Bates: Yes.

Mr. Yvan Baker: One of the things that you spoke about this morning was the correlation—you spoke about the minimum wage in particular and the correlation between a person's wage and their health. Correlation and causation are two different things. Could you explain how a person's income can affect their health?

Ms. Lauren Bates: Income as well as working conditions, I should emphasize. It may operate, for example, through the increased stress and uncertainty. It may operate because if you have low income, you can't afford health services. I believe that about a third of working Ontarians don't have access to prescription benefits and drugs. So if that's not going to happen through the workplace, people have to afford them out of their own pocket or not have them at all. If your income is low, you may not be able to afford nutritious food. All of these things directly impact on our health, and this, perhaps, explains the close connection between some of these social determinants of health, like working conditions and income, or negative health outcomes.

0910

Mr. Yvan Baker: Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you. New—

Mr. Yvan Baker: Chair—

The Chair (Ms. Ann Hoggarth): Oh, sorry. MPP Vernile.

Ms. Daiene Vernile: How much time do we have, Chair?

The Chair (Ms. Ann Hoggarth): Two minutes.

Ms. Daiene Vernile: Okay. Lauren, thank you very much for being here this morning, bright and early. Next up, you're going to be asked questions by the Conservative members who are here. If you've been following this debate, you know that on second reading, prior to coming into committee, they voted against this bill to give people in Ontario a living wage and all of the other measures that are contained within the bill. You've got a chance to speak to them directly here. What would you tell them about why they need to support this?

Ms. Lauren Bates: I would speak to everybody about the need for us all to work together as Ontarians to promote the ability for us all to lead healthy, productive lives, to be healthy enough to be able to contribute to our economy and to our communities. We believe that healthy working conditions are essential to that, and we need to move forward together towards that.

Ms. Daiene Vernile: We've heard from business stakeholders who are concerned about the economic impact on them. What would you say to those businesses that have concerns?

Ms. Lauren Bates: Something that's often left out of this discussion is the way in which poor jobs are actually expensive for all of us. When people work in jobs that leave them in poverty, that leave them without access to

prescription drugs or dental care and that leave them in constant uncertainty and stress, then they do develop health challenges, greater incidence of disability, and they lead shorter lives. That's costly. That's costly for employers, that's costly for individuals and that's costly for us as communities. So the question is partly whether we can afford the price we're already paying for the health costs of the working conditions which many Ontarians are currently experiencing.

Ms. Daiene Vernile: Lauren, we had one business owner who does pay a living wage who came before us, and he said that if your business model is built on the exploitation of your workers, then you need to rethink your business model. Would you agree with that?

Ms. Lauren Bates: Yes.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Ann Hoggarth): We'll move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Lauren, for joining us this morning. It's really great that the Liberals can remind you of how people vote. I think that you follow the Legislature closely enough that you know exactly how people vote, but then again, you'd also know that they voted against amendments that would help women who are victims of sexual and domestic assault as well.

Lauren, you gave a figure of \$25. Why are you not advocating for the \$25?

Ms. Lauren Bates: That amount is a resource that people need in order to thrive. That resource could be made up in a number of ways. We could be looking towards employers providing better or more extensive health and dental benefits; that's part of the cost. We could be looking towards reducing the amount of student debt that students exit with, and that would reduce the cost. We could strengthen our retirement system, and that would significantly reduce the cost. We could look at making housing more affordable. Rather than focusing solely on income, we want to focus on all the different ways that we can work together to enable people to thrive. It can come as individualized wages, but it doesn't have to. We can look for creative ways to do that.

Mr. John Yakabuski: So basically what the government is doing here is putting an awful lot of the weight on those small businesses, which, I'm sure you've heard, are going to be looking at cuts to jobs as a result of this, because of the speed at which this is being implemented. You know that in British Columbia they're actually looking at an implementation of 2021 for the \$15-an-hour minimum wage. But here in Ontario, it looks like those small businesses—instead of the government doing things to help raise people out of poverty, it appears that they're putting it all on the backs of the businesses. Based on what you've just said, are you suggesting that there needs to be a shared burden in how we lift people out of poverty, and the government is not doing its job?

Ms. Lauren Bates: I would not go so far as to suggest that. What I am suggesting is that there is a shared responsibility. Certainly, employers need to do their part as well. As mentioned in my presentation, we do strongly

support the \$15 minimum wage. We believe that that's a minimum in our current circumstances for people to get by. But we also believe that we need to continue to explore the different ways in which we can help people move forward towards thriving.

Mr. John Yakabuski: What about changes to the tax structure for low-income people?

Ms. Lauren Bates: That's a possibility as well. I've not come today prepared to speak to that particular piece, but I think we can explore a variety of ways to move forward—again, to ensure that people have the income that they need. But I do want to emphasize—

The Chair (Ms. Ann Hoggarth): Thank you.

Mr. John Yakabuski: Thank you very much, Lauren.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a written submission, could you have it to the Clerk, please, by 5 o'clock on Friday, November 3?

Ms. Lauren Bates: Thank you.

CANADIAN CENTRE FOR POLICY ALTERNATIVES

The Chair (Ms. Ann Hoggarth): Our next presenter would be the Canadian Centre for Policy Alternatives. When you get settled, if you could identify yourself for the purposes of Hansard and you may begin your five-minute presentation.

Ms. Sheila Block: Hi. My name is Sheila Block and I am a senior economist with the Canadian Centre for Policy Alternatives. I want to thank you for the opportunity to speak with you about this very important piece of legislation. I am happy to be here on behalf of the CCPA, which is a progressive think tank that specializes in economic analysis.

Since I appeared before this committee in July, there have been a number of studies that have attempted to estimate the impact of the proposed increase in the minimum wage on jobs. All but one of these studies have been released by business groups. All are warning about some job displacement, with estimates ranging from 50,000 to 185,000 fewer jobs over different time periods. I have spent some time along with my colleagues understanding the methodology and the results of these studies.

Earlier this week, Michal Rozworski spoke with you in detail about these studies and their methodological flaws; I'll just reinforce some of our conclusions.

The first is that none of these studies are counting job losses or pink slips. None of them conclude that overall employment will fall as a result of Bill 148. Instead, they measure how employment might grow more slowly. Economists refer to this as "disemployment."

Even within these narrow confines, these studies are, by and large, out of step with the mainstream academic literature. The current consensus, among economists who are far more prominent than I am and far more conservative, is that there are no large positive or negative employment impacts associated with an increase in the minimum wage.

Other factors, such as overall economic activity, have a much more important impact on the level of employment than the minimum wage.

But, perhaps more importantly, by focusing on the potential employment impact of one aspect of this legislation we're missing the forest for the trees. We need this legislation because there is a great deal of income inequality in Ontario, and much of it results from what happens in the labour market.

Yesterday the United Way released a report describing the worsening income gap in the greater Toronto area. I recently published a report describing how the bottom half of Ontario families with children have been losing economic ground since the turn of this century, while the top half of Ontario families continue to experience real gains in earnings.

It's like there are two labour markets in Ontario: one that's working for well-off families and another that's leaving the bottom half behind. And that's why these measures in Bill 148 are so important. The labour market has changed profoundly in Ontario over the last generation. A larger share of workers are in low-wage work and they depend on minimum wage earnings to survive.

Women, racialized workers, recent immigrants and indigenous workers are overrepresented in this low-wage work. Fewer private sector workers have the protection of a union to enforce their legislated rights or to help them bargain improvements. Technological changes have given employers tools around scheduling that were really unimaginable only a few years ago. And changes in the way business is conducted has increased the complexity of the relationships between employers and employees. All of these factors have contributed to labour market inequality.

This bill works to address this inequality head-on and reduce it. It can improve the lives of millions of Ontarians and their families by increasing their income above poverty wages, by improving the predictability of their work lives and by ensuring that they will be able to stay home when they are sick without losing income.

These are pretty basic human rights: to know your work schedule ahead of time; to earn enough so that full-time work can keep you out of poverty; to be able to take care of yourself when you are sick; to be paid the same as someone who is working beside you doing the same work; and to be able to join together with others in your workplace and make the decision to join a union. I would really challenge any one of you to justify why anyone who is working in Ontario in 2017 should be without these basic human rights.

0920

I was disheartened to see that over the summer, two aspects of this legislation have been weakened. The first is weaker provisions for work scheduling and the second is a watering down of provisions on equal pay for work of equal value. I know that you have been presented with amendments that would rectify this and that would strengthen other aspects of this legislation.

What I want to leave you with is: Markets cannot function without regulation. Government's role is to set

out the rules to protect Ontarians. As legislators, we have given you these powers of regulation, and I urge you to use those powers to support and strengthen this bill. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you, Ms. Block. We'll go to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Actually, it should be there.

The Chair (Ms. Ann Hoggarth): Oh, I'm sorry. Government: MPP Colle.

Mr. Mike Colle: Thank you, Sheila, for coming back. I think the thing I want to go over with you is the other studies. We've had all the business organizations basically come up with studies saying that it's going to cause massive unemployment—although, as you say, they don't use the word "unemployment." What they say is "disemployment" and "employment risk," so they sort of guard their predictions.

In terms of the impact of wages being increased on unemployment rates, could you further elaborate on that?

Ms. Sheila Block: What we know is that there is really a large number of factors that have an impact on employment and unemployment rates. The most important factor from the research are the overall levels of economic activity. What we do know is that in particular, there might be slower employment growth for teenagers as a result of an increase in the minimum wage, but even that is more recently in dispute. What's really important for unemployment is the overall level of economic activity, and that has a huge number of factors: What's your international environment? What's your overall government policy environment? Those are really the factors that have a large impact.

We do know that the increase in the minimum wage has a positive distributional impact; that is, shifting dollars from profits to labour income. It's also increasing the buying ability and the potential for low-income workers to move out of poverty.

Mr. Mike Colle: Yes, and then you mentioned income inequality, which is really at the core of this. That's what I certainly see in my own riding, which is a riding that has people who are very successful and then newcomers from the Philippines and from Mexico coming into the riding. Like Robert Reich says, this is a growing North American challenge. The economy generally has been doing very well in North America and Ontario, but that economic wealth isn't being shared, and you've got this growing gap, as the United Way study just reiterated here in Toronto. At least this is an attempt to deal with that gap that is growing and not in any way being remedied, because money is going to that upper 10% or whatever you want to call it and not being distributed amongst the workers. Could you expand on that?

Ms. Sheila Block: I think there are two approaches to reducing inequality—

The Chair (Ms. Ann Hoggarth): Thank you.

Ms. Sheila Block: Okay.

The Chair (Ms. Ann Hoggarth): Sorry.

Ms. Sheila Block: That's okay.

The Chair (Ms. Ann Hoggarth): We'll move now to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Sheila, for joining us again this morning. You touched on one thing there, and I just wanted to briefly get what might be a solution on it. We've got hybrid fire departments in many municipalities across Ontario. The provisions in the bill for equal value for equal work would have huge impacts on those fire departments that have a professional component and a volunteer component.

Municipalities have indicated that it will have a huge financial impact on them. How are you suggesting they deal with that if there isn't a change? Are they just supposed to raise taxes to their residents? How would they address that?

Ms. Sheila Block: So you're asking about how public sector institutions would deal with this?

Mr. John Yakabuski: Specifically, there are municipalities—I believe there are 32 of them—with hybrid fire departments. Some are professional, so they have a collective agreement, and some of them are volunteer. But if the provision says “work of equal value”—a firefighter is a firefighter when they're on the job—how are those municipalities supposed to make up the cost difference that this bill would mean to them?

Ms. Sheila Block: I guess in terms of volunteer firefighters, we are kind of moving beyond my area of expertise here.

Mr. John Yakabuski: But you spoke to the changes in the amendments there.

Ms. Sheila Block: Absolutely, but a volunteer firefighter, I think—are those paid positions or unpaid positions?

Mr. John Yakabuski: They're paid. Volunteer firefighters are paid.

Ms. Sheila Block: They are paid positions. Both firefighters are paid.

Mr. John Yakabuski: Yes.

Ms. Sheila Block: If in fact those needed to be extended, I would absolutely say that, yes, the way to address that is to increase taxes sufficiently to pay it.

When you think about those costs for volunteer firefighters in the overall budget of a municipality, I think other issues around road maintenance, around all of those much larger aspects of the budget, would have a far larger impact than the cost of a volunteer firefighter, so I can't see that having a huge negative impact on those individual municipalities.

Mr. John Yakabuski: The municipalities would differ with you, but that's why we're here for you. We have differing opinions on different things.

You talked about the job aspect. First of all, one of the reports was not from a business-oriented—it was from the Financial Accountability Officer, who is an independent officer of the Legislature.

The CFIB was in here the other day, the Canadian Federation of Independent Business, and they did a survey of their members. One of the specific numbers

was, and I don't have it exactly, but over a third of them were asked—

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party: MPP Forster.

Ms. Cindy Forster: Thank you, Sheila, for being here today.

The government is proposing a sub-minimum wage for liquor servers and for students, many of whom do not live at home with their parents, as everyone seems to think. Once they leave the nest, they sometimes never return home.

In the Star article this week, there was discussion about women, new immigrants and the indigenous being overrepresented. Can you speak to that impact of paying the sub-minimum wage to an industry that is probably in the majority staffed by women?

Ms. Sheila Block: Yes, absolutely. In one of the proposed amendments, I think it is to remove those sub-minimums. A lot of that has to do with predictability of your income. So if, in fact, you have to rely on tips, if you have a slow evening, then you'll have a big reduction in your income in that way. So I think, all around, the idea of a minimum wage should be extended to all individuals in that kind of a way. Absolutely.

Ms. Cindy Forster: Including students.

Ms. Sheila Block: Including students, yes.

Ms. Cindy Forster: You were going to speak to the two thoughts around income equality, if you wanted to spend a minute sharing that with us.

Ms. Sheila Block: Sure. There are two ways that you can address income inequality. One of them is through the tax and transfer systems. I guess it's heartening to see the members of the official opposition advocating for increased redistribution through the tax system. The other way to do it is through actually increasing benefits. So you can collect more taxes and provide people with more income out of social assistance. I think there are some excellent recommendations around that today.

The other way to do it is through pre-distribution, as it's called. That is absolutely what is being recommended here, where you change the rules around the labour market and you ensure that lower-income individuals actually have higher earnings. This is absolutely what it's going to do. It's a really effective means of decreasing inequality and increasing incomes for low-income individuals.

Ms. Cindy Forster: Thank you.

The Chair (Ms. Ann Hoggarth): Okay. Thank you very much, Ms. Block. If you would like to send a written submission, it needs to be to the Clerk by 5 o'clock on Friday, November 3.

Ms. Sheila Block: Thank you.

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Canadian Manufacturers and Exporters. When you get settled, please identify yourself for the purposes

of Hansard, and you may begin your five-minute presentation.

Mr. Ian Howcroft: Good morning, Chair, and thank you very much. My name is Ian Howcroft, and I'm senior vice-president and corporate counsel with Canadian Manufacturers and Exporters. With me is Paul Clipsham, our director of programs and engagement. Thank you for providing us the opportunity to be here this morning.

0930

I just wanted to start by emphasizing the importance of manufacturing. It is the largest sector that we have in the Ontario economy. It employs 750,000 directly and 1.5 million individuals indirectly, and last year its output exceeded \$300 billion.

I'd also like to start off by saying that the CME supports the government's intention of creating more opportunities and security for Ontario's workers. However, the projected cost of Bill 148 will cause significant and, we think, unintended consequences to Ontario manufacturers in the short, medium and long term.

We appreciate the opportunity to provide additional comments and provide some additional information that hopefully can be used to develop solutions, perhaps focused on the manufacturing sector, which pays far above the minimum wage and has the type of jobs that many people covet and are hoping to realize.

According to the Canadian Centre for Economic Analysis, in September 2017, concerns were expressed about Bill 148. It is expected that the total cost of the bill will be \$23 billion over a two-year period. The immense costs will be imposed on Ontario employers suddenly and will affect both businesses and employees alike. To put this in perspective, \$23 billion is equivalent to 100% of the corporate tax revenues that Ontario expects to get from the business community.

Bill 148 will also have a negative impact on job creation and reduce the number of jobs available in Ontario. It was estimated from the CANCEA study that Bill 148 would put 185,000 jobs at risk. Specific to manufacturing, that's estimated to be about 16,800 jobs at risk. This includes jobs that currently exist or would otherwise have been created if Bill 148 was not enacted or done so differently.

Additionally, the negative impact of Bill 148 will not be felt uniformly across the province. It is expected that employees outside of the GTA will be most at risk, including in southwestern Ontario, where there is some heavy concentration of manufacturers.

Given our short time, I'll just turn to Paul to highlight some of the key suggestions and recommendations we'd like to focus on.

Mr. Paul Clipsham: Thanks, Ian. In consultation with our member companies, we submit a number of recommendations.

Conduct a more detailed economic analysis to understand the full impact of the bill and to avoid any unnecessary unintended consequences.

Under the Employment Standards Act elements, include a manufacturing exemption in the bill for changes

respecting scheduling, shift times and work locations. These are elements that we've heard a lot about that really impede flexibility for manufacturers. For the most part, it's a very predictable 9 to 5, but you always need that agility, that flexibility in manufacturing.

Implement a manufacturing-specific exemption regarding public holiday scheduling. A lot of companies will actually offer days in lieu to offer longer holidays around Christmastime or holiday periods, and employees seem to like that as well.

Maintain the 50-employee threshold for emergency leave. Ensure the bill expressly states that personal emergency and other leave days are a minimum standard and not intended to be in addition to an existing paid leave plan that provides a greater right or benefit. Something that we would like to see more of throughout the bill is the emphasis on the greater right or benefit.

Ensure that the minimum wage increases are done in a manner that is consistent with past increases to avoid unintended consequences, including a plan to implement the planned increase over a longer time period. We would like to see five years.

Ensure that there is a probationary period before you would have to pay an increased minimum wage.

If the wage increases are going ahead, then we would like to see some direct offsets in terms of tax incentives or other non-wage costs that are really going to cause challenges for business if those costs aren't addressed.

In terms of temporary help agencies, we recommend following the recommendations of the special advisers' report to offer a probationary period of six to 12 months before you would pay the same as everyone else on their shift, for example. This is something that we heard a lot of—just the administrative complexity, and then the cost on top of that of moving to equal pay is challenging.

We want to commend the committee for recognizing the seniority and merit systems—

The Chair (Ms. Ann Hoggarth): Thank you. Official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you very much, Ian and Paul, for joining us. If you want to quickly sum up that last point, go ahead.

Mr. Paul Clipsham: Yes. Where was I? Recognizing pay scale and merit systems that exist already; I think that's a really important piece that we hear about from our members as well.

Mr. John Yakabuski: Thank you. There seems to be such a schism between those who come to this committee advocating for the minimum wage or even a faster implementation, an immediate implementation, and one that has no differentiation for students and/or servers, and the business community, which actually has created the lion's share of jobs in this province since we've created jobs. It's a lot easier to argue in favour of giving people something than it is to argue in favour of not.

Yet, when the government has been asked to do this—and they've been repeatedly asked to do the full economic impact analysis of what this legislation would actually mean. Can you give me any idea of why you believe

there has been such a steadfast refusal to actually delve into the numbers?

Mr. Ian Howcroft: We can't really answer that question. We just think it's crucial that that type of economic analysis be done before you make major changes.

Almost all of the studies that we reviewed had a significantly negative impact on employment. It's a small consolation to say to somebody, "Well, if you had a job, you'd be earning \$15 an hour." We just know from the conversations and the consultations we've had with our members that it is going to have an impact on the number of jobs.

I'll point out that 96% of manufacturing industries pay above, usually far above, the minimum wage, but it's still going to have an impact because if you had entry-level jobs at \$17, \$18 or \$19, it's going to have an impact on that. The ratcheting effect will have an impact and put inflationary pressures on that. So it is a big issue.

We were also surprised that the minimum wage became the main plank of the study, because we participated, over the last two years, with the special advisers on this, and minimum wage wasn't even part of the consultation. So that was a bit of a surprise to us, but it is a big issue for the business community.

Mr. John Yakabuski: We've also been told, Ian, about the inflationary effect, because it all starts at the bottom of the food chain, no pun intended, where we're taking stuff out of the ground, or food goes—their costs are going up. The processors' costs go up. The transportation aspect goes up. Then, in the grocery store, everybody's costs are going up. I recognize that most people in manufacturing pay more than \$15 an hour, but where do you see the inflationary effect in manufactured goods—because of wage compression or are there other impacts as well?

Mr. Ian Howcroft: Because of wage compression—

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the third party: MPP Forster.

Ms. Cindy Forster: I'd actually like to hear that answer as well. So if you want to finish, go ahead.

Mr. Ian Howcroft: Yes, sure. It's going to have it in wage inflation, but also input costs. It's going to have it in the cost of purchasing for the manufacturing input, the inputs into the products that are being manufactured. It's going to have an impact on those.

I'll also just point out that those costs have to be taken into consideration with the highest electricity prices in the province and the cap-and-trade costs. You can't just look at one bill in isolation. We're looking at the whole cumulative impact of all these regulatory changes on manufacturing. Throw into that the NAFTA discussions, and we're a sector, vitally important to the economy, but under many, many pressures.

Paul, did you want to add something on that?

Mr. Paul Clipsham: Yes. I was just going to say that, unfortunately, the deeper your supply chain and the more you're buying from Ontario companies, the more significant the impact will be on your cost structure.

Ms. Cindy Forster: What percentage of the members you represent are unionized?

Mr. Ian Howcroft: We don't have an exact number. I would guess between 18% and 22%. Manufacturing is probably the sector, outside the public sector, that has the largest rates of unionization.

Ms. Cindy Forster: Your point number 6 is that you want the requirement removed to provide the union with employee lists and the contact information because this is an invasion of personal information. We've heard from a number of people on this issue over the days of hearings. They use the analogy that as politicians, when we run for elected office, we get a voters' list and it has got the person's name and the person's address. If we want to go knock on your door and say, "Hey, this is why you should vote for me," that isn't seen as an invasion of privacy.

0940

Certainly people whom we've heard from feel like it isn't a level playing field for workers who want to join a union and want to perhaps talk to their co-workers outside of the workplace. Could you comment on why your members—

Mr. Ian Howcroft: Well, there's a lot of concern that has been expressed by our members that they take their responsibility to protect the private and confidential information of employees—there are many employees who don't want that information released. We think their rights should be respected if they don't want that information released. We think taking it down to 20% is far too much of a change, and it does impose sharing some confidential information from people who do not want that information shared. Those are the main concerns that we hear, and those concerns are being expressed by employees to their employers as well.

Ms. Cindy Forster: Then your point number 5, on equal pay for equal work: You're actually looking to have a probationary period of up to 12 months for a temporary worker. Would you not see that employers then would just continue to turn over employees?

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the government: MPP Colle.

Mr. Mike Colle: Thank you, Ian and Paul. It's nice to see you again.

I still don't quite understand: 96% of workers in manufacturing earn minimum wage or above, right? Am I correct?

Mr. Ian Howcroft: Above minimum wage, yes.

Mr. Mike Colle: What is the direct concern of the manufacturers, then, with raising the minimum wage to \$15?

Mr. Ian Howcroft: It's an enormous increase, to start with—32% or 33%. There are employers, manufacturers, that are paying \$16, \$17 or \$18 on entry-level jobs, so if you're paying \$16 or \$17, which is 30% above the minimum wage, and all of a sudden now the minimum wage is at \$15, the delta is dramatically reduced. There will be pressures on those employers—and some will do it because they think, "We have to have equity, and we're going to have to increase our wages." Others will have to increase just because of the inflationary impacts of the ratcheting effect.

Mr. Mike Colle: But there's no direct impact on most manufacturers because they already pay above minimum wage.

Mr. Ian Howcroft: Yes, but if the minimum wage is \$11.60 and you're paying \$16, you're paying far above the minimum wage. If you take the minimum wage to \$15 and you're paying \$16, you're almost at the minimum wage. That will cause inflationary and ratcheting pressures to increase the wages that you're paying.

Mr. Mike Colle: Yes, that you're speculating will happen. That's speculation on your part.

Mr. Ian Howcroft: Speculation and forecast by economists, yes.

Mr. Mike Colle: The other thing is, you say that the cost of this increase is \$23 billion over two years. Where's the money going? If you're improving the paycheque of minimum wage workers right now, what do you think they're going to do with the money? Where will it go? Where will it disappear to?

Mr. Paul Clipsham: I think the concerns are around the inflationary pressures that came up earlier. If you get an increase—when we saw the minimum wage go up recently, my Tim Hortons coffee went from \$1.50 to \$1.55. I think that will be absorbed through the cost increases that people experience.

Mr. Mike Colle: But the question I'm asking is: These workers, with their extra money in their pocket—aren't they going to put it back into the economy? They're not going to put it in some bank account in the Cayman Islands; they're going to buy more bread, milk, restaurant meals, shoes, whatever. They're going to spend it locally. It's not as if you're taking that money out of the economy; the money is going to be kept in the local economies because it's more disposable income for workers.

Mr. Ian Howcroft: Sure, there will be some of that, but there will probably be more of an impact on those opportunities that are lost, that are forgone: the investment that we won't attract or other costs in addition to the minimum wage that will be incurred because of the other changes in Bill 148 as well. It's not just the minimum wage. As I said, most of our members are paying far above that. We're very concerned about some of the other costs that would go along with—

The Chair (Ms. Ann Hoggarth): Thank you very much. The deadline for further written submissions: It needs to be in to the Clerk of the Committee by 5 p.m. on Friday, November 3.

Mr. Ian Howcroft: Thank you very much.

MS. JOSIE RUDDERHAM

The Chair (Ms. Ann Hoggarth): Our next presenter is Josie Rudderham. Good morning. When you get settled, if you could identify yourself for the purposes of Hansard. You may begin your five-minute presentation.

Ms. Josie Rudderham: Good morning. My name is Josie Rudderham and I am co-owner of a bakery in Hamilton, Ontario, called Cake and Loaf Bakery.

I'm going to be totally different than the last presenters. I'm going to start with a little bit of a story about who I am and how we became a living-wage business in Ontario.

I was born in Alberta but grew up in Hamilton. I was the child of two social workers and I went to a very inner-city school, despite the fact that I had a very comfortable upbringing. It was really obvious to me from a young age the difference between the students at school who were able to have breakfast in the morning, who knew their parents would be there when they got home from school, who were able to get reliable transportation to school every day, and the children like me, who were growing up with all of the privileges that allowed me to do that.

As I started a business in Hamilton, our main priority was always to create quality employment. We had worked in many bakeries in Ontario—my business partner and I—and we had seen a lot of problems with sexism, a lot of problems with discrimination, a lot of problems with not adhering to even the current ministry guidelines on labour, and how that had affected people: how addictions issues arisen out of that; abuse within families that had arisen out of that. So for us it was really about creating careers that were dependable for people and hours that were dependable for people.

In 2015, we worked with the poverty reduction roundtable in Hamilton and Living Wage Ontario to launch living wage within our business. In the culinary sector, you get a range, but minimum wage is pretty much the standard, and, as you probably heard about servers, even lower than that—and their wages are almost entirely dependent on how that day is going in that restaurant or bakery.

At Cake and Loaf Bakery now, our minimum wage is \$15.50 for those people who do earn tips. They earn, on average, \$2 to \$3 an hour in tips on top of that. That's just our very front-line staff. For everyone else in the bakery, it's \$16 an hour. Then our pay ranges goes up to about \$21. When we launched living wage, we had to give everyone a \$2- to-\$3-an-hour raise within a year. That was the commitment that we made to our employees. Along the timelines that you guys are looking at for the minimum wage increases, we did it even faster than that.

We had a lot of planning to do. We had a lot of re-prioritizing to do within our business. I would argue that, for a small business—at the time we had 23 employees; we have 30 employees now, so we have actually added seven positions since we launched living wage in 2015—it was a matter of re-prioritizing everything and how we ran our business and what our goals for that business.

It's really, really difficult for me, as an individual who made a lot of personal sacrifices and watched my employees make sacrifices, to hear CEOs, who, on average, make the average Canadian income by their first day of work on the job every year, just shrug their shoulders and say, "What can we possibly do? Where would this money possibly come from?"

I think there's re-prioritizing to be done and I think that people need to take a really hard look at themselves. If they work in a business where they are literally bringing in millions of dollars and they have people in that business working for minimum wage, I would like them to sit down at a table and talk to those people about what their lives look like, the working poor in Ontario, who often have multiple minimum wage jobs—and they're not even reliable jobs; they're precarious employment—trying to make ends meet.

We made a very intentional choice at Cake and Loaf to launch it. We've seen huge benefits from that. It's one of the driving reasons we were able to win a \$100,000 contest put on by the Globe and Mail and Telus. It was essentially our story about living wage and our approach to employment that helped us win that competition.

Like I said, we've added seven full-time positions since 2015, paying all of those people a living wage. We've seen a huge reduction in employee turnover and illness and a different approach to business. When you make a commitment to employees and you prioritize the fact that they need to go home and have expenses of their own and that it's not just about the business's expenses or the living unit that is the business that needs to continue, you see a shift in ownership from the employees and shift in loyalty and an understanding that the more you talk about what we had to do get this living wage for employees—a better understanding of how businesses make money and their role in making money for the business.

In summary: reduced turnover, for sure. We had a couple of employees who had to have two jobs because they had kids at home and they needed to make ends meet. When we were able to give them a living wage raise, which for those employees was a \$3-an-hour raise, they were able to quit those second jobs. That made not just an impact to their health, but also just the happiness of their family. They were home when their kids came home from school. They were able to spend more time with them—

Interruption.

Ms. Josie Rudderham: That tells me it's five minutes.

The Chair (Ms. Ann Hoggarth): Thank you very much. The third party: MPP Forster.

0950

Ms. Cindy Forster: Thank you for being here. When did you actually open your business to start with?

Ms. Josie Rudderham: Thanks. In 2011.

Ms. Cindy Forster: In 2011; so you had huge growth.

Ms. Josie Rudderham: Yes, we had four employees when we opened in 2011. We originally incorporated in 2010, just my business partner and I. Within the first two years we were up to 12 employees. Once we really committed to being an employee-centric business, the way we grow, everything changed.

Ms. Cindy Forster: Right. So you probably had to increase the price of your products a little bit.

Ms. Josie Rudderham: There was a very small increase. It was about 10 cents to 25 cents per item in the bakery, so that represents maybe a 5% increase. But we had an article in the Globe and Mail written about us. The weekend that that Globe and Mail article came out, people came from all over southern Ontario just to shake our hands, buy a cookie and to say, "What I think you're doing is important." No customer complained about the price increase, and our sales in 2015 were about \$1 million in revenue. We just did this year, and it's about \$1.6 million. So, certainly, revenue hasn't suffered.

Ms. Cindy Forster: That's good. And what was your revenue the first year you started?

Ms. Josie Rudderham: It was \$254,000.

Ms. Cindy Forster: Even that's good in the first year of business.

Ms. Josie Rudderham: Yes, that's pretty good for four people.

Ms. Cindy Forster: Yes. So the government is proposing still to have a sub-minimum wage for servers and for students.

Ms. Josie Rudderham: I disagree with that.

Ms. Cindy Forster: Do you have students work for you?

Ms. Josie Rudderham: I do have students work for me. I have also many friends in the industry. Although serving can be very lucrative in terms of tips, it is by no means a guarantee. That's the function of a minimum wage: to guarantee a minimum wage that is reasonable for people.

Students: If you can work as a student, you are often working part-time. If you're working full-time, that is a hard thing to take on and you deserve that minimum wage.

Ms. Cindy Forster: Thank you so much.

Ms. Josie Rudderham: Thanks.

The Chair (Ms. Ann Hoggarth): Now to the government: MPP Vernile.

Ms. Daiene Vernile: Good morning, Josie. Thank you very much for coming all the way in from Hamilton to speak to this committee.

I just want to take a second before I ask you some questions to—there's a person behind with a camera. That's Greg deGroot-Maggetti from Waterloo region, an anti-poverty spokesperson. Hi, Greg. Thank you for coming in. I'll be seeing you later today.

Congratulations on winning this award. That's wonderful news. In your business, I would imagine that the margins are very narrow, but you committed to paying your workers a living wage. So give us some advice: Where did you find the funds in order to start paying a living wage?

Ms. Josie Rudderham: Part of it was a commitment from my business partner and I not to exceed our top employee's wages at this point in our business. That's not a commitment we've made for the rest of our business, but it was a commitment to say, "If I'm going to go to work and look these people in the eye, I'd like to know

they have shelter and accommodation, and I am willing to give up some of my comfort to do that.”

We certainly shifted how we produced things: We changed shift times so that fewer people were working at the same time, which allowed those people to be more productive. It’s a small space, so we made some adjustments that way.

We had small increases to the pricing—as I said, 10 to 25 cents—which we saw no pushback from.

Ms. Daiene Vernile: When you decided to go to a living wage—you talked a little bit about the impact that you have seen with your employees. Retention is better; they’re not calling in sick as much. How has that impacted your business? What does it mean for you?

Ms. Josie Rudderham: For a small business, that’s huge. When someone calls in sick at a small business—anywhere you work where there are less than 50 employees, every single one of those people fills a specific role. If they are sick that day, everybody is scrambling to cover that, and often you’re going to have much less productivity that day. So illness is a really big issue, especially if someone has to take a week off because they can’t get over the illness because they don’t have proper living accommodations and they’re not living in a healthy environment.

Whenever you have training costs, training costs in any business are huge, especially if you, again, have very specific roles to fill.

So we’ve had a big impact with that—much less cost in terms of training, certainly, in the last two years.

Ms. Daiene Vernile: And if you ever come back to Queen’s Park, we would be very happy to sample some of the items—

Ms. Josie Rudderham: I didn’t know if that was bribing.

Ms. Daiene Vernile: Thank you very much.

Ms. Josie Rudderham: Thank you.

The Chair (Ms. Ann Hoggarth): MPP Colle.

Mr. Mike Colle: Josie, could you give the name of your bakery to us again?

Ms. Josie Rudderham: Cake and Loaf Bakery.

Mr. Mike Colle: Where is it located?

Ms. Josie Rudderham: We have two locations. We are in the Hamilton Farmers’ Market, which is a permanent indoor market like St. Lawrence Market, and we have one on Dundurn near Aberdeen in Hamilton.

Mr. Mike Colle: Great. Anyway, that’s a wonderful Canadian success story. Congratulations to you for basically being innovative, entrepreneurial and successful. So continue and good luck. Again, the address is—

Ms. Josie Rudderham: It’s 212 Homewood Avenue in Hamilton, Ontario.

Mr. Han Dong: And I hope—

The Chair (Ms. Ann Hoggarth): There are four seconds.

Mr. Han Dong: Thank you.

The Chair (Ms. Ann Hoggarth): We move to the official opposition: MPP Walker.

Mr. Bill Walker: Thank you very much, Madam Chair. Mike, you’re definitely playing a good card for a bunch of cookies coming your way, I’m thinking. I’ll welcome them as well, Josie, and congratulations to your business.

In my riding of Bruce–Grey–Owen Sound, a lot of the people who are coming to me are very small business people. They’re not the big corporate CEOs that you’ve referenced so they’re not the people who are making the exorbitant wage. They’re very concerned about this and they’re saying to me, “I don’t know how I’m going to absorb a 32% increase.” They’re being very frank and saying, “I’m going to lay off some people, I’m going to cut their hours back and, frankly, as the owner, I’m going to take less money for myself.” They’re taking all the debt, as I trust you have, so they’re very concerned. They’re not suggesting that people don’t deserve that wage, but they are very fearful about where that’s going to come from and they’re saying, “It’s going to be an increase in whatever product or service I’m producing.”

It was to a question earlier that I think Mr. Colle was asking, that that money is all back in the economy. Well, it is to a degree, but there are also increased costs across the board to everyone. The question becomes: Are we really benefiting you if you don’t have a job, as someone said earlier? It’s great to say you’re going to get \$15. Where does that 32% increase come from for most businesses? You obviously have the ability to do it, but many of these businesses have a very small margin, and they’re saying, “I can’t absorb a 32% increase.”

Ms. Josie Rudderham: I think, to be fair, a healthy business should be able to absorb it over the timeline given. Some businesses might fail because of this, and I think we all know that that is a reality. But we have a much larger community problem here. We have a serious problem with the working poor in Ontario. The living wage has not kept pace with wages in other sectors. We need to help people come out of poverty with dignity, and providing a minimum wage of \$15 is a positive way to do that.

I feel for those businesses. It’s a very personal thing, owning a business, and when a business fails, it’s like a death for people. But if your business really can’t absorb that, I question if you should be in business. I also intend to see revenues rise as people who shop at my bakery—many of them minimum wage earners—are able to spend more money and put that back into the community, especially in small communities where people are not going out to Toronto to spend that money.

Mr. Bill Walker: The other one I’m hearing a lot is from students. I had a least five businesses that have said to me, “I will not be hiring students. I’m going to hire the more experienced worker because if I’m going to pay 15 bucks, I’m going to go there.” So those students are coming to me, saying, “Where do I find my job? Where do I go now?” In a rural area, again, there aren’t 50 businesses; there are one or two.

Ms. Josie Rudderham: I understand. We really advocate for co-op programs, especially in post-secondary

education. We don't take on paid co-ops at Cake and Loaf but we do take on unpaid co-ops. Usually we have two or three going on at a time, in addition to our 30 employees, and often those people are hired at the end of that. I understand that it is expensive to train students and often they're temporary and unreliable because they are moving on at the end, but, again, it's a matter of prioritizing and shifting.

Mr. Bill Walker: Co-op is wonderful. I'm a big supporter of co-op programs, but that's not paying the freight for those people who need to save for college, who need to save for education. The challenge, I guess, again, goes back to that many of these businesses absorb the—

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party, please: MPP Forster.

Ms. Cindy Forster: I actually already had a turn but I'll take another one, if you like.

The Chair (Ms. Ann Hoggarth): Oh, sorry. Thank you for your presentation. If you have a written submission, it needs to be to the Clerk by 5 p.m. on Friday, November 3.

Ms. Josie Rudderham: Thank you for your time.

PROVINCIAL TOWING ASSOCIATION
(ONTARIO) INC.

ONTARIO RECOVERY GROUP INC.

The Chair (Ms. Ann Hoggarth): We now call the Provincial Towing Association and Ontario Recovery Group. Good morning. When you get settled, if you could identify yourselves for the purposes of Hansard, and you may begin your five-minute presentation.

Mr. Joey Gagne: My name is Joey Gagne from the Provincial Towing Association.

Mr. Doug Nelson: I'm Doug Nelson from the Ontario Recovery Group. It's a heavy-duty towing association.

Thank you for allowing us the privilege to offer our comments to your committee on Bill 148. I would like to limit my comments about Bill 148 to paragraph 21.4(1) of part VII.2, the proposed plan for minimum pay for being on call, and how this will affect both the consumer and the towing and service industries.

There are many circumstances where the availability of 24/7 service is really not an option, as emergency situations often do happen. Oftentimes people need help in an emergency, be it a broken water pipe, a disabled furnace, a sick or injured animal, a funeral home for body removal, or in the event of a disabled vehicle on the side of the road or in a live lane.

There is no doubt that 24/7 service saves lives and it is an essential service for the public and the police to depend on. But at what cost, I might ask?

As I am sure everyone here understands, the towing industry is a 24/7 responder that, in fact, is classed as an emergency responder that aids motorists in distress and through a variety of unfortunate circumstances including vehicle disablements.

1000

The towing industry is not an industry that enjoys a scheduled workload. It is estimated that 75% to 80% of our work is the result of vehicle disablements, which can happen any time.

Over the last several years, the towing industry has experienced unprecedented increases in the cost of doing business: fuel, labour, licence plates, insurance and a whopping 35% increase in the cost of the trucks. Coupled with regulatory changes made over the last few years under Bill 15, the cost of operations has reached new heights.

All of this has increased the strain on many tow operators, and many are reconsidering their future in this industry. Many have already hung up their keys. We have witnessed a 20% to 25% reduction in the number of registered tow companies in Ontario since 2014. It is most unfortunate that the majority of these closures are taking place with tow operators who are law-abiding, honest and reliable people and not the ones who need to be managed or removed from this industry.

What we are seeing now, at greater cost to the consumer, is tow trucks travelling further than ever before to service the consumer, which in itself increases the end cost to the consumer due to mileage charges. Being from rural Ontario, I truly worry about the elderly and/or young people with young children, broken down on the side of the road during inclement weather.

Moving on, the towing industry currently pays an employee at least time-and-a-half and even higher premium pay for after-hour call-outs. Seldom is the consumer ever charged a premium price for this service. It's just what we do, and many operators take the good with the bad. But that will have to change.

The changes to on-call pay, as proposed within Bill 148, will drastically change the way in which the towing industry must do business and likely many other industries as well. Many of our rural members operate garages and clearly provide towing services on a 24/7 basis as a convenience to their customers. This business model will surely disappear with the burden of on-call expenses.

One light-duty on-call driver will cost over \$26,000 per year. One heavy-duty driver on-call will cost an additional \$45,000 per year. It is not unusual for 10, 12 or more people to be on call for heavy-duty towing companies due to the manpower requirements of transport collisions. Keeping these people on call for the occasional occurrence will be financially impossible without major rate changes.

In the end, the majority of tow companies will have only a few options: (1) unbearable price increases for after-hours services; (2) major price increases for all services; (3) withdrawing after-hour services; or (4) withdrawing from the industry altogether.

This will likely be the case for many other 24/7 service providers.

We sincerely request that this committee reconsider the impact this will have on consumers, including the availability and pricing of emergency services, and ex-

empt the towing industry and other emergency service providers from additional on-call expenses.

The Chair (Ms. Ann Hoggarth): Thank you. This round begins with the government: MPP Dong.

Mr. Han Dong: Thank you very much, first of all, for coming this morning and explaining to us what this bill, potentially, would do to your industry. I think it is very useful for us to learn that in your industry, a very unique one, this particular section may pose some challenges. I'm going to take this back. I will speak to the minister and look at this scenario to see what we can do around that.

Other than the three-hour on-call part of the bill, do you have anything else that you want to speak to in this bill?

Mr. Doug Nelson: Well, we've focused on the after-hours because we see it's the most destructive to the consumer and the industry. We've focused all our efforts right now on the after-hours call-out, because it is a real game-changer for the industry.

Mr. Han Dong: Thank you.

The Chair (Ms. Ann Hoggarth): We will move to the official opposition: MPP Miller.

Mr. Norm Miller: Thank you, Doug and Joseph, for coming in today. The towing business: The nature of the business is that you're on call all the time.

Mr. Doug Nelson: It basically is, yes.

Mr. Norm Miller: But when you go to a call, the drivers are well paid to go to that call, and you said it in your presentation that if it's after hours, many companies pay a premium for that.

Mr. Doug Nelson: That's correct, yes.

Mr. Norm Miller: Is the system working under the current rules?

Mr. Doug Nelson: It works wonderfully. As you know, I had a truck dealership, and we had towing, as well, and my drivers were always paid a premium for going out. We always had technicians for transport trucks that broke down and drivers to respond to tow calls. We would get maybe two or three at night, because they're transport trucks, and then we would get the odd one for repairs.

Under this bill, it would cost me over \$50,000 a year just in on-call expenses, and it would provide the employees with an over 30% increase in their wages. I don't think the consumer can afford that; I just know the consumer can't afford it.

Mr. Norm Miller: I know your association did a study to try to get the costs for different sizes of towing businesses. You can correct me if I'm wrong, but I thought that for a medium-size business, the total cost was \$500,000.

Mr. Doug Nelson: That was actually the figure from one of our members. He responds to a lot of major incidents, and he will have tow truck drivers, he'll have roll-off drivers, float drivers, and environmental cleanup specialists. Stuff like what happened on the 400—God rest their souls—to clean up that incident takes a lot of

people, and it would cost him \$500,000 a year to keep those people on call.

Mr. Norm Miller: I'm concerned with your point 3, of how you adjust—point 3 is “withdrawing from after-hour services.” What does this mean for rural and northern Ontario?

Mr. Doug Nelson: It means more to the consumer than it does to the industry. In rural Ontario, I really worry about people who break down. Right now, in Thunder Bay, the average tow call is 200 kilometres. I just can't imagine if our calls were 200 kilometres away, but that's what they're faced with due to the number of towing companies that have dissolved and gone out of business. We had some wonderful people up there who were members of our association who hung up the keys and said, “Enough is enough. We're not going to do it anymore,” and that's what they've done. It's a concern for the consumer.

The Chair (Ms. Ann Hoggarth): We'll move to the third party: MPP Forster.

Ms. Cindy Forster: Thanks for being here today. In your business, for example, would somebody work a shift and then be on call? Is that how it works: people aren't just on call for 24 hours?

Mr. Doug Nelson: No. Generally, to make a good living wage, a lot of our people worked all day and then, if there was a call that came in, they would go out and do that call and then come back. They're paid time and a half or premium pay. They really liked it, to be perfectly honest with you; they did very, very well with it.

Ms. Cindy Forster: Was it time and a half for just the hours, or was it for a minimum of three hours? Is there an industry norm?

Mr. Doug Nelson: In the truck end of it, it's generally at least three hours or more. We paid our drivers commission as part of the percentage of what the truck earns, and they did very well. They really appreciated it, and so did the customer, to be honest with you. It was a situation-awareness sort of thing, that there's a call that comes in, somebody's in trouble, they need our help, and we go out and do that job for them.

Ms. Cindy Forster: In terms of the cost of an emergency call, is it a flat rate or is it based on so much for 100 kilometres, so much for 200 kilometres?

Mr. Doug Nelson: The towing industry is priced out on a base rate plus mileage for long distance, for tow calls. If it's a recovery job, where we're pulling a truck out of the ditch or something like that, it's strictly on an hourly basis. We did not charge a premium for after-hours calls, so the customers got the benefit of it and so did our drivers. We didn't make as much money on an after-hours call, but we serviced the customer; that was the important thing. That's what helped the reputation of our company—as a matter of fact, part of our advertising will be, “By your side when you go down the road,” and that was true; that's exactly what we did.

Ms. Cindy Forster: Okay. Thank you.

Mr. Doug Nelson: You're welcome.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it

needs to be to the Clerk by 5 o'clock on Friday, November 3.

At this point, committee, we will be recessing until 2:30 this afternoon.

The committee recessed from 1010 to 1433.

The Chair (Ms. Ann Hoggarth): Good afternoon. We are meeting here this afternoon for public hearings on Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts. Each witness will receive up to five minutes for their presentation, followed by up to nine minutes of questioning from the committee. Are there any questions before we begin?

ONTARIO FEDERATION OF LABOUR

The Chair (Ms. Ann Hoggarth): I will call our first witness, the Ontario Federation of Labour. Once you get settled, please state your name for Hansard, and you can begin your five-minute presentation.

Mr. Chris Buckley: Thank you for the opportunity to be here. My name is Chris Buckley. I'm the president of the Ontario Federation of Labour. With me here is Rob Halpin, our executive assistant.

The Ontario Federation of Labour represents 54 unions and one million workers here in the province of Ontario and champions the rights of all working people, both non-unionized and unionized.

The changes that the Fair Workplaces, Better Jobs Act will make to the Labour Relations Act and the Employment Standards Act are going to affect the lives of generations in this province. The last time I spoke in this room, I told you that Bill 148 is a chance to get it right and to improve conditions for all workers across Ontario. That day, workers packed the committee rooms. Today, they're out on the lawn calling for change—change that Ontario workers cannot do without.

There are positive developments in this bill; notably, the \$15-an-hour minimum wage which will improve the lives of millions. However, despite taking some steps in the right direction, the bill needs to go further to create stronger conditions for decent work.

In our submission to the committee, the OFL has set out the changes that must be made before Bill 148 becomes law. It must be easier for workers to join a union if they so choose. The legislation must also raise the standard of work for all workers. Bill 148 can do that by legislating the following:

- providing better workplace information during an organizing campaign;
- removing the requirement that union certification mirror the initial description of the bargaining unit;
- removing the time limit on consolidation of bargaining units;
- extending consolidation of bargaining units to franchises;
- removing employer exemptions for the right to refuse or cancel shifts;
- extending successorship rights to all contracted services;

- providing automatic first-contract arbitration; and
- implementing all LRA changes immediately.

It's every worker's constitutional right to organize, access unionization, to engage in meaningful collective bargaining and to strike. Bill 148 must protect these rights.

I will now focus on three particular changes to Bill 148. First, card-based certification is needed in all sectors. This is a fundamental element of the bargaining process. If Bill 148 becomes law as it is now written, only four sectors will have the access to card-based certification. This is unfair to workers in all other sectors, who must use a two-step process to unionize. The two-step process gives employers time to mobilize against employees who want to unionize, and can drastically change the end result. All Ontario workers, with no exceptions, deserve the same protection to their constitutional right to unionize.

Second, we know that sexual and domestic violence is all too common worldwide. Bill 148 can also help survivors across this province. Right now, Bill 148 creates a designated unpaid leave for survivors of domestic and sexual violence. But while survivors heal, reorganize and rebuild their lives, they depend on their pay more than ever. Bill 148 must create paid, job-protected leave for survivors. As well, the leave must be extended to cover violence to the children, the child of a spouse and a person's adult child, just like personal emergency leave. The leave should also be changed to provide survivors with immediate access, with a one-week waiting period to access paid days, just like personal emergency leave.

Third, in order to really make it fair in Ontario, Bill 148 must create strong legislation on equal pay for equal work. Women, workers of colour, indigenous workers, workers with a disability and young workers face shameful pay gaps in this province. The bill must mirror the exemption language in the Pay Equity Act to strengthen equal pay for equal work. It must also legislate a worker's right to request a review of their own rate of pay and the overall wage structure, so they can see for themselves whether they are being paid properly.

All these changes to the ESA and LRA are essential to protecting the hard-earned rights of all workers across Ontario. I think any of the thousands of contract faculty on the lawn today at Queen's Park, defending their right to decent work today, can tell you that these changes are sorely needed. I urge you to ensure that Bill 148 raises the floor for all workers and makes it fair.

The Chair (Ms. Ann Hoggarth): Thank you. We will begin the questioning with the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you very much, Chris and Rob, for joining us today. You raised a lot of stuff. We only have three minutes, but—

Mr. Chris Buckley: I could take longer, if you'd like.

Mr. John Yakabuski: I'm sure you will, but the Chair won't allow it.

Mr. Chris Buckley: I know; I'm teasing.

Mr. John Yakabuski: A couple of things you talked about—the first, contract arbitration. I've spoken on that,

and I share your view on that and the sexual assault—the victims of sexual assault.

You'll recall you and I having a conversation on this and it was actually incorporated—my thoughts on it—so that small employers wouldn't have difficulty. The leader of the third party incorporated that in her private member's bill that was passed by the House earlier in the session.

I do want to talk about the equal pay for work of equal value. One of the challenges that have been put forth is—for example, hybrid fire departments where we have fire departments that have a professional component and a volunteer component. We've been approached by municipalities saying that if that is enacted the way it stands, those municipalities are going to be hit with significant bills because most of their firefighters are volunteers. They're not asking for an equal pay scale, but if the law is enacted as it is, it will mean that those municipalities will be forced to pay that. Are you open to any wiggle room on that side of things for those municipalities with hybrid fire departments?

1440

Mr. Chris Buckley: John, just like we said out in the hallway the last time I was here with regard to the paid job-protected leave, if the government and all three political parties are serious about making positive change for workers, those issues can be worked through. It's no different than when we talked about the paid leave and how some small businesses might have a financial hardship. That's up to all of us collectively—and I'll include the labour movement—to find a solution. It's all about creating decent work and making it fair for all workers across the province of Ontario.

Mr. John Yakubuski: Okay. Well, we do know one thing: If it's going to change, it will be based on whether or not the government side allows the amendments to pass, or if they propose the amendments, because they are in the majority. Whatever bill does pass eventually—and it will pass before the end of the year because it has to, based on the timetable—it will depend upon whatever changes they're willing to incorporate in it.

You've always been straightforward in bringing your issues, and I appreciate you coming forward again today.

Mr. Chris Buckley: Well, thank you. I'm absolutely fine if the government of the day buys into every amendment that we presented.

Mr. John Yakubuski: I have no doubt you would. Thank you.

The Chair (Ms. Ann Hoggarth): The third party: MPP Forster.

Ms. Cindy Forster: Thank you, Chris and Rob, for being here today.

Just before I came down here, we debated my private member's bill on a \$15 minimum wage that does not provide a sub-minimum wage for liquor servers and students. Can you comment on that?

Mr. Chris Buckley: I would say that to make this fair, everybody should be brought up to the minimum wage increase. That's what making it fair is all about and that's the type of Ontario we want.

I don't see how anybody can justify how people who are earning the minimum wage are at three different levels. Minimum wage is minimum wage in the province of Ontario. Bring everybody up as you increase the minimum wage.

Ms. Cindy Forster: Thank you. With respect to the three issues you addressed, during second reading the NDP tabled amendments, many amendments—probably 30 or 40 different amendments—that actually would improve Bill 148. The government chose to vote those down. We've now heard from—oh, I don't know, over the course of the week, we may hear from another 100 people, and I don't know how many written submissions we will get, but there certainly is widespread support for card-based certification. Can you explain to the government why that would be more effective?

Mr. Chris Buckley: Sure. Regardless of which political party you come from—and I'm going to give John some credit here—what would be wrong with card-based certification across the entire sector of Ontario? The government, as of May 30, introduced three additional sectors, which now, when it becomes law, will be four sectors. The government of the day talked about fair workplaces and better jobs. If you truly want to have fair workplaces and better jobs, the way to get there is to give card-based certification to every sector across Ontario. That's what being fair is all about, in my opinion.

I've been involved in the labour movement for 30 years now. I hear the critics and I hear all the downplay with regard to unionization and unionized workers. I have never once gone to a bargaining table and bargained a collective agreement that I knew would hurt a company or an owner financially. That's irresponsible. With today's economic climate and with the amount of jobs we've lost in this province over the last decade, we value the jobs we have today. We want more jobs in this province today. We want greater access to unionizing workers right across the province. In order to be fair, for fairer workplaces and better jobs, card-based certification in every sector would be the way to go.

Ms. Cindy Forster: And every worker is then treated equally.

Mr. Chris Buckley: Absolutely. That's what we call being fair.

Ms. Cindy Forster: Thank you.

The Chair (Ms. Ann Hoggarth): The government: MPP Colle.

Mr. Mike Colle: Thank you, Chris and Rob, for being here.

Earlier today, we heard from the Canadian Manufacturers and Exporters association, claiming that this was going to cost billions of dollars to the economy and massive layoffs. We're hearing from the Conservative Party and the Ontario Chamber of Commerce, who are saying, "This is too much for the workers and too soon. We should be waiting another 10 years to increase their wages to \$15." You represent unionized workers who are making a good, decent living wage. The question I have to you is: Can we really wait for another 10 years for everybody to get up to \$15?

Mr. Chris Buckley: My answer is very easy: No, absolutely not. I have listened to the chamber of commerce, I've listened to the business community, and it's nothing short of fear-mongering. The increase in minimum wage will generate \$5 billion a year in the Ontario economy. This isn't rocket science, folks, and I'm getting tired of hearing the pushback, because over 1.5 million Ontario workers are going to go from today's \$11.60 an hour to \$15 an hour in January 2019. Well, I'm going to tell you: I don't think anyone in this room, if we want to be honest with ourselves, would want to try living on \$15 an hour. I know I wouldn't; I know I couldn't. I wouldn't want to try to live on \$11.60 an hour, with the greatest respect, or the previous \$11.40 an hour.

Times are tough out there. Times are extremely tough, and there are so many people working multiple part-time jobs just to keep the wolves away from the door. That's not the Ontario we want; that's not the future we want for our young people in this province.

I've said it here before: In 2016, the statistics show that over 460,000 young people graduated to part-time jobs earning minimum wage. These are young people who listened to us for the most part and went and got their education, and for 460,000 of them—it could be higher than that—all they could find was a part-time job making \$11.40 an hour. Over 70,000 of those are working multiple part-time jobs. That's just our young people. What about people my age and older who are out there? We don't have to go far to see people who are in their sixties and older working in workplaces and who are making minimum wage. That's not the province we want.

Collectively, we should help raise every worker up. It's not rocket science. You give workers a decent income, and when the bills are paid at the end of the week, when the food is put on the table, that extra money in their pocket, they're going to spend in their communities. The communities could only help but thrive, and we could have a stronger and a thriving Ontario. It's all about giving workers spending power. It's—

The Chair (Ms. Ann Hoggarth): Thank you. Thank you for your presentation. If you have a further written submission, please send it to the Clerk of the Committee by 5 p.m. on Friday, November 3. Thank you, Chris.

Mr. Chris Buckley: Thank you once again for the opportunity. Can I say one more thing?

The Chair (Ms. Ann Hoggarth): No.

Laughter.

Mr. Arthur Potts: As you stand up, you can say whatever you want.

Mr. Chris Buckley: I know this has been a very, very tough exercise for all of you. You've spent a lot of time; you've travelled around the province. On behalf of the OFL, I want to thank you for all of the work you've done, but collectively, we can make this the Ontario we want. We can make positive change for every worker, whether they belong to a union or not. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you.

MR. MATTHEW GREEN

The Chair (Ms. Ann Hoggarth): I would now call the next presenter, Matthew Green, councillor, ward 3, city of Hamilton.

Mr. Matthew Green: Good afternoon, Madam Chair and standing committee members. I have travelled here—

The Chair (Ms. Ann Hoggarth): You need to identify yourself for the purposes of Hansard, please.

Mr. Matthew Green: Thank you very much. I thought I'd heard my name. My name is Matthew Green, the very proud ward 3 city councillor from the city of Hamilton.

Good afternoon, Madam Chair and standing committee members. I have travelled here today from the city of Hamilton to provide a testimony, not as an expert economist—although I'm sure you've probably heard from them already here today—but instead as the proud city councillor of ward 3, elected to represent the tens of thousands of my residents in my community who could not have the privilege to speak before you this afternoon.

I'm grateful for having been provided the opportunity to share with you their stories and the stories of the 30,000 working poor who struggle, despite all the long hours and hard work, to survive at the end of each month and of those who are stuck in the perils of a wholly inadequate social assistance rate, which has been stagnated for 15 years despite the rise of prosperity in an increasingly concentrated segment of Ontario's corporate class.

It should be noted that as an entrepreneur owning a small business for a decade, my interest in this topic of a fair wage spans years back when I joined Tom Cooper, who is here today, and the Hamilton Roundtable for Poverty Reduction in their call to make Hamilton a living-wage economy.

1450

It should also be noted that at that time, five years ago, Hamilton recognized \$14.85 as the minimum rate at which residents could cover the basic necessities of life while retaining a little bit to engage in the local economy. Today, that rate is calculated at \$15.85 in Hamilton, and as high as \$18.62 here in Toronto. So in understanding this reality and the current proposed minimum wage capped at \$15 an hour, the fair wages outlined in Bill 148 are literally the least that you can do when thinking and voting on behalf of your working-class constituents—and as this directly relates to the residents across my city.

As you may have read in Toronto Life or the New York Times, our city is undergoing a massive renaissance, yet, despite this, so many are being left behind. As a corporation, we boast about our diversified economy, which in many ways has been built, at least in part, on the backs of temporary-agency service workers and migrant farm workers—workers for which the notion of equal pay for equal work ought to be considered a simple form of natural justice. This economic uplift and the real estate boom have resulted in a hyper-inflation and a hyper-gentrification that has seen once-affordable rent in

our city skyrocket 16% to 20% in the last three or four years alone.

I often say that my ward is to Hamilton what Hamilton is to the rest of the country. Right now in my office, we are receiving calls witnessing daily the struggle of working-class families stuck with making choices between paying rent and putting food on their table or keeping the lights and the heat on in the winter, due to the soaring costs of hydro. In this free-for-all housing market, we've essentially commodified society's necessities of life; we have commodified people's very existence. Even if working two to three part-time jobs at forty hours a week, they and their families cannot survive.

All I say to you is this: This is not a partisan issue. This is not a left or right issue. This is an issue of fairness and better jobs for all Ontarians.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning will begin with the NDP: MPP Forster.

Ms. Cindy Forster: Thank you, Matthew, for being here. We had one of your Hamilton bakeries here this morning, the Cake and Loaf Bakery, telling her fantastic story.

How many businesses do you now have in Hamilton doing a living wage?

Mr. Matthew Green: When I started as a small business owner in 2012, it was a relatively new concept—providing a dignified and ethically-based business plan in my community. Currently, there are dozens who are signing on and many who are already affording a living wage.

The pushback that we typically receive in Hamilton is actually from the larger corporations, the franchises—the Walmarts of the world, if you will—who are reporting record profits while at the same time having a system set up based on the backs of their workers, who are working but can't seem to make ends meet at the end of the month.

Ms. Cindy Forster: We've heard a lot from associations representing business about the compression factor: "If I'm going to raise the minimum wage by \$3.60, I'm going to have to give that same 32% increase to the guy or gal making \$20 or \$22 an hour." What are your thoughts on that?

Mr. Matthew Green: I heard comments earlier about the loss, potentially, of billions of dollars and hundreds of jobs. I would submit here today, Madam, that I am from the city of Hamilton; we've already seen that. The system, as it is, is not working for our steelworkers and for the other industries that have left due to free trade and other complex international deals. The ones that are remaining, though, are in a place of precariousness. In the 1960s and 1970s, there were generations who could graduate high school and walk down the street and have their pick of really great-paying union jobs or jobs that would be able to sustain them and their families for the rest of their lives. That is not the case now. We are seeing a precarious generation of workers who are highly skilled, highly educated and highly in debt, facing a bleak, bleak workforce.

So this idea of having multiple layers of wages for students, young people in the low-income sectors like foodservice, for instance—what I see in my community is that the folks who are working at Tim Hortons and McDonald's are increasingly seniors, who are working well into their late sixties and early seventies. They're not doing it to just get out of the house; they're doing it to survive, because their pensions or perhaps their assets aren't carrying them through in retirement.

The Chair (Ms. Ann Hoggarth): We'll move to the government now: MPP Potts.

Mr. Arthur Potts: Thank you, Councillor, for being here and bringing this very eloquent defence of why it is we are doing what we are. I'm very impressed with your words here today and appreciate them very much.

Particularly, I want to thank you for the work you did in the living-wage economy and recognizing this so many years ago. I've only been elected for three years here and was paying living wages in the businesses that I started before getting into this, not as part of a movement but in order to attract really good people.

But what I want to talk about is, we have seen in the province of Ontario—and you talked about people being left behind. We're seeing this fantastic growth in opportunity, but people are being left behind because they're receiving a minimum wage, which was supposed to be an entry-level wage that you would then move up from fairly quickly as you got experience in the workplace and you would be paid higher. But it has now become a base rate.

Mr. Matthew Green: That's right.

Mr. Arthur Potts: To be able to take that base rate so people, as we spoke and the previous speaker was talking about, in the late time of their life—they shouldn't be making entry-level wages. They should be making good living wages. So thank you for the work you've done on that.

Is your city council also 100% behind us, politically, would you say, in what we're doing?

Mr. Matthew Green: So, as in many municipalities—and I heard it referenced with the hybrid firefighting departments there—they're facing the complexity of the tax burden and the levy dollars that they are able to raise at the end of the day to pay the bills as a municipality.

The concerns that we had were for the bottom-line jumps and some of our most precarious workers. I didn't share that concern. In fact, I very narrowly lost a motion to support a living wage last year.

I'm proud to note that, this year, revisiting the conversation, the complexities of the topic and understanding what was at stake in our local economy, our city council—10 to five, I believe—supported Bill 148. Again, it's not just about the wages. It's about creating fairness in the workplace, and it's about the precarity that people are facing.

We've heard today here from labour that most of their workers—and you're quite right—are already receiving this, but they recognize the folks that are being left behind, the folks that I passed coming in here today, that

are in your tent cities, that are under the bridges, that are in our communities that are living in tents, that are being squeezed out of these real estate markets. It's becoming increasingly, increasingly dire for many Ontarians.

Mr. Arthur Potts: And you mentioned, I think it was \$15.85?

Mr. Matthew Green: That's correct.

Mr. Arthur Potts: I would be interested in how you're making the calculations, particularly as it applies in downtown Toronto—I mean, \$18.62. I would be interested, so maybe you could share with me later or talk to how you make that calculation.

Mr. Matthew Green: Oh, yes. I'm happy to speak to it. Thank you for the question. It is a very basic calculation, not needing an economics degree, to understand all of your incoming costs associated with your rent, your hydro, your food and then also understanding that, at the end of the month, there needs to be a little bit of discretionary income to then pump back into the local economy. We know that when workers make more money, particularly at what you called the base rate—I would call it the "basement" rate—that money goes directly back into the economy. Yet, when we put it through, whether it's corporate tax cuts or whether it's through stagnated wages—

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Matthew, for joining us today. When were you first elected in Hamilton?

Mr. Matthew Green: October 27, 2014.

Mr. John Yakabuski: In 2014. So you're in your first term. Sounds like you're making an impact at city council.

Mr. Matthew Green: Thank you.

Mr. John Yakabuski: If I may ask, what kind of business are you in?

Mr. Matthew Green: I owned a fitness company. You couldn't tell now; I've gained some weight since then. But I did own a fitness company. I had two locations, one in Hamilton and, for about eight years, one in the Six Nations territory.

Mr. John Yakabuski: Politics is tough in the fitness business; I can tell you that myself.

You've touched on a lot of things about \$15 and fairness and paying a living wage and all of this. It's a lot to digest in a few minutes. Are you familiar with who Mark Wafer is?

Mr. Matthew Green: I'm not.

Mr. John Yakabuski: Mark Wafer is an award-winning employer who owns a number of Tim Hortons and became absolutely the poster boy, if you want to call it that, for hiring those with disabilities.

He spoke before our committee when we were here on first reading. He talked about how that vulnerable sector is going to be the one to lose jobs first. This was not some organization; this was not fear-mongering; this was a guy who has won awards for the way he has treated these people. He said that they're going to be the ones who are hurt first because of the accelerated speed of

this. And this was never talked about in the workplaces review; this came up suddenly on the 1st of June when they tabled the bill.

Do you have a response to what Mr. Wafer has said?

Mr. Matthew Green: I do. Thank you for the question. You'll be interested to know that the first Tim Hortons is located in my ward.

1500

You'll also be interested to know that I'd be absolutely ashamed to hear anybody from any business politicize people with disabilities in that way. To suggest that somehow, this this bill—if they're not worth fairness and they're not worth equal pay for equal work, regardless of whether they're able-bodied or disabled or whatever the situation may be, that's on that particular entrepreneur. I don't have any sympathy for anybody who would politicize people with disabilities in that way. I would suggest that if they were good enough to hire last year, they're good enough to hire this year at \$11 or at \$15. If that gentleman has a business model that is predatory in that nature, that views these people living with disabilities in a second-class nature, perhaps he shouldn't be in business. It's not ethical and it's not moral, sir.

Mr. John Yakabuski: He has hired over 250 people with disabilities.

Mr. Matthew Green: Then I look forward to him keeping those jobs.

Mr. John Yakabuski: What he said was that it's not a question about what you want to see; it's the reality of the marketplace and what this will do to the pricing of your product and the customer coming through the door. He's looking at it from the point of view of—first of all, to be fair to Mr. Wafer, he never said he'd lay anybody off. He spoke about what would happen in the industry.

The Chair (Ms. Ann Hoggarth): Thank you very much. We'll now move to the third party: MPP Forster.

Ms. Cindy Forster: You want to give me another round, eh?

The Chair (Ms. Ann Hoggarth): Oh, sorry.

Mr. Matthew Green: I can go again or I could answer that question.

The Chair (Ms. Ann Hoggarth): Sorry, that's it.

Mr. Matthew Green: Tim Hortons is now owned by a massive Brazilian corporation that is worth bazillions of dollars, so I have no—

The Chair (Ms. Ann Hoggarth): Sir, thank you very much. If you would like to—

Interruption.

The Chair (Ms. Ann Hoggarth): Excuse me. Order, please. This is an extension of the Legislature, so that kind of clapping or anything like that is not acceptable. Thank you very much.

Thank you for your presentation. If you have a written submission, you can have it to the Clerk by 5 p.m. on Friday, November 3.

Mr. Matthew Green: Thank you, Madam Chair. Thank you, members of the committee.

ONTARIO NURSES' ASSOCIATION

The Chair (Ms. Ann Hoggarth): At this point, I'll call the Ontario Nurses' Association, please. When you get settled, if you could please identify yourself for the purposes of Hansard, and you may start your five-minute presentation.

Ms. Simran Prihar: My name is Simran Prihar and I'm here representing the Ontario Nurses' Association. ONA is the union for over 65,000 nurses, registered practical nurses, nurse practitioners and other health care professionals across Ontario in the entire health sector, ranging from hospitals and long-term care, all the way to community and home care.

ONA would again like to commend the government on its efforts to modernize Ontario's badly outdated labour and employment laws by engaging in this process. Lots of good strides have been made to date, but we do feel that there are some gaps that need to be addressed. So we've put a very short submission before you addressing three particular recommendations that we feel are needed for the Labour Relations Act portion of Bill 148.

The first recommendation that I'll speak to is with regard to first-contract arbitration. ONA agrees with the OFL's recommendations in this regard. Reaching a first collective agreement is of critical importance in the realization of the right to organize. All workers are guaranteed the right to associate for the purpose of meaningful collective bargaining, but in practice, this right is curtailed as a result of barriers to establishing a first collective agreement in many instances, and we've experienced this first-hand.

We applaud the provisions of Bill 148 which modernize the first-contract provisions and provide for automatic first-contract mediation arbitration where a union has been remedially certified. However, in all other first-contract situations, the Ontario Labour Relations Board still has the ability to dismiss an application. ONA submits that dismissing an application would lead to further lengthy delays, and this will only contribute to worker frustration and demoralization of the workforce—which in almost every case has faced an uphill battle with their employer to get to the point where they are now negotiating a first collective agreement. We agree with the OFL recommendation to amend paragraph 4 of subsection 43.1(5), and the recommendation is in our submission before you.

Secondly, we'd like to talk about successor rights. We applaud the extensions to successor rights to apply to building services; however, we feel there is no reason that successor rights should not be expanded to other contracted services. In this, we agree with the OFL, but more specifically, we feel that section 69.1 should be amended to reflect that it applies to home care and community services as well. The Changing Workplaces Review clearly recommended this, and we see no justification for excluding home care and community services from this provision.

Home care is a growing and important area of publicly funded health care. The government has recognized the

importance of the home care sector, and we know that care in this sector is delivered and regulated through a complex system of institutional structures which have been in a state of change for some years.

As noted in the Changing Workplaces Review, only 30% of the sector is unionized. Although extending card-check certification to this sector is a start, we do think that the successor rights provisions have a significant role to play in protecting vulnerable and precarious workers in this area. The majority of this sector is female. ONA has members in this sector, as do other unions, but everyone is struggling.

The special advisers noted that, currently, the government has placed some limits on contract retendering in the sector, but it's likely to be permitted again in the future. We've experienced this first-hand and we feel that there is no reason to exclude home care from the successor rights provisions. This is a glaring gap in the new legislation. We recommend that this amendment be made.

Lastly, we are recommending—we agree with the OFL—that in subsection 15.1(1), the three-month time limit be removed. This is the consolidation of bargaining units—one union, one employer. There is an arbitrary three-month time limit after certification that has been imposed. We see no justification for this. It's needlessly restrictive. Particularly for ONA, it will make it impossible for us to rectify the proliferation of bargaining units and fragmentation in the health care sector that has already occurred in years past, and we are powerless to change because the Labour Relations Board won't go there. While the provision, as drafted, will help new certifications, it seriously limits our ability to correct mistakes that have been made in the past.

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the government for the first question: MPP Malhi.

Ms. Harinder Malhi: Hi. Thank you for your presentation. We do appreciate it. I just wanted you to talk a little bit more and elaborate on what parts of Bill 148—

The Chair (Ms. Ann Hoggarth): Excuse me, MPP Malhi. Could you move closer to the microphone, please?

Ms. Harinder Malhi: Better?

The Chair (Ms. Ann Hoggarth): Thank you.

Ms. Harinder Malhi: Okay—what parts of Bill 148 you feel will be helpful to ONA and what parts that you actually liked about some of the things that are being introduced in Bill 148.

Ms. Simran Prihar: Absolutely. ONA is highly supportive of many of the provisions surrounding the Employment Standards Act that have come into place, including new scheduling provisions, the minimum wage and also the new provisions with respect to leaves. ONA was very happy to see the amendments particularly to domestic and sexual violence leave, which we did advocate for earlier this summer.

We do, I will note, agree with the submissions that have been made and will be made by the Workers' Action Centre on the employment standards provisions,

that more needs to be done there, but we do think that there are some good things there.

We also applaud the card-check certification being extended to three vulnerable sectors. We do, however, agree with the OFL that more could be done there and it should be extended to all workers. But there are definitely some good things in the bill, and we think that it's a great first step to modernizing labour laws in Ontario.

Ms. Harinder Malhi: Great; thank you so much.

The Chair (Ms. Ann Hoggarth): MPP Colle.

Mr. Mike Colle: I know you're the senior counsel and I know that lawyers like to talk about very complex things, but you represent nurses who work in the front lines of health care. Do you have any comments about the bill in regard to how a better wage and better working conditions improve the health outcomes of ordinary working people?

Ms. Simran Prihar: Absolutely. A better minimum wage, a living wage, is a social determinant of health. All of our members who work on the front lines can tell you that this will have an impact on the health of Ontarians across the province.

It's not something that I'm so well versed in that I can speak of in any sort of technical terms, but we have had many conversations at our conventions and our quarterly meetings where members have spoken about the impact that this bill will have on a lot of their low-income clients. Many people talk about teenagers being the main impact here, but that's not true. We have lots of evidence of single moms, elderly workers, people who are just struggling to make ends meet. Income is a huge social determinant of health and will have a huge impact on every person living in this province.

1510

The Chair (Ms. Ann Hoggarth): We'll now move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Simran, for joining us today. Essentially what you're talking about is trying to raise the standard of living of people. How that happens, I suppose, is a matter that some people may look at from a different perspective. The Financial Accountability Officer released a report last month that—his findings indicated that the minimum wage was a very ineffective and inefficient vehicle for raising the standard of living for those living in poverty, that there are far better vehicles, and that the government should be the one enacting them. Also, governments would be the ones—federal or provincial or municipal would be the entities that would actually implement them and pay for them.

What we're seeing here is a situation where when they raise the minimum wage 32% in a very short period of time—essentially within a year, because one increase comes January 1 and the next further increase, January 1 the following year, so a year and a day—that, basically, they are taking the responsibility away from government and putting it onto businesses. For many businesses, it won't have the same impact; they're already paying far more than that. I would expect that most people in the nursing profession are not going to be impacted by the minimum wage law.

Do you disagree entirely with the Financial Accountability Officer, or do you think there are better vehicles for raising the standard of living than simply raising the minimum wage, which is borne strictly by the employer?

Ms. Simran Prihar: I can't say that I disagree entirely or in part, having not read the report. That being said, I think it's clear that income and minimum wage is one aspect of maybe a package of things that needs to be done to address the issue. I think that singling it out and saying that it will not have any impact is wrong, and I do disagree with that.

Mr. John Yakabuski: He didn't say that.

Ms. Simran Prihar: Okay. I do think that, sure, more can be done, but that doesn't mean that we shouldn't be increasing the minimum wage. I don't believe that the burden, as is being described, on employers is in reality as great as is being put out there by certain organizations. I think that there are many benefits. There have been studies put out to counter these types of reports which show the many benefits that will arise from a \$15 minimum wage, so I think that there is a lot embedded in this issue. But, yes, of course, there's a package of things that needs to be done to address broader social inequality, absolutely.

The Chair (Ms. Ann Hoggarth): MPP Forster.

Ms. Cindy Forster: Thank you for being here today and raising these three issues. Those were part of the NDP amendments at second reading, and the government voted them down. We'll be tabling them again for all the workers in this province.

Having worked for ONA in my past life and being a registered nurse, I can actually speak to the successor rights piece and the impact that that had on great jobs with the Victorian Order of Nurses back in the day, where they had pensions and they had benefits and they had full-time work. Because of successor rights and contract-flipping, VON almost doesn't exist anywhere in this province. Community health care is low-paid piece-work—precarious work—where maybe you have a call this hour, and you might not have one the next hour, so you can be tied up for 12 hours a day and maybe earn five times \$17 a call. That is not the way that we want to do health care in this province. At the end of the day, it's the patients, not only the nurses and the health care workers, who are impacted by this precarious way we are caring for the most vulnerable in the province. So I thank you for bringing that issue forward.

With respect to first-contract arbitration, that also always impacts patients. We saw that with the CarePartners strike last year, when they were on the picket line for 10 months while the owner of the for-profit corporation took home a million bucks in her pocket. We had workers on the picket line for almost a year, and we had patients in the system not getting any care whatsoever or ending up in the emergency department.

Thank you for bringing that forward.

You can use whatever is left of my time to bring any other issues forward, if you like.

Ms. Simran Prihar: Thank you for the example that you give.

We still struggle with VON. It is a perfect example of what happens in the industry. It still happens—a little bit more rarely. Nowhere else in health care do we have piecework, other than home care. It's appalling, quite frankly. It's no way for people to make a living. Absolutely, these workers are vulnerable. They work in precarious work. That needs to be protected.

And it's not just nurses; you're right. There are other health care workers—PSWs. Those are not represented by ONA, but by other unions.

I think everyone in labour is supporting these amendments.

Ms. Cindy Forster: Do I have any time left?

The Chair (Ms. Ann Hoggarth): No.

Thank you very much. If you have a further written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, November 3.

Ms. Simran Prihar: Thank you.

ONTARIO RETIREMENT COMMUNITIES ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Ontario Retirement Communities Association. Good afternoon. When you get yourselves settled, please identify yourselves for the purposes of Hansard, and your five minutes will begin.

Ms. Laurie Johnston: Laurie Johnston, CEO of the Ontario Retirement Communities Association; and Brent Binions, president and CEO of Chartwell Retirement Residences. Thank you for having us here today.

I represent the retirement community sector. ORCA is proud to have over 600 members, representing 92% of all retirement suites in this province. I represent a sector that is privileged to be home to over 57,000 seniors in both rural and urban settings; a sector that has homes with as few as six people and homes with over 300 people.

I represent a sector that employs over 28,000 Ontarians, and we are growing—13,000 additional employees will be needed in the next five years; a sector that provides good jobs with room to grow and depends on many people who choose part-time work to meet their personal needs and flexibility; a sector that hires students, mature adults and new Canadians looking to enter the job market.

I represent a sector that is proud to serve seniors all day, every day; a sector where, when a patient is transferred from hospital at a moment's notice, a part-time worker's flexibility is essential to ensure the best care is available for that senior.

I represent a sector that is expanding—52 shovels in the ground as we speak—to help meet an ever-growing senior population.

I represent a very well-regulated sector, where seniors and their families make a choice to live and thrive.

I represent a sector where the impact of Bill 148 is going to be shouldered by seniors. That's because I represent a sector that is unique to all of health care. We are not like anyone else, because I represent a sector

which is entirely funded by seniors—seniors who have made an active choice to pay for their own care needs. I'm going to repeat that. They pay for their own care—folks on a fixed income who have chosen to alleviate the public system by not being part of it; folks who are about to get caught up in a whirlwind of unintended consequences from Bill 148.

I represent a sector where wages and benefits make up 50% of all operating costs. So if Bill 148 goes through, that means I represent a sector that will see as high as a 32% increase in wages over 18 months for employees working at minimum wage, plus significant issues due to wage compression.

I represent a sector that cannot absorb these costs; a sector that has absorbed government increases since 2012—new TSSA and fire code requirements, RHRA fees, delisting of physiotherapy and other government bills have hit our largest homes and our smallest homes; a sector that is a viable alternative to keeping folks out of hospital and where they should be—aging in place—at home, because a retirement home is their home.

But I now represent a sector that needs changes to Bill 148 to ensure seniors won't shoulder the cost of what is a necessary component of our 24-hour-a-day, seven-day-a-week business.

1520

I represent a sector that would like the statutory holiday pay calculation to be pro-rated and fair to both full-time and part-time employees. The legislation, as written, provides an incentive for full-time employees to move to part-time, increasing costs to the sector by \$8 million.

I represent a sector that needs clarification, where paid emergency leave is already provided by an employer, that the proposed paid days not be in addition to existing agreements, because the cost of these additional proposed days would be \$14 million.

I represent a sector that would like the minimum wage to be staged over four years instead of 18 months.

Finally, and most sadly, I represent a sector that, if this legislation is passed, will have to make some tough choices because of the unintended consequences of Bill 148, including whether they can even continue to operate in their communities or continue to develop more affordable housing options for the ever-expanding seniors' population, a sector that will be forced to pass government costs along to seniors, who, as I've already mentioned, fully pay for the cost of their retirement living, seniors who may be forced to join long-term-care waitlists because of financial issues from Bill 148. I represent a sector that doesn't think that this is reasonable or fair to our seniors, and I represent a sector that is asking you to change the bill. Thank you.

The Chair (Ms. Ann Hoggarth): This round of questioning: the official opposition, MPP John Yakabuski.

Mr. John Yakabuski: Thank you, Laurie and Brent, for joining us today.

You've suggested a couple of changes. Why is a pro-rated proposal for statutory holidays better than what's proposed in the legislation?

Mr. Brent Binions: The issue is one of fairness. Today, a person who works part-time gets paid that percentage of a stat holiday; if you work 50%, you get 50% of a paid day. Under the change, if you work one day a month, you get paid the same as a person who works full-time. The value to you as a part-timer is significantly higher, because if you just work one day a month as a part-timer, and a full-timer works the standard 20 days a month, you still get the same pay. There's just no sense of fairness in that.

What we're looking at is saying, "Okay. We don't want to create a perverse incentive for people to want to work part-time," because you're going to get paid a full day for working one day a month, and you might decide, "I'll work for three different employers and I'll get paid three days of stat holiday pay a month," whereas the full-timer gets one. It creates a perverse incentive. We want to make sure that all employees get paid statutory holiday pay for the time they work. That's why we're trying to get a change to the bill: to create fairness in the system and to not create a perverse incentive to work part-time.

Mr. John Yakabuski: So the legislation would actually—if somebody was saying, "I'm working part-time anyway. Why would I not get three part-time jobs instead of a full-time job?" is essentially what you're saying.

Mr. Brent Binions: The math would tell you that everybody should do that.

Mr. John Yakabuski: Why do you use so many part-time people in your sector, and why is that different than others? You said in your submission that you use an awful lot of part-time workers.

Mr. Brent Binions: We do, because we work 24 hours a day, seven days a week, 365 days a year. For every 10-shift position, there's a four-shift mirror.

Mr. John Yakabuski: A what?

Mr. Brent Binions: For every 10-shift position. You work 10 days biweekly—sorry; you work 10 days in a two-week period. That's a standard full-time position. There's a four-shift mirror. It's 14 days to fill that out. So every position has a full-timer and a part-timer. We have to have 50% part-time employees, and then we have to have on-call employees to fill in for the part-timers when they're on vacation, because our full-timers can't fill in for them. So actually, we have to have run somewhere around 55% part-time employees or we can't provide the service to seniors.

All we're trying to do is make sure we still have the ability to deliver the service to seniors without driving the cost up significantly.

Mr. John Yakabuski: You talked about, really, the inflationary factor on your business. Every retirement home has their own rates, because some are luxurious places and some are more modest and whatever, but on average, what do you think this would mean for an average—

The Chair (Ms. Ann Hoggarth): Thank you. MPP Forster.

Ms. Cindy Forster: Feel free to answer that.

Mr. Brent Binions: The cost, if we added two days of paid emergency leave plus this part-time adjustment, is 2.33% of payroll. For our sector, it's \$22 million. That's just the retirement home sector. If you add in the cost of hospitals and long-term care, much of which is funded by government—which is way more than this, and that's coming out of the public purse.

Ms. Cindy Forster: What's the percentage of retirement homes that are not-for-profit in this sector, in the members that you represent?

Ms. Laurie Johnston: I don't have an exact number, but roughly 20% would be not-for-profit. But at the lower end, as I said, we represent a home that has six suites in it. They're not-for-profits.

Ms. Cindy Forster: Right. So what is the average profit margin in the retirement home sector?

Ms. Laurie Johnston: It's impossible to give that. As I said, a six-suite home versus a 300-suite home—and you have to understand that these homes are being developed in order to suit individual market needs, from small rural towns to large centres.

Ms. Cindy Forster: I understand that there is a need for retirement homes because the government has a wait-list of 32,000 people waiting for long-term-care beds. Some of those people end up in retirement homes as a transition, waiting for those beds—

Ms. Laurie Johnston: It's also by choice.

Ms. Cindy Forster: Absolutely. Some people want to remain in their homes and some people want to go to a retirement home as that step, right?

But in the scheme of things, if they were in long-term care they would be receiving some of these health care costs that are over and above what they actually are paying in their retirement home for residency there. They would be paid for in some way by the government, right?

Mr. Brent Binions: Yes, that's correct.

Ms. Cindy Forster: That's correct. So what we're doing is putting more pressures on seniors to use whatever little bit of life savings that they have left, not only to pay for a retirement home, where they may want to be, but in addition, to pay for health costs that should be part of our universal health care program.

Mr. Brent Binions: Whether they are or not, under the budgets of today's government, what you're doing with this legislation is asking seniors to pay more—no question that that's the case.

Ms. Cindy Forster: Thank you.

The Chair (Ms. Ann Hoggarth): We'll move to the government: MPP Colle.

Mr. Mike Colle: Thank you for your presentation. I really receive your passion and the real concern you have on the impact on the homes you represent. I think your suggestions will definitely be looked at to see that they could not jeopardize the intended consequences, in this case, especially of the part-time with the stat holiday thing. Our staff will look at that, and I appreciate the sincerity with which you brought that forward. I just don't have a technical response to it right now.

The question I have is: In terms of the Ontario Retirement Communities Association, would homes like Amica, for instance, be part of that?

Ms. Laurie Johnston: Amica? Yes, Amica is a member. As I said, we represent over 92% of the sector.

Mr. Mike Colle: There is a real range, I know. We appreciate the work that you're doing and the people who are providing this. As you said, it's a choice. Some people don't want to go into a government-subsidized situation; they want to go to their own independent home. We appreciate that.

But on the other hand, I know Amica's prices are quite, let's say, interesting in range. They get great service. I've had some constituents who have gone there. They pay \$5,000, \$6,000 or \$7,000 a month for being in a home. That seems to be not a bad business model for Amica. I'm not saying that Amica is not a good operation, but I am saying that there is the for-profit motive in some of your partners, is there not?

Mr. Brent Binions: There is no question that's the case. It is a business. And if you don't have a profit, you're not in business anymore. Profit goes back into the business. All these homes get quite a bit of use, so you have to put money back into the properties to upgrade them on a regular basis—new carpets, new furniture, new suites, new paint, new walls, new wall coverings. Profit is what actually funds all of that reinvestment back into the economy and into the properties to make a great place for people to work. You can't do it without profit.

Mr. Mike Colle: Yes, but on the other hand, there is also, certainly, a fair return on your investment. We're not against profit and a fair return, but I'm saying, in some cases, it can be very lucrative. If you're charging people \$5,000, \$6,000, \$7,000 a month, it's not a bad business model.

1530

Mr. Brent Binions: It depends on what service you're providing. If you're providing \$6,000 worth of service a month plus the rent for the place—the question was asked of what's the margin. It's different in every property, and that's why Laurie can't answer it. I have 90 properties, and it's different in every single one. It goes from 10% up to about 35%.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a further written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, November 3.

Mr. Brent Binions: Thank you very much for your time.

Ms. Laurie Johnston: Thank you very much.

TORONTO AND YORK REGION LABOUR COUNCIL

The Chair (Ms. Ann Hoggarth): Our next presenter: Toronto and York Region Labour Council.

When you get settled, if you could give your name for the purpose of the Hansard, and your five minutes will begin.

Ms. Andria Babbington: My name is Andria Babbington. I'm the vice-president of the Toronto and York Region Labour Council.

If you ask most immigrants if Canada has exceeded their expectations since they arrived in the country, they would tell you they are happy to be here and how polite the people are, but they eventually express sadness over the fear of not being able to pave the way for a promising future for their children.

During the Changing Workplaces Review, workers bravely came forward to tell their personal stories of exploitation in their workplace and why they count on the government to be on their side to get fairness at work, and most of all, respect and dignity. This review is a chance for the government to restore the rights that were taken from workers in the past. Like the saying goes, "We all make mistakes," and I believe it's the truth for those with political power.

The truth is that corporations did not get successful from wishful thinking; too often it came at the expense of their employees' hard work, injured bodies and lack of social time with their families.

You have a decision to make as a committee. Not everybody gets to make a difference that impacts generations to come. Not everybody gets the privilege to build laws that protect those who need the most protection: Ontario workers struggling to pay bills, working many jobs to combine the salaries into a living wage and running from workplace to workplace, exhausted and struggling to live a life that should be a basic right.

Ontario families thrive when they have the safety and security of stable incomes and schedules, and rights that protect them from harassment, allow them to heal from sickness without fear of losing income, rest from work without the stress of not making enough to pay the rent, and relax with family knowing that the bills are paid and the pantry is stocked. Ontario thrives when all of our families thrive. For this, we need a stronger Bill 148.

If workers want a union, they need the right to form a union with no interference from their employer. The labour council believes that forcing workers to vote in a biased system will always go against their rights. In most cases, employers actively display hostility when workers try to exercise their so-called democratic right to join a union. The ballot question is seldom viewed simply as "Do you want a union?" but has been changed in most cases to "Do you want to keep your job?" We believe card-check should apply to every workplace.

Bill 148 includes the right to know who the company says is actually in the bargaining unit, but that needs to include employee classifications and how they fit in the organization structure.

Let Ontario awaken on January 1, 2018, knowing that their province is truly the best place to live in, with a better minimum wage, the right to unionize by card check, paid sick leave, equal pay for equal work and so much more. Let Ontario awaken on that morning with renewed faith in the political process, confident that their

voices were heard, their needs met and that their government worked for them.

Mr. John Cartwright: My name is John Cartwright. I'm the president of the Toronto and York Region Labour Council.

I want to pick up from the theme that Andria has just laid out. This bill is long overdue. The last time we had decent changes in the labour law was over a dozen years ago, and that was very minimal. Finally, we're getting somewhere. We need it implemented immediately, not waiting months and months after royal assent.

We're very concerned about a number of pieces. Our outline provides you with them, but I want to touch on a couple. One is loopholes around equal pay. We don't want to see companies getting creative, the way that Fiera Foods, which has been on the front page of the Toronto Star with 1,000 temp agency workers working for dozens of companies at minimum wage—somehow loopholes being found in the current bill on equal pay that companies like that can drive a truck through.

We want successor rights to include not just the areas you've talked about but also other tendered work such as home care and school bus operations.

We want first-contract arbitration strengthened. I think you just heard from ONA and the OFL around that.

The Changing Workplaces Review recommended establishing broader-based bargaining, starting with franchise operations of common brand franchises. I come out of the construction industry. We've had a very successful experience in creating broader-based bargaining in regions that allow us to take fissured workplaces and bring standards up, particularly for immigrant workers.

I do want to say that we are very pleased with the role of the Minister of Labour, Kevin Flynn, in moving this thing forward. He's actually a Minister of Labour who gets it, who wants to see some justice in the workplace. We want to see Bill 148 strengthened and implemented right away.

The Chair (Ms. Ann Hoggarth): Thank you very much. We'll go to the third party: MPP Forster.

Ms. Cindy Forster: My question is this: Today I introduced a private member's bill that would see the minimum wage—actually, that would remove the sub-minimum wage for liquor servers and for students in this province.

Andria, you eloquently spoke about new immigrants coming to Toronto and happy to be here, but not being able to fulfill their dreams. If the government was to introduce the minimum wage standard across those sectors, how would that help the people that you spoke about today?

Ms. Andria Babbington: This would go a long way. Through my experience I have seen where most of the household is run by, not just the parents, but the students. They are children who have to be part of that breadwinner. They're either working at night—and then it takes a toll in their classroom because they can't stay up or they're missing because of it.

Having this across the board, where it's not about defining age—a student could be a parent going to school anyway, and they have rent to pay and they have to put food on the table. I think that would be a fair process rather than discriminating against the age difference or whether they're in an institution for learning.

Ms. Cindy Forster: Could you expand a little bit around the loopholes around the equal pay issue, because I know that the government has actually watered down the bill since first reading. Can you tell me a little bit about what that impact will have on the people that you represent?

Mr. John Cartwright: Sure. The concern is where you say that the job has to be a similar job, and there are issues of seniority and there are issues of similar work.

You could have companies like Fiera Foods where the only permanent employees are essentially millwrights and machinists, and everybody on the line is working at the lowest wage through temp agencies. There would be no comparator there.

We want to make sure, if you have temp agency workers who are in workplaces—it doesn't matter if it is a factory, an office or a technical operation—that the spirit of that law is strong enough that the creative ways that companies try to get around these laws will not be able to be in effect, that the actual impact of equal pay will, in fact, be equal. Those temp agency workers and those part-time workers will get what a permanent full-time person should be getting—in other words, the real value of that work.

Ms. Cindy Forster: Thank you so much.

The Chair (Ms. Ann Hoggarth): We go to the government: MPP Potts.

Mr. Arthur Potts: Thank you very much, Andria, for your very impassioned comments.

It's always a pleasure, John, to welcome a constituent to the hearing.

I want to start by congratulating and thanking the labour council for the work you did in the Changing Workplaces Review. I know that the inputs that you brought were listened to and heeded. You see that the results of a lot that you had to say and bring to the table are reflected in this legislation.

I appreciate your comments about Mr. Flynn. I know he'll be watching very carefully the comments from this committee. He'll also appreciate what you had to say.

You and I have had our differences in the past but I think we're mostly onside on this one; I'm delighted to that effect.

Maybe you could talk to the bits about the social determinants of health. We talked about the fair wage. Andria, maybe you could talk to this, about an immigrant community, particularly, coming in and receiving a living wage. I appreciate the fact that you use that terminology rather than minimum wage.

Ms. Andria Babbington: A newcomer or an immigrant person coming in, I would say for myself as an immigrant coming in, I think the pride—we get up every day knowing that we're not taking a handout. We want to

work. We want to be that role model for our own kids, our own family.

1540

I think it's difficult when, over the years, we have seen and have heard employers who would say, "You know what? I'm not giving a raise unless the government makes me." So there's a number of workers who go to work every day and gamble with whether they either give up and go somewhere else—which is the same thing—or what do they do?

So it comes down to, "Okay, I'll struggle through this but then the future has to be brighter for my children. I'm doing this for my children."

Mr. Arthur Potts: So how do you feel about those members in this committee whose leaders are telling them this is all too fast, it's too rushed and that they shouldn't be implementing this, and who are voting against this bill to implement these changes? How does that make you feel?

Ms. Andria Babbington: I am angry about it because I think, for the last few years, we heard from a number of workers who are saying in the community that they really need this change to happen so that they can put bread on the table, so they're not running to food banks and feeling like they're not producing.

It bothers me a lot, knowing that I'm hearing responses from people saying, "They lowered my wages. It's about my retirement. That's what my retirement looks like." It's not just about a paycheque today. It's really about the future for somebody retiring with no dignity.

Also, seeing that these employers, when they hire, they're not hiring and putting somebody to sit it out. They hire based on their budget. They're hiring already knowing that they can pay for it. But there's expectation that, if they can get away with cutting off some of those incomes and every so—

The Chair (Ms. Ann Hoggarth): Thank you very much. We'll now go to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Andria and John, for joining us today. You touched on a lot of things. One thing I wanted to ask you about, because it has been proposed from others—the cost of living in Toronto is much higher than it is in some other areas. Even my colleague from Welland has talked about what they classify as a living age being vastly different depending on where you live in the province of Ontario.

We hear from an awful lot of businesses that really have genuine concerns, Andria, about whether or not they can absorb this kind of an increase over a short period of time. It has been suggested that there should even be a different wage for different areas of the province, depending upon what the cost of living, according to Statistics Canada—or whoever would be the reporting agency—would provide. What are your thoughts on that?

Mr. John Cartwright: My family is also in northern Ontario and I was born in London, Ontario, so I have a sense of this province. The fact is, 15 bucks is still less than a living wage in every community in this province.

We can't have an economy that's based on poverty wages. Too many businesses have been allowed to run a business model that's based on poverty wages. Those aren't mom-and-pop operations; those are billion-dollar corporations. If you look at who are paying poverty wages the most in this province, they're the billion-dollar, multinational companies. We just heard about some of the nursing home operations; these are multinationals that rely on paying poverty wages to people who do the most important work to look after our seniors. Frankly, I have no time for companies that are making billions of dollars in profits, having built a model based on poverty wages. I think that \$15 is long overdue.

We led the fight for a \$10 minimum wage back in 2006-07 on our labour council. Back then, \$10 was recognized as the absolute threshold of poverty, and we've come 10 years from that. So \$15 will not be a burden on any individual business because all businesses, all prices, will move up at the same time, in terms of competition.

What will happen is, people will be able to take that money—and when you're earning minimum wage you don't have a bank account in the Cayman Islands. You take the money and you spend it in Thessalon; you spend it in Talbotville; you spend it in Waterloo; you spend it in Muskoka; you spend it where you live. That's why we absolutely support \$15.

Mr. John Yakabuski: If we say \$15, let's say \$30, whatever. At some point, your economy isolates itself from—we live in a world economy. You can't ignore it.

The Chair (Ms. Ann Hoggarth): Thank you.

Mr. John Yakabuski: Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a further written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, November 3.

Mr. John Cartwright: It has been delivered. Thank you very much.

UNITED FOOD AND COMMERCIAL WORKERS CANADA

The Chair (Ms. Ann Hoggarth): Our next presenter is United Food and Commercial Workers Canada.

Good afternoon. Once you get settled, please identify yourself for the purposes of Hansard, and then your five-minute presentation time will begin.

Ms. Debora De Angelis: Debora De Angelis, United Food and Commercial Workers Canada, regional director. Good afternoon. Thank you for this opportunity to present UFCW Canada's submission to the Standing Committee on Finance and Economic Affairs regarding Bill 148.

UFCW Canada is encouraged by the government of Ontario's introduction of Bill 148 and its measures to strengthen the province's labour laws by boosting the minimum wage, mandating equal pay for work of equal value, increasing vacation and personal leave entitlements, and enhancing union rights for some sectors.

As Canada's leading union for retail and food workers, UFCW Canada represents over 250,000 workers across this country and more than 105,000 members in Ontario. UFCW Canada members live and work in communities across this province. Over 50% of our members are women, and 60% are young members under the age of 30. They are your neighbours. They operate your local grocery stores; process your food; provide security services; maintain your hotels, nursing homes, rental car agencies and drugstores; and work in many other sectors in the economy.

UFCW Canada continues to advocate that all workers in Ontario ought to have the right to freely join the union—no exclusions.

The leading employment sector in Ontario is the retail sector, and nearly all of these workers are in non-union and precarious employment and receive below-average wages. They lack security, and workplace benefits are almost non-existent. Scheduling is unpredictable, and the turnover is high. Women—indigenous, racialized and immigrant women, in particular—are highly represented as workers in the retail sector. The gender pay gap in Ontario is 30%. This gap increases based on race and origin. The pay gap is 57% for indigenous women, 39% for immigrant women and 32% for racialized women. This is unacceptable.

The enhanced ability for workers to access collective bargaining rights and to have a say in the workplace through a card-based certification system can help address some of these issues. Organizing workers into unions makes life better for everyone, but it is especially helpful as an equality-promoting tool for closing the gender wage gap.

UFCW Canada strongly encourages the government to repeal the mandatory vote system and extend card-based certification to all sectors in Ontario.

Of course, providing workers with an opportunity to improve their workplace rights through card-check certification would only be the first step. Collective bargaining and achieving first collective agreements is a challenge for newly organized units, and the model we have right now is not working at all. The implementation of an automatic first-contract arbitration system will create much-needed leverage to get the parties to the bargaining table to iron out a contract on their own or have one decided for them by a competent third-party arbitrator. UFCW Canada recommends that the government provide automatic access to first-contract arbitration in all cases.

All workers should have the right to equal pay for equal work. Bill 148 should mirror the exemption language in the Pay Equity Act, which requires an employer to show that the differential pay is both objective and does not discriminate based on sex and, in this case, employment status.

Currently, the bill has a provision that provides an exemption for collective agreements negotiated before April 1, 2018, where they would continue to apply past the date until they expire on January 1, 2020, whichever

comes first. This will have the effect of maintaining an imbalance in wages in some unionized settings. We believe there should be no allowances to contract out lower standards, and we therefore recommend that this exemption be removed from the bill.

Finally, let's ensure that Bill 148 is implemented upon receiving royal assent rather than having the six-month waiting period. Workers have already waited for decades for better working laws in this province. Please don't ask them to wait any longer. Justice delayed is justice denied.

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the government first: MPP Baker.

Mr. Yvan Baker: Thank you very much for coming. I think it's fair to say that the people who you represent are folks who would be deeply impacted by this legislation, and the folks you represent are probably over-represented in terms of precarious work.

1550

We've had a number of speakers come and present today and talk about the impact that this legislation will have on their members. Some have talked about the living wage; some have talked about the impact on their health. Can you just talk about how this would impact your members?

Ms. Debora De Angelis: Our members personally would absolutely benefit. With the additional paid days, the vacation entitlements, the increase in the minimum wage, all of them would benefit from that.

I have to say as well as a front line worker that I receive calls every day from workers in this province who are looking to join a union. They're looking to join a union because they feel that they need a voice in this workplace, because they're tired of being paid poverty wages, because they're tired of being bullied in their workplaces. This legislation will definitely help those workers.

More importantly, as I addressed, this two-step system is really hurtful to the organizing process, and many workers, like Andria pointed out, have to choose, with the two-step process, whether they want to keep their job or whether they want to join a union. That's why we're asking for card check, so that there isn't this opportunity for employers to continue to intimidate workers when they actually step forward and want to make this democratic choice to join a union.

Mr. Yvan Baker: Chair, how much time do I have left?

The Chair (Ms. Ann Hoggarth): You have a minute.

Mr. Yvan Baker: Just briefly, obviously; we only have 60 seconds: There was a United Way study recently—I think it was yesterday; at least that's when I found out about it—that talked about income inequality. Are you familiar with that study?

Ms. Debora De Angelis: No, I'm not. Sorry.

Mr. Yvan Baker: You're not familiar. There's a broad, growing trend of income inequality—

Ms. Debora De Angelis: Absolutely. Women are seeing it mostly. I touched on it with the gender wage gap—immigrant women, racialized women, absolutely.

As the rich are getting richer, the poor are getting poorer, and that's who is calling to join a union—because there is no end. These workers are barely making ends meet, working two or three jobs in really precarious employment. So yes, these changes to this bill would definitely help those workers in closing the income inequality and the gender wage gap.

Mr. Yvan Baker: Thank you very much.

The Chair (Ms. Ann Hoggarth): We move to the official opposition. MPP Barrett.

Mr. Toby Barrett: Thank you, United Food and Commercial Workers, for testifying.

I represent a rural area, and we at one time had a tremendous number of plants involved in processing food and agricultural product. Just out of curiosity, how is that reflected in your membership? Is your membership still primarily representing people working in food processing?

Ms. Debora De Angelis: Not primarily. Primarily, it's food retail/grocery, but yes, we have a lot of food manufacturing still.

Mr. Toby Barrett: We heard testimony from a food processor this week—actually, they're processing fish protein—indicating the unpredictability of product coming in, because they have to go out in the lake and catch the fish, first of all; they have to get them in in rapid time, either frozen or in a can or a container somehow, because they're perishable. The concern was that some of the measures here around leave, vacation time, sick notes and things like that—have you been working around this at all with organizations to try and mitigate some of the challenges when you can't predict—

Mr. John Yakabuski: The scheduling.

Mr. Toby Barrett: —the scheduling?

Ms. Debora De Angelis: Let me tell you about a really quick organizing drive that we just recently completed with Ace Bakery. Loblaws sells Ace Bakery bread. In that plant prior to the organizing drive, there were workers who were—women were being paid less than men; workers were being paid all different wages; temporary workers were showing up, nobody knowing who worked there or who didn't work there. Those workers decided to join the union because they wanted stability and better working conditions.

In the end, I think what this legislation is going to bring is a little bit of stability into the workplace. Companies will have to figure out how to run their business. I think what this bill addresses is labour reform, labour rights and improving the working conditions of workers in the province of Ontario, which is long overdue. That's one really quick example of food processing where this bill would definitely help them improve their working conditions, not to mention health and safety.

Mr. Toby Barrett: The GTA is second or possibly third in North America as a hub for food processing. It's maybe second only to Los Angeles and perhaps Chicago. Is much of that sector now unionized through your union?

Ms. Debora De Angelis: We have many in food processing and food manufacturing. There are many other

unions in Ontario, as well, that also unionize food processing—

The Chair (Ms. Ann Hoggarth): Thank you. We'll move now to the third party: MPP Forster.

Ms. Cindy Forster: Thank you, Debora, for being here today. In my organizing days—I mostly organized health care workers—I often found that one of the main reasons that they joined a union wasn't because of socioeconomic status, particularly in that sector. It was because they felt disrespected, they felt undervalued, they didn't have a voice, or they had a fear that, if they failed to do something that wasn't part of their job description, they might lose their job or their shift might change. You spoke to that today with the temporary agencies and things.

Do you have students at all, represented with you—

Ms. Debora De Angelis: So 60% of our members are under the age of 30. I'm sure there are a lot of students in there.

Ms. Cindy Forster: You're sure there are a lot of students. The government is proposing that we have a different wage tier for students and a different wage tier for liquor servers. I don't know whether you have any restaurants under your—

Ms. Debora De Angelis: Yes, Swiss Chalet is a restaurant that we have, and Bâton Rouge—a whole bunch of different ones.

Ms. Cindy Forster: Can you comment on what the impact of having a standard minimum wage would be for the workers you represent in those sectors?

Ms. Debora De Angelis: I remember being a student and being paid the student minimum wage and thinking it was really unfair because everybody else who was older was not making the student minimum wage. In that, I agree, and thank you for putting that private member's bill forward. There really should be only one wage. It will definitely go a long way.

A student still has to pay tuition—\$15,000, \$20,000—so paying them at a substantially lower rate doesn't make any sense whatsoever. They don't have fewer costs. Some will say, "Oh, well, they might live with their parents." And they might not. Tell me, how will a student in the city of Toronto who may or may not live with their parents be able to afford full-time university or college in this city? They can't. Yes, we would absolutely agree, with what we know, with eliminating the student minimum wage.

Plus a lot of employers take advantage of that. There are a lot of little hidden loopholes that students are supposed to know about and they don't, and it's based on a system where you have to call the labour board and let them know that you've been working more than 28 hours in a week and not being paid a full-time wage. That's really punitive on students who are just trying to make some decent money to be able to go to university, college or just live their life.

Ms. Cindy Forster: How many times do you end up in a strike with your workers around a first-contract arbitration? Is it fairly regularly?

Ms. Debora De Angelis: No. The bigger issue is all of the games that are involved. When workers pick up that phone and call the union, it's because they believe there's a hope—

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, please submit it to the Clerk of the Committee by 5 p.m. on Friday, November 3.

Ms. Debora De Angelis: Thanks.

UNITED STEELWORKERS,
CANADIAN NATIONAL OFFICE

The Chair (Ms. Andrea Horwath): Our next presenters are the United Steelworkers, Canadian national office. Good afternoon. When you get settled, if you could identify yourself for the purpose of Hansard, and your five-minute presentation will begin.

Mr. Mark Rowlinson: Good afternoon. My name is Mark Rowlinson. I'm the assistant to the national director of the United Steelworkers and also, for the last 20 years or so, a practising labour lawyer in the province.

Our union has been active in all of the consultations, starting with the Changing Workplaces Review, and before your committee in connection with Bill 148. Earlier this week, my colleague Brad James spoke to you about a few of the specific concerns that our union has with respect to Bill 148. But in my short time today, I want to take a step back from all of the submissions you have received on specific amendments and consider whether Bill 148 will, in fact, achieve the objectives that were set out in 2014 at the very beginning of this process.

In her mandate letter to Minister Flynn after the last provincial election in 2014, Premier Kathleen Wynne urged Minister Flynn to lead “a review of Ontario's system of employment and labour standards ... to consider reforms that reflect the realities of the modern economy, such as the rise of non-standard employment.”

1600

After three years of consultations, multiple reports and now draft legislation, the question that should be asked is: Will Bill 148 meaningfully address the issues identified in the minister's mandate letters and, for that matter, under the terms of reference of the Changing Workplaces Review?

I should say at the outset that there are some very positive developments in Bill 148, and we would urge and encourage the Legislature to pass the bill as soon as possible and implement it right away, as has been mentioned by other speakers.

But the mandate letter spoke of a review of the very framework and system that underlies our labour and employment legislation, and there is very little in Bill 148 that actually changes the basic system of labour relations in the province in a way that can meaningfully respond to the fundamentally changing nature of work. And that, in our view, is a missed opportunity, because the truth is that our system of labour relations in this province was designed and implemented just after the

Second World War, when work and workplaces were very different.

Our current system of labour relations, sometimes called the Wagner Act model, was designed for an economy that is, frankly, disappearing. That model simply cannot provide meaningful access to collective representation for most people in Ontario's growing service economy, characterized as it is by small workplaces, low wages and a high preponderance of part-time and contract work.

To address this new and fundamentally different reality in our labour market, it is clear that new representation and bargaining models are needed in order to increase access to collective bargaining for Ontario workers.

During the CWR process, our union, along with others such as Unifor, advocated for a modernized Labour Relations Act that would allow for broader-based and sectoral bargaining structures that were rooted in employee choice. Without such structures, workers in the new service-based economy simply don't have access to collective bargaining. We know that the best way to alleviate the worst effects of precarious work and reduce the vulnerability of workers is to ensure that they have meaningful access to collective bargaining that is durable, effective and efficient.

A recent OECD employment report published earlier this year found that “collective bargaining coverage is high and stable only in countries where multi-employer agreements (i.e. at sector or national level) are negotiated.” In countries where collective agreements are negotiated and signed at the workplace level, such as in Ontario, collective agreement coverage and union membership have dropped dramatically.

Our union supports the introduction of a broad, multi-employer sectoral bargaining model. Such models are sometimes considered a dramatic departure from our current system. But, in fact, we don't have to look far for examples of such a system that would work well. The construction sector in this province is one example. The decree system in Quebec that operates in many sectors, notably the contract security sector, works very well and extends collective bargaining coverage to all security guards in the province of Quebec, leading to much better terms and conditions of employment for the entire sector. Another example is the model proposed to British Columbia Ministry of Labour in the 1990s. Under that model, employees in sectors that were historically under-represented by unions would be entitled to bargain a single multi-employer master agreement, based on industry and geography.

The Changing Workplaces Review special advisers recognized the importance of moving towards a broader-based bargaining model, and they strongly recommended that the Labour Relations Act be amended to provide for common collective bargaining amongst franchisees of a particular franchisor. It's disappointing that the government did not incorporate that change into the legislation; although Bill 148 does at least restore the power of

parties to consolidate existing bargaining units with the same union and the same employer.

In conclusion, comprehensive broader-based bargaining models are essential to ensure that workers can exercise their right to free collective bargaining and mitigate the worst effects of precarious and unstable employment. We urge the government, or whichever government may be in power, to continue to engage in multi-stakeholder—

The Chair (Ms. Ann Hoggarth): Thank you. The first round of questioning will be from the official opposition: MPP Barrett.

Mr. Toby Barrett: Thank you, Steelworkers, for coming forward again for these hearings.

I appreciate you quoting from the Premier's mandate letter with the instructions to review, as indicated, not only labour standards—and we've been hearing about labour standards all summer and fall—but as well Ontario's system of employment and things that have changed since the Second World War.

Just in your business, in the steel business, obviously globalization has dominated since the Second World War. How has your union been able to adjust to that?

Mr. Mark Rowlinson: I'll just tell two quick stories. Our union has been able to adjust, I'm happy to say, by diversifying. Our largest bargaining unit in the province of Ontario is actually now at the University of Toronto; it's the staff. So our union now represents workers in virtually every part of the private sector.

To give you another example: In 1982, there were 13,000 Steelworkers members at Stelco in Hamilton. There are now about 500. Until recently, until the last round of insolvencies, there were about 1,500 members, and they actually made more steel at the plant than they did in 1982, just to give you a sense of how that industry has changed, leaving aside the effects of globalization and trade agreements. That's exactly what I'm talking about.

We have a labour relations system that was designed over 50 years ago, and it's outmoded. We need to think of new ways of giving workers access to collective bargaining.

Mr. Toby Barrett: I hear what you're saying with respect to Stelco. The big mill is in my riding. In fact, Stelco doesn't make steel in Hamilton anymore; it makes it down at the big Lake Erie Works—

Mr. Mark Rowlinson: In Nanticoke.

Mr. Toby Barrett: —at Nanticoke.

As an outsider, I was a steelworker a number of years ago, working with steel, not in other sectors.

Given the challenges, I see that union structure—I can't imagine a steel mill without a union. I question some of the other sectors that we hear about in these hearings. But under the Stelco model, we like to think the model is working well at the Nanticoke plant. I can't speak for Denton in Hamilton, but I'm just very interested in this.

When you talk about globalization and NAFTA discussions going on right now—

Mr. Mark Rowlinson: Certainly. Look, the model does work well at the Nanticoke facility. There are 1,200

Steelworkers members there. They are one of the most modern steel mills in North America. But that kind of facility used to be the base of the Ontario economy. It no longer is the base of the Ontario economy.

The Chair (Ms. Ann Hoggarth): We'll move to the third party: MPP Forster.

Ms. Cindy Forster: Thanks for being here today. The system is outdated so we need a new way to collectively bargain for people so we can improve their socioeconomic status, benefits, pensions, and all those good things. What kind of sectors would you see this working in? If you could expand on that a little bit.

Mr. Mark Rowlinson: There are a number of sectors right off the bat; certainly the contact service sectors. I will say, for example, the successorship provisions in the contract service sector amendments of the bill are welcome, but we need more.

We need, again, centralized, broader-based bargaining in those sectors. The service sector, an area that is traditionally—whether that's fast food, retail or whatever it is, if you look at those jurisdictions that have figured out a way to have centralized bargaining where you bring all the employers together at one central table and bargain a basic contract for those workers, you have much better terms and conditions of employment.

Again, I mentioned, for example, the security sector in Quebec. In Quebec, you have this model of centralized collective bargaining in the security sector. The wages that are negotiated at the table are statutorily extended to the entire sector and the result is that the minimum wage for security guards in Quebec is over \$17.50 an hour—for all security guards in the province of Quebec. Most security guards in Ontario make minimum wage.

Ms. Cindy Forster: So you would go out and organize, which would be much easier with card-check.

Mr. Mark Rowlinson: Yes.

Ms. Cindy Forster: And then you would actually put together a central table, much like they do in health care or education. It would be a central table to bargain the working conditions for a number of employers across the private sector.

Mr. Mark Rowlinson: Correct; that's right. But we need that model in the private sector.

Ms. Cindy Forster: Right, and so the Labour Relations Act actually needs to be changed in order to make that happen.

Mr. Mark Rowlinson: Absolutely; yes.

Ms. Cindy Forster: Okay. Thank you.

The Chair (Ms. Ann Hoggarth): We now move to the government: MPP Baker.

Mr. Yvan Baker: Thanks very much for your presentation and for coming in today. You made your points quite clear. During your testimony you used the words, "There are some positive developments in this bill," but you didn't have a chance to expand on those, and I'm wondering if you could share what those are.

Mr. Mark Rowlinson: Most of the elements of the bill are, in general, heading in the right direction. As been mentioned, many of them are long overdue. I'll speak

more specifically to the Labour Relations Act, if I might: The improvements to the certification process are welcome; the fact that the bill at present does not extend card-check certification to all sectors, in our respectful view, is very disappointing and unjustifiable, to be honest with you; the contract successorship is a welcome development, but, again, the fact that there's no change to the way in which contracts are going to be negotiated in that sector is also disappointing; the first-contract bargaining changes are an improvement, but we think you ought to have mandatory access to first-contract bargaining.

The effect of the changes to the Labour Relations Act is to get rid of many of the worst changes that were made by the previous Conservative government—the government from 1995 to 2003—and those are long overdue, but there's still much more to be done.

Mr. Yvan Baker: Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation—

Mr. Arthur Potts: Do I have a minute?

The Chair (Ms. Ann Hoggarth): Yes.

Mr. Arthur Potts: I'm delighted. I haven't heard the term "Wagner Act" in long, long time, since Pradeep Kumar taught me the Wagner Act at Queen's in the industrial relations program I graduated from years ago.

I get the point about the sectorized bargaining; Australia is a very successful sector. I think it's something that we seriously should look at into the future, and I appreciate your comments to that effect. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, November 3. Thank you, sir.

I will now call on the Ontario Chamber of Commerce. When you get settled—

Mr. John Yakabuski: Chair, if I may: I believe we're down to the last two minutes of speaking to Bill 33, because the proponent of the bill is speaking there right now. Would it not be better if we allowed the chamber to begin their testimony after the vote? We're going to be having a bell here very shortly. Rather than have them split up their testimony—Ms. Gélinas is finishing up her speaking right now. Would that not—

The Chair (Ms. Ann Hoggarth): Is the committee agreed that we take a recess now and hear the presentation after the—

Mr. John Yakabuski: We're going to have—once the bell—to shut it down anyway.

The Chair (Ms. Ann Hoggarth): We're in favour? All right. We will recess until after the vote. Please return as quickly as possible after the vote. We are recessed.

The committee recessed from 1613 to 1615.

ONTARIO CHAMBER OF COMMERCE

The Chair (Ms. Ann Hoggarth): If we could get settled again. I'm very sorry. All right. If you could

identify yourself for the purpose of Hansard, we will continue.

Mr. Karl Baldauf: Great. Thank you and good afternoon.

Interjection.

The Chair (Ms. Ann Hoggarth): It's MPP Forster's bill, so she had to leave.

Mr. Arthur Potts: Oh, so that's what we're doing? Okay.

The Chair (Ms. Ann Hoggarth): Thank you. Okay.

Mr. Karl Baldauf: Should I proceed?

The Chair (Ms. Ann Hoggarth): Yes, please.

Mr. Arthur Potts: My apologies.

Mr. Karl Baldauf: Good afternoon. My name is Karl Baldauf. I am vice-president of policy and government relations at the Ontario Chamber of Commerce.

In the last three months, I have had the privilege to visit some 40 communities across Ontario to discuss Bill 148. Many of those communities are represented by individuals around this table today. One image stays with me: A middle-aged woman, certainly unfamiliar with public speaking or advocacy, who owns a women's fashion store in downtown Sarnia, stood up at a town hall convened by the local chamber there, clenching the microphone, with tears in her eyes, and she asked, "Do you think I make \$15 an hour during the hard months?"

This is the truth behind Bill 148. This legislation, which professes fairness, will hurt the most vulnerable people in our society, the very people it intends to protect.

The Ontario Chamber of Commerce and our members—who represent 135 communities across this province, from Toronto to Timmins to Coboconk—understand the intent of the legislation, but we also understand that evidence-based public policy must be fundamental in a properly functioning democracy.

We are moved by the Premier when she points to individuals who work full-time in this province and who still must depend upon a food bank. That is unfair, and we must do more. And as chambers, we say that not only representing businesses, but as community organizations that count among our membership charitable organizations, local agencies, colleges and universities, as well as local social justice groups.

I'm under no illusions that my words here today will compel any significant change, but my intent is to forewarn the members of this committee.

We have done our work, as a chamber, to bring evidence into this conversation. No doubt, many of you will see the analysis conducted by CANCEA, not to mention other economic forecasts that have been done. In fact, there has not been a single economic modelling of Bill 148 that has not pointed to significant social harm.

My intent is to speak directly to the issues of fairness, compassion and Ontario's most vulnerable. Any objective analysis of this legislation has made the case for significant job loss, a 50% increase in inflation over and above what would otherwise be expected over the next few years, and an acceleration toward automation. This is

bad public policy. It is too much, too fast. There can be no justification for bad public policy.

I have spoken to daycare owners who have indicated that the price of daycare will rise exponentially as a result of Bill 148—this at a time when our government is trying to make daycare more affordable.

I have spoken with retirement home operators who have indicated that safe and secure homes for our parents and grandparents, for Ontario seniors—is going to rise precipitously, this at a time when our government is trying to bolster retirement security.

I have spoken with retail stores and restaurant franchises who have said that the cost burden placed on their stores will necessitate that they fast-track the introduction of automatic checkouts.

I have spoken with charities and social service organizations who bemoan that in an environment where corporate profits are dwindling, so too will corporate giving.

Many of us already know young people who have seen their hours cut.

The \$15 an hour is only effective if you have a job.

All of these changes will manifest themselves in advance of the next provincial election, and so I caution those of you who are willing to hang your hats on bad public policy: The negative impacts of Bill 148 have already begun to reveal themselves, and that process will increase with greater speed in the coming months.

I'll close with one comment: It is because we in the chamber network have compassion and are concerned about the most vulnerable people in our society that we oppose Bill 148. I would encourage those of you around this table to share in that compassion and protect our most vulnerable. Please propose wholesale changes to this legislation, adjust the timelines for implementation, and ensure that employers are well positioned to adjust to the new costs and social burdens that Bill 148 will bring.

The Chair (Ms. Ann Hoggarth): Thank you. MPP Potts.

Mr. Arthur Potts: Thank you, Mr. Baldauf, for coming in today and for your comments.

A question I ask of small businesses all the time when they tell me they're concerned about this bill: Do you believe that a business plan whose success is predicated on paying below-poverty wages is appropriate, or should you rethink your business plan?

Mr. Karl Baldauf: What I think is appropriate is, if you're going to have the most significant increase in minimum wage in this province's history—a pace of change that we cannot find anywhere in the industrialized world—you give businesses a timeline that is appropriate to transition to that.

And I might say that the minimum wage change only represents half of the new cost burdens that businesses will have to deal with.

Mr. Arthur Potts: You've heard person after person in this room talk about the dire straits that low-income people are in right now. They need this change right now.

I'm concerned, because I know that the work that the chamber has been doing with a lot of Conservative

members in this House—I mean, have you got some kind of a side deal with them? Are they promising you they're going to abandon and roll this all back if they get elected next time out?

1620

Mr. Karl Baldauf: I think that line of questioning is absolutely inappropriate. The chamber prides itself in working co-operatively with this government. In fact, it was only two weeks ago that we announced a program in co-operation with minister of small business Jeff Leal. We're proud to work co-operatively with this Liberal government.

Mr. Arthur Potts: Good. I appreciate that.

Mr. Karl Baldauf: We meet with members of all parties, so, frankly, I'm offended by this notion that we would be working co-operatively with one party to the exclusion of others. We're very proud to work with members across party lines.

And, I might say, that in all the 40 town halls that we had with local chambers across Ontario, we invited sitting MPPs. We encouraged our chambers to invite sitting MPPs to all of those events. I was dismayed to not see more uptake by members, frankly, across party lines, but especially by this government. I think this government needs to hear those voices, and they have not heard them.

Mr. Arthur Potts: But the experts that we're listening to are the dozens and dozens of economists who are saying that we're not going to see these kinds of job losses that you're predicting, that in fact the economy is going to grow by something—I think we heard the number \$5 billion, with all of the additional revenues they're putting into precarious people's hands so that they can spend that discretionary money at the end of the month when they've paid for rent, paid for food. The economy will benefit. You might see growth in the economy because there's more money circulating in the economy.

Mr. Karl Baldauf: With respect, those are speculative numbers. There is no organization that has done reasonable economic modelling on Bill 148 that has not pointed in the direction of there being job loss and increased inflation as a result of these changes. It is too much, too fast.

So while you and this government may point to a letter that was provided by this government from economists back in July—many of whom don't live in Ontario, many of whom are on the payroll for the very unions that will benefit far more than the workers who they represent—those individuals have not actually done the economic modelling work to test what the impact will be.

Those who have done the modelling—those who have done peer-reviewed modelling—have all said we are looking forward to less people being employed than would have otherwise been employed. That's the tragedy: The most vulnerable people in our society will be hurt as a result of Bill 148.

The Chair (Ms. Ann Hoggarth): We'll now move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you very much, Karl, for joining us today. It's interesting that the member from

the government side talked about a business plan predicated on poverty wages. Up until February of this year, the Premier was one of the leaders in defending that wage. So what changed? I could say to the members on the opposite side, a few months ago that was poverty wages; now we're saying that businesses have predicated their business model on those wages? This was the government that actually legislated those wages, but all of a sudden the politics have changed.

I ask you, Karl—we're not snatching this out of the air. We've heard from so many people, and you've touched today on the most vulnerable. When you talk to your members across the province of Ontario, how significant is the threat to vulnerable workers because of this?

Nobody is arguing against the \$15-an-hour minimum wage, including your members. I do not believe I hear them talking about being opposed to \$15 an hour. It's the speed at which it is being implemented and how it will impact the most vulnerable.

Mr. Karl Baldauf: I point to the example of the small business owner in Sarnia, and that's just one of the many stories that I've heard.

What's actually been most revealing to me, and I did give this example, is the charitable sector. The charitable sector in this province depends upon corporate donations. You speak to small businesses and they say, "I want to be a leader in my community. But, I tell you, the first thing that's going to go is my charitable donations." And you hear individuals in the social justice community say, "Well, this is because of corporate individuals who are trying to hold on to their profit." That's not it at all.

Small businesses want to be beacons of hope, to build out economic development of local communities. That's why they get into business. That's why they get active in organizations like a chamber of commerce. These individuals are terrified of what's going to come. They don't know how to accommodate this significant cost increase over the prescribed period of time.

We asked our economist to model what would be the impact of doing one change. If the government was to do nothing except to extend the timeline for implementation for the minimum wage piece—just the minimum wage piece; keep going with all the other aspects of this legislation—if you only extended the timeline for implementation of the minimum wage to five years, you would decrease the jobs at risk by 74%.

This is what I mean when we talk about evidence-based public policy. There is a way to do this. There is a way to accomplish the goals and the intent of this legislation that is far more responsible. I just wish that this government would listen to that.

This legislation has not passed yet. I think there's still time for reflection upon that, because all of us want to build Ontario up. That's not something that any party has a monopoly on. But you do that by conducting yourself in a way that assesses evidence-based recommendations.

Mr. John Yakabuski: I see that you already are alerting your members and have sent out a handbook

about how to try to live under Bill 148. It's that much of a concern among your members.

Mr. Karl Baldauf: This morning, we had a webinar with 600 small businesses from across the province—

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the third party: MPP Armstrong.

Ms. Teresa J. Armstrong: I welcome you here today. You're Karl, the vice-president of the Ontario Chamber of Commerce? I just caught the tail end of your presentation. I sensed that, of course, you're very passionate about your position on Bill 148. What I had heard was that you are not supporting Bill 148, but then you kind of clarified that if—is it the one piece that's the problem, the minimum wage? Is that the only thing under Bill 148 that there are concerns around?

Mr. Karl Baldauf: There are many changes in Bill 148 that we're quite concerned about. If you look at the Labour Relations Act reforms that are being proposed—I mean, card-check certification: Many of our members see it as being anti-democratic because of the way it removes the secret ballot voting process from the right of workers to decide to be free from coercion from more intent members of their workplace who would want to have a union drive. They no longer can make their opinion known with the secrecy of a secret ballot, so we're very concerned about that.

Personal emergency leave days: There is no province in Canada that extends paid personal emergency leave days, with the exception of Prince Edward Island. That's one day, and that's if you've been an employee for five years. Now, all employees across the province will have two paid personal emergency leave days—and this government is taking away the right for employers to ask for a doctor's note.

There are many changes that concern us with Bill 148. I could go on. The scheduling changes, for example: There are many industries that depend upon building up on-call workers. Now those employers, if they cancel a shift within 48 hours, will have to pay out three hours. Talk to the many who understand that they are in a workplace that has many on-call workers because that workplace has to scale up and scale down: That's part of what they've signed up for, being an employee of that organization. They know their employer will now default to hiring fewer people, having less people available, which may hinder the notion of growing and expanding their business or making their business available for fast orders.

All of these things together will have negative impacts on Ontario's economy, on economic development in this province. The minimum wage is the most obvious burden that's being placed on the province. As I say, it's the pace of change more than anything, but there are many components to Bill 148 that concern us.

Ms. Teresa J. Armstrong: Is it all of the members on the Ontario Chamber of Commerce that feel that way, or did any other members that you have speak in favour of Bill 148? Is there any good in Bill 148, in your opinion?

Mr. Karl Baldauf: Certainly there is never an issue where you will have total consensus. But I will tell you is that in my time at the Ontario Chamber of Commerce, there has never been issue that has galvanized this much opposition.

I think you'll hear later from the Mississauga Board of Trade, one of our members that would echo that. There is a significant amount of opposition amongst our network for Bill 148. Certainly, I've never been asked to come to more communities to help individuals understand what will come from Bill 148.

There is a lot of active interest, and none of our members have said that we've gone too far in our opposition to Bill 148. Our members think that our opposition has been appropriate.

The Chair (Ms. Ann Hoggarth): Thank you, Mr. Baldauf, for your presentation. If you have a further written submission, it needs in to be to the Clerk by 5 p.m. on Friday, November 3.

Mr. Karl Baldauf: Thank you.

Interruption.

Mr. John Yakabuski: The bells are ringing.

The Chair (Ms. Ann Hoggarth): The bells are ringing.

We will recess until the vote is over. I would ask all committee members to please return as quickly as possible.

The committee recessed from 1628 to 1643.

UNIFOR

The Chair (Ms. Ann Hoggarth): If everyone could please take their seats.

I would call Unifor to make their presentation, please.

Please identify yourself for the purpose of Hansard, and your five-minute presentation time will begin.

Ms. Naureen Rizvi: It's Naureen Rizvi from Unifor.

Good afternoon, and thank you for having me here to speak before you today.

As I have said already, my name is Naureen Rizvi. I'm the Ontario regional director for Unifor. Unifor is the largest union in the private sector, representing 315,000 members in Canada, and approximately 168,000 of those members are based right here in Ontario.

Bill 148 contains many positive and long-overdue changes, including the implementation of a \$15 minimum wage. That said, there's still room for much-needed improvements to the legislation.

Our union stands in support of the Ontario Federation of Labour's recommendations, and Unifor has also submitted a previous written recommendation, so during my time today, I'd like to take the opportunity to touch on a few of the vital amendments that we are calling for.

The right to join a union is fundamental, but too often barriers are thrown up to prevent workers from accessing this right. When workers are organizing, it is not difficult to imagine the intimidation that they may feel and the pressure tactics that may be used by employers when faced with a mandatory vote. Bill 148 must be amended

to extend card-based certification to all sectors, as where you work should not impact your ability to organize and gain access to fair collective bargaining.

Under the current legislation, where you work can also impede access to collective bargaining, as workers employed at franchises, including huge, multinational fast food corporations, are currently prevented from consolidating to gain the associated strength of their numbers. To that end, we recommend that Bill 148 should treat franchisees of a common franchisor like a single large employer with multiple locations for the purposes of collective bargaining.

Once workers have organized and achieved a collective agreement, further action is needed in this legislation to ensure the validity of those contracts by extending successorship rights to all contracted services. Currently, Bill 148 successorship rights do not extend to those who are employed by subcontractors, leaving workers vulnerable, particularly in industries known for precarious employment, such as home care, housekeeping and school bus services.

As the largest union in the school bus sector in this province, we have seen the havoc this has created firsthand as drivers lose their jobs when contracts are flipped, forcing them to reapply often at lower pay because their contracts are no longer deemed valid.

In an era of precarious employment, today's workers are often left feeling vulnerable and at the mercy of their employers. In a previous form, Bill 148 helped to address that vulnerability by including provisions on the right to refuse work and to receive on-call pay or shift-cancellation pay, with very specific exceptions for employers.

In the current version of the bill, these very specific exceptions were removed and replaced with language open to interpretation as workers will now lose their right to refuse shifts with insufficient notice if the employer deems there to be "an emergency" or "other reasons." What constitutes an emergency is up to the employer. The same logic will also apply to the right to receive on-call pay or shift-cancellation pay with insufficient notice with the addition to include "weather-related reasons." Employer exemptions must be amended to explicitly define "emergency," remove "other reasons as may be prescribed" and the "weather-related" provision.

To further protect vulnerable workers, improvement to legislation on equal pay for equal work is needed. Bill 148 states that all workers doing "substantially the same work" should be paid the same. This allows employers to establish minor differences between jobs in order to maintain pay differences, especially for part-time and temporary agency workers. To close this loophole it's recommended that the language be changed to "similar work."

Lastly, the final recommendation that I would like to leave you with is the implementation of paid leave for survivors of domestic or sexual violence. Bill 148 presently designates unpaid leave, which would financially penalize women and their children at a time when every available support is needed. To that end, we support the

recommendation of 10 days of paid leave and up to 15 weeks of unpaid leave under this section.

I thank you for your time. I'd be happy to answer any questions you may have.

The Chair (Ms. Ann Hoggarth): Thank you. The government will start the questioning: MPP Colle.

Mr. Mike Colle: Yes. Thank you very much for coming here on behalf of 350,000 workers. I don't know if you were here when the chamber of commerce was deputizing, but they have a bit of a different view, as you know, than you do. They said that card-based certification, if you deploy that—in this bill, we're not going all the way, but we are extending it to three sectors. They're saying it takes away workers' democratic rights. They're on the record saying that, and it's one of the reasons they oppose Bill 148, because we're extending it to those sectors. Do you want to comment on that position of taking away the rights of workers by introducing card-based certification?

Ms. Naureen Rizvi: I think one of the best examples, even though this is federal, is under the WestJet example, where the workers were trying to unionize and the CEO came out in a meeting and very boldly said to everybody, "Anybody who is trying to upset what we have here—we should make them uncomfortable enough to leave, if that is what they want to do." That is out in the press. That's out in the media. He said that publicly.

This is exactly why, when you have this kind of pressure from an employer, anyone who is going to be subjected to secret ballots—this is not going to work, because the employer is out intimidating. We know it. We've seen it. WestJet is the prime example. Right now, their pilots are trying to unionize, and they're doing a fantastic job around it, but we do need card-based certification.

1650

I was here when the chamber of commerce was presenting before you just before I came on. If you actually listen to what he was saying—this is a chamber of commerce representing businesses, but the way that he was representing—there was no empathy for workers. The way that their response was around raising the minimum wage, around all of the other issues under Bill 148 that they said they oppose: When you have an employer that is actually like that—and they're representative of the employers—it puts a fear factor into employees. And we know these intimidation tactics work. We have had many times where we've seen organizing drives where the employer will fire somebody from an inside committee—and that's all it takes. So card-based certification is absolutely needed.

Mr. Mike Colle: The other thing is, you talked about extending leaves of absence. They even said that right now—I think employees are allowed one personal leave day. He said that the chamber is on record as even saying they're even opposed to two days.

The Chair (Ms. Ann Hoggarth): Thank you. We now move to the official opposition. MPP Barrett.

Mr. Toby Barrett: Thank you, Unifor. We recently had a presentation from the Steelworkers, and part of

their testimony was more big-picture in referring to the Premier's mandate letter that required not only looking at labour standards—and this includes the kind of amendments that this committee deals with, and there will be regulation and more detail after that—but to take a look at the overall system of employment.

I know the Steelworkers talked about changes since the Second World War. We know our auto sector went through some tough times; that would be in 2008, I suppose. All parties were involved in that.

We still continue in NAFTA negotiations. What's the union involvement in those negotiations, or your positions on that?

Ms. Naureen Rizvi: In NAFTA negotiations?

Mr. Toby Barrett: Yes.

Ms. Naureen Rizvi: Our union, you know, is extremely involved in the NAFTA negotiations. Trade agreements absolutely affect workers at the very end, and we've seen that. So how you negotiate those agreements—they make a difference to whether you're able to keep jobs in Canada, whether you can keep good jobs in Canada, whether there's going to be growth, whether there's a gender balance when it comes to employment, whether we're growing the sectors that we're proud of. We're a natural resource economy. Are we actually looking to work on what we already have that's a sustainable model? We're very much involved in NAFTA negotiations for that reason.

I don't think it's any secret that we don't feel that the previous agreement was worker-friendly. We saw manufacturing jobs exit from here and go to Mexico while employers got big tax breaks. At the end of the day, Canadian workers were out of jobs. But if you listened to the Mexican workers, and we had a delegation come up during our NAFTA lobby a couple of weeks ago, they talked about, when the work did come down to Mexico, it was subcontracted out even there. The auto parts plants were subcontracted out and they didn't even benefit from that.

Then the difference between paying 65 cents an hour to workers in Mexico to do these jobs—that's why we need labour standards. We don't want poverty wages. We want jobs in Canada, yes, but not trying to exploit Mexican workers when you send the work over, because those large companies are still making the same types of profits off the backs of other workers.

Mr. Toby Barrett: That's very interesting. A lot of the decisions seem to be being made in Washington—

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the third party: MPP Forster.

Ms. Cindy Forster: Thank you for being here again. I want to zone in on the equal pay for equal work, because we heard from a number of the deputations today that the way the language is currently proposed really is not going to work for workers in the province. It's kind of a farce.

My private member's bill just got voted down by the Liberals and the Conservatives, which would have seen an equal minimum wage for liquor servers and for students.

We've got 12,000 college faculty on strike in this province because they're looking to get paid for some of the unpaid work that they do currently, like preparing courses and marking exams. They currently only get paid for what they teach, where the full-time faculty actually get paid for all of the hours that are spent in preparation and marking.

Then we've got the whole business of same versus similar, right? That is a very simple fix for the government to change, the matter of one word, so that employers can't work their way through that loophole to say, "Well, you're not just doing this one aspect of the job anymore so it's not the same work." How do you suggest that the government actually address that equal-pay-for-equal-work piece?

Ms. Naureen Rizvi: I really think that the language needs to change to "similar work." It absolutely does. That's our suggestion and that's our recommendation. We have examples in workplaces currently where employees are doing similar work and where employers are saying, "You're only doing it 70% of the time. You're not doing it 30% of the time," or, "You're selling this item, this product or this service, but you're not selling this one, so you're paid differently." At the end of the day, the skill set is selling. Whether you're stocking oranges or whether you're stocking milk in the dairy section, you're still stocking.

When you say "same work," they could turn around very easily and say that the product is different or that the sections of the supermarket are different. We see that currently in the workplaces that we have, and thank God we've got the union in there and we have a collective agreement and we have union representatives who go and fight and take grievances for these types of issues, and we're able to resolve them to say that, in fact, it is similar work. Just because it's the Globe and Mail that you're promoting on a phone call versus another type of product does not mean that it's so different that there should be a pay decrease of \$1 or \$1.50.

I think that "similar work" really makes sense. As soon as you say "same," you're going to categorize people. It's going to actually create—whether it is an environment in retail, where everyone is doing a similar function, you're going to categorize them in such a way—

The Chair (Ms. Ann Hoggarth): Thank you.

Ms. Naureen Rizvi: Thank you so much.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a written submission, if you would have it to the Clerk by 5 p.m. on Friday, November 3.

Ms. Naureen Rizvi: Thank you very much.

ONTARIO COUNCIL OF AGENCIES
SERVING IMMIGRANTS

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Ontario Council of Agencies Serving Immigrants. Welcome. Could you please identify

yourself for the purposes of the Hansard, and then you may begin your five-minute presentation.

Ms. Avvy Go: Thank you. My name is Avvy Go and I'm representing OCASI, the Ontario Council of Agencies Serving Immigrants this afternoon. I'm also the clinic director of the Metro Toronto Chinese and South-east Asian Legal Clinic. We're putting in a joint submission with OCASI on Bill 148.

We support Bill 148 as it will expand legal protections for many vulnerable workers. However, we believe the bill needs to be strengthened in order to achieve its stated objective of making Ontario workplaces fair. Further, we are concerned about some of the amendments which have been adopted after the first reading.

We ask the committee to consider, first of all, that immigrants, women and members of racialized communities are overrepresented in precarious and low-wage jobs. According to the 2016 census, the income gap between racialized and non-racialized residents in Ontario has increased from 25% to 26% since the last census. Racialized women have fared the worst, facing an income gap of 47% compared to non-racialized men. It is in this context that we are proposing specific recommendations to amend the bill.

Our written submissions have highlighted a number of issues. I'm just going to talk about a few in my oral presentation. First of all, section 42.2(1) of the bill prohibits employers from discriminating against temp agency workers on the basis of sex, employment status and assignment employee status, without reference to other grounds protected by the Ontario Human Rights Code, which include race, disability and gender identity, for instance. This provision, in our submission, is in direct conflict with the code, and we ask that it be amended.

Second, we share the concerns raised by many others about the use of the term "substantially the same" work. We've heard about that, and we also suggest that it should be changed to "substantially similar" or "similar."

We are also opposed to the opt-out clause from the equal-pay-for-equal-work provision which defines seniority based on accumulated hours worked. This exemption will defeat the very purpose of having an equal pay provision as it would particularly hurt precarious workers, the majority of whom are racialized.

With respect to victims of domestic or sexual violence, it's commendable to see the bill recognize the need to support them, but the provisions proposed are inadequate. We recommend that the provisions be amended to give the victims the same rights as you are giving to others who are seeking leave on the basis of sickness or other issues—at least, they should be entitled to two days of paid leave—and to expand the eligibility to employees who have worked for the employer for one week or more.

1700

We also recommend a new provision to protect the privacy of the information that is collected by the employer as evidence for the request for leave, because you're dealing with very sensitive issues of sexual and domestic violence.

There was a point about director liability in the bill—subsection 81(8)—which makes the director of a company liable to pay interest on any outstanding wages. For some reason, this provision is being repealed under Bill 148, and I think the repeal should be reversed.

The bill signifies an important first step to make our workplaces fair. However, more needs to be done. Strengthening enforcement and reinstating the Employee Wage Protection Program are some of the measures that must go hand in hand with the legislative reform.

Ultimately, fair labour market outcomes cannot be achieved through employment standards law reform alone. In view of the systemic discrimination in the labour market facing racialized employees, immigrants and other vulnerable groups, we need mandatory employment equity across all job sectors to help redress these inequities in the workplaces.

The Chair (Ms. Ann Hoggarth): We'll go to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you very much, Avvy, for joining us today. You covered a number of different things.

Would it be fair to say that immigrant workers would be classified as vulnerable workers?

Ms. Avvy Go: Yes.

Mr. John Yakabuski: I don't know if you were here for the presentation from the Ontario Chamber of Commerce earlier, but they talked about how they're concerned for the most vulnerable workers in the province because of the speed at which these changes are proposed to be implemented. They're not arguing against a \$15-an-hour minimum wage, but they're concerned that if it's implemented too quickly, there will be businesses—some businesses are not impacted; they're already paying in excess of that. But those that aren't, because of the speed of that, could see themselves making a choice—and we had the Canadian Federation of Independent Business in here earlier, where over 40% said they would reduce their workforce.

Do you agree that it's the right speed to increase it, or would a—like they've done in British Columbia, where they brought in an implementation time of 2021. What are your thoughts on that, Avvy?

Ms. Avvy Go: I think it's not fast enough.

I was in Australia in May, and their minimum wage is \$17-something across the entire country.

I work with a lot of immigrant workers. Many of them work in the restaurant business, and many of them are not even paid minimum wage because their employers don't obey the law, period. But I know that those restaurants actually make a lot of money. So it's not a question of not being able to pay. Maybe it's true for some small businesses. I can't speak for all small businesses.

I think, by and large, employers have a choice of how they structure their work. If you run a business, you need workers. Maybe it will cut into their profit. But if it gets to a point where they cannot run a business by raising it just \$1 an hour, then maybe that business is not viable to begin with.

Given how little the current minimum wage is and how many people are still working 15 to 16 hours a day and are still not able to support their families, then I think that we need to look at a minimum wage increase.

Mr. John Yakabuski: I hardly think that Australia is the economy that we compete with the most.

You just said that if some of those businesses fail, maybe they should have failed anyway. Is that—

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party: MPP Forster.

Ms. Cindy Forster: If you want to finish answering that question, go right ahead.

Ms. Avvy Go: I think that, if the difference of that amount of minimum wage would cause a business to fail—right?

Mr. John Yakabuski: Three dollars and sixty cents.

Ms. Avvy Go: Yes. Then I think that we have to question whether that business is viable if that will make such a big difference. From my experience—again, it's based on experience working with factory workers, restaurant workers—a lot of times, it's not because the businesses are not able to pay the minimum wage; they just don't want to pay the minimum wage, because they can get away with it.

Mr. John Yakabuski: Thank you. I think it's her—

Ms. Cindy Forster: Okay. I'm still on.

You spoke to the equal-pay-for-equal-work piece, saying that's a positive measure, but we heard from the Toronto labour council today that in some instances, in factories and commercial bakeries and places like that, all of the workers are from temporary agencies, with the exception of some trades that are perhaps there to work on the breakdown of mechanical equipment. How should the government actually address that issue? They're going to have to put something in this bill to address those kinds of situations. Can you recommend anything?

Ms. Avvy Go: Are you saying that because everyone is the same classification, they are not going to benefit from the equal pay provision because they are all temporary workers?

Ms. Cindy Forster: That's right, because everyone is a temporary worker getting the rate from the temporary agency.

Ms. Avvy Go: Right. Then I think it's a question just like the college issue right now. You have to look at putting a ceiling on how many employees hired are temporary workers versus permanent workers; right? That would be one way—

Ms. Cindy Forster: Put a cap on the number of temporary workers that an employer can actually have.

Ms. Avvy Go: Yes.

Ms. Cindy Forster: Then, with respect to the one-week termination pay for workers who are on assignment from a temp agency, which only kicks in if their assignment is greater than three months—some temporary workers, we've heard, have been temporary for a period of five years without ever having their contract ended. Do you believe that one-week termination pay suffices

for somebody who is terminated after five years as a temporary employee?

Ms. Avvy Go: No. If they are working there for five years, they should get five weeks. I think that we addressed that issue. The other part of that issue is around whether or not it should only apply to workers who have the three-month assignment, and we support some of the issues that are brought forth by the Workers' Action Centre and others to get rid of that kind of language altogether.

Ms. Cindy Forster: Okay. Thank you.

The Chair (Ms. Ann Hoggarth): We'll go to the government: MPP Malhi.

Ms. Harinder Malhi: Go ahead.

Mr. Arthur Potts: Let me do it.

Ms. Avvy Go: You're eating into my time.

The Chair (Ms. Ann Hoggarth): Sorry.

Laughter.

Mr. Mike Colle: Hi, Avvy. Good to see you again; it's been many years. There are some changes that are in Bill 148 that I think relate to the support for some of the newcomer workers and immigrant workers, and I'll see what you think of them.

Family medical leave used to be eight weeks; under this act it's now going to be 27 weeks, so that should help a little bit. The child death leave does not exist now; it's now going to be for two years. The domestic and sexual violence does not exist right now. In this act, right now, it gives 10 days and 15 weeks. Also, there's a new doubling of the pregnancy leave. Right now, you only get six weeks for pregnancy leave or if you happen to lose a child in late pregnancy or stillbirth, and it's doubled now to 12 weeks.

Those are some aspects of the bill that don't get talked about much, but they are, I think, going to help a lot, especially, as you said, racialized, newcomers and women. Do you want to comment on that?

Ms. Avvy Go: Yes. I guess I don't want to waste my time on the things that I support. All of those positive measures are good for precarious workers and racialized workers. Some of those measures are particularly good for women, particularly around—even when you talk about family leave, from my experience, a lot of times it's the women who are taking advantage of that to look after their families. Of course, the domestic violence issue is an important issue from a gender perspective as well, but, as I said, I think that provision needs to be strengthened so that at least they would have some paid leave, if not all.

We're also concerned about how, in effect, what is domestic violence or some other leave if you don't have a very good enforcement mechanism. What will happen if someone is denied leave? Let's say a domestic violence victim is denied leave; she needs to go to the police that day or to testify that day, but then, if the enforcement mechanism is not good, she will just have to either quit her job or file a complaint which might be dealt with a year down the road. I think we need to also think about how we actually support these victims.

1710

Mr. Mike Colle: And that's why we also have a commitment to 175 extra enforcement officers, which is critical in making sure the laws are obeyed, because most of these newcomers don't have English as a first language so they need support from the Ministry of Labour.

Ms. Avvy Go: Yes. I will say that you cannot rely solely on a complaint—

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. The deadline to send a further written submission to the Clerk of the Committee is 5 p.m. on Friday, November 3.

COALITION OF CONCERNED MANUFACTURERS AND BUSINESSES OF ONTARIO

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Coalition of Concerned Manufacturers and Businesses of Ontario. Welcome.

Mr. Peter Gossmann: Thank you.

The Chair (Ms. Ann Hoggarth): When you are settled, if you'd identify yourself for the purposes of Hansard, you may begin your five-minute presentation.

Mr. Peter Gossmann: We are here as representatives of the Coalition of Concerned Manufacturers and Businesses of Ontario and as business owners ourselves. This is Jocelyn Bamford. She is head of the coalition. I'm a member of the coalition. I'm Peter Gossmann. I have a business in Richmond Hill in the plastics industry.

We're manufacturers who feel we have no representation or voice with government. Why are we important? It took China less than four decades to go from a Third World country to become the economic superpower that they are today. We let it happen, we encouraged it; telling ourselves we don't need to manufacture: "We're part of a new economy, the Silicon Valley of the north, green energy warriors."

China became wealthy with US dollars and they did it with political will to become the world's manufacturer. Think about Canada being the world leader in pollution reduction technology, made here and sold to the real environmental offenders. Here, we call manufacturing dirty, with no understanding of what it does for people and the jobs it creates.

After some time, the US got it. They're reversing their attitude towards manufacturing. Lower corporate tax rates are bringing offshore money flooding back in to their economy, instituting a "Buy America" campaigns; we're on the outside, looking in. With policies like these, looking forward we see no opportunity to survive. So we're answering those US states that court us—and other provinces, for that matter—and that understand the need for private sector jobs. We can't all work for the government.

Bill 148: We maintain that the \$15 target is fair, so give us a chance and phase it in at three times the rate of inflation, not 10 times the rate of inflation.

These next elements need to be reconsidered:

Equal pay for part-time work is not fair to full-time seniority. Like minimum wage: too much, too fast.

Extra sick days: scheduling nightmares. Maybe the government can work this way, but manufacturers and food producers cannot.

Privacy of employee's personal information: Having a 20% minority dictate is not a democratic principle.

Where is the analysis of the effect of Bill 148?

Simple math: How many businesses have enough profit to absorb the higher wages, compared to how many businesses will now be in a loss position as a result? How many will just close? How many jobs will be lost?

Remember the anti-bullying initiative? Well, this government wants to be seen as the bully. Bill 148 is a punch in the nose. It takes our lunch money and sends us packing over across the border. Please reconsider.

Ms. Jocelyn Bamford: A year and a half ago, I was never engaged—

The Chair (Ms. Ann Hoggarth): Sorry, could you identify yourself?

Ms. Jocelyn Bamford: Sorry, I'm Jocelyn Bamford. I'm founder of the Coalition of Concerned Manufacturers and Businesses of Ontario.

A year and a half ago, I was never involved in anything political. All I did was run my business, look after my employees and contribute to our community. I am stunned when I listen to the people in this room that are giving depositions at how out of touch they are with businesses. I hear them say, "Well, if they're not profitable they can just close." Do they realize the amount of companies that are just getting by without profit? They are just paying for their employees and they're keeping their employees and themselves employed. There is no magic money tree in our backyard. We don't even pay anybody minimum wage. We have to attract people to manufacturing, so we pay above minimum wage. Our lowest rate is \$13.50, and people don't even stay at that for very long.

I heard one of the members say, "It's just going to impact people that pay minimum wage." That's not true. There's a cascading effect on all businesses with this Changing Workplaces Review, and it's taking companies that could be profitable and making them unprofitable.

For our company—again, our lowest rate is \$13.50. There are only eight people that make that. And they don't make it very long, because if they're good, we move them up quickly. It's going to cost us \$650,000 in two years. I'm a corrosion coater. I compete across North America. We have to compete. I don't know any company that has that much extra margin just kicking around in their back pocket.

In the last year and a half, we've seen four things. We've seen huge increases in our global adjustment charges, and specifically in small to medium-sized manufacturing, there is no relief. We can't qualify for the ICI program, which is the program to reduce global adjustment charges. We don't get any relief from cap-and-trade; we just have to pay for it. We just got hit with new federal changes, and I know that's not your issue, but that also impacts—

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the third party: MPP Forster.

Ms. Cindy Forster: Thank you for being here.

If you want to finish your remarks, go ahead.

Ms. Jocelyn Bamford: People need to understand that companies are closing. They're making decisions to take businesses or growth—right now, we're courted every day. I can tell you a list of companies—and you can read the companies in there—that are saying that they're looking to move their company or their growth offshore. We don't want to do that. We want to stay here. We need a sign from you folks that you want us to stay here. The only reason we've stayed here is because we are loyal to our employees. When we talk about support for new Canadians—that's us. If you walk through my plant, there are many new Canadians who started off hanging parts and are now a quality manager, which is the second-highest person in our company, and they make good salaries. We need support from you folks so that we can continue.

Some 80% of companies are small to medium-sized companies. If you read the paper today, you heard about Canada Bread and the international companies in our food supply. That's what's happening. Canada Bread was part of our coalition. Stonemill bakery—you probably remember them—in Scarborough sold out to Canada Bread. Canada Bread is not a Canadian company. If we continue to see manufacturing and small to medium-sized businesses not supported, we sell out. If we can't make a buck, we sell out. We are selling out to a lot of large, multinational companies, and those multinational companies are not Canadian companies. So we're seeing the disappearance of the great family of Canadian companies. That's not from outside forces; that's from policies of the government. So we need your help.

Ms. Cindy Forster: What do we say, though, to the workers in this province who are living in poverty, whose buying power with today's minimum wage is no better than in the late 1970s?

Ms. Jocelyn Bamford: I appreciate that. When we talk about how there's an appearance that we don't have empathy for our workers—we do have empathy for our workers. The only reason I'm here is to support my workers and to make sure that the next generation has jobs.

It used to be that politicians would come together with business and say, "This is what we want to achieve. Let's figure out how we can work together to make that happen." And then it became détente: "You do your thing. We'll do our thing. As long as we don't interfere with each other's fears, then we'll be good." But now it's servitude. Politicians come out with policies that aren't studied. They don't work with us.

We'll work with you guys. Just come to us and tell us what you want to achieve, and let us get there together. If you have a \$15 minimum wage—

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the government now: MPP Potts.

Mr. Arthur Potts: Thank you so much for being here and bringing this perspective. I want to congratulate you

for getting involved. Maybe that was a big mistake. What you've done here, pulling together interested concerns, is much appreciated.

As a small business owner, I appreciate that there are some challenges here. In the businesses I started, this wouldn't have been an issue, because early on, I took the position that my business plan wasn't going to be successful on the basis of paying sub-poverty wages. So I appreciate the fact that you agree with the \$15. It's a question of how to get there and get there quickly. And we all recognize the challenge, but it's absolutely necessary.

When you hear us talking about a fair wage, a living wage, in Ontario—in Toronto it should be up in the \$18 range—you realize that there's an urgency.

1720

I notice Maitland marina and stuff like that. They're not going to the US, but we want to protect them and make sure that they can continue to service boats. I know that community quite well.

I'm concerned when I hear from the Canadian Federation of Independent Business that 40% of their members are going to lay off, because that means that 40% of their members are paying below-poverty wages. How would you respond to that?

Mr. Peter Gossmann: If I can respond to that: The whole idea of a minimum wage here is kind of arbitrary. Our lowest rate at our factory is \$16 an hour, and that's only for very few. Everybody is paid much more than that. You start with a person who has no training, who has no education. You bring them in, you train them. They make mistakes, they cost you money. Then you move them up to higher wage.

The fact that the minimum wage was neglected for all these years is the government's fault. The government should have addressed this five years ago. You can't just pile on in one year at a rate of 30% per year and expect everybody to change their contracts and absorb this rate. It may be urgent, but it's more urgent to increase the number of employees in the province than to reduce the number of employees. Creating a situation with a minimum wage that is going to cause all of the wages to go up—it's great for the government; your tax revenues are going to go through the roof. Most of this appears to me to be a way of generating funds to run the government. But it's going to hurt business, it's going to have a negative effect and it's going to turn everything around on us.

Mr. Arthur Potts: We've heard that, but we've also heard the opposite, that this is going to generate money in the economy which is going to cycle in the economy and find more people who can buy goods and services.

Ms. Jocelyn Bamford: But how are they going to do that if there are no jobs? I know I hear from politicians and I hear from academia and I hear from the media that people aren't leaving. I'm telling you, people are leaving. People are making plans right now to take warehousing and turn it into manufacturing plants in the States. By the time you folks look in the rear-view mirror and realize that, it's going to be too late.

The Chair (Ms. Ann Hoggarth): Thank you. We'll now move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Jocelyn, for joining us today. We so much do appreciate your deputation.

It seems that the government doesn't believe anything of what's being told to them. I know you've met with them on numerous occasions; for Mr. Potts to say that those businesses are paying below-poverty wages is not what they're saying at all. They're saying that they're going to lay off people, and much of it is because of the compression of wages.

You said the lowest-paid worker on the floor is at \$16 an hour. I live in the real world. When the minimum wage goes to \$15 an hour, that \$16-an-hour employee is not going to walk into your office and say, "Thank you very much. I still make \$1 more than the minimum wage." What do you expect from that—how much is that issue going to mean, not only just in your company, but in the companies that you represent?

Ms. Jocelyn Bamford: For my company, \$600,000 in two years. Kisko Freezie products' Mark Josephs has estimated \$1 million. Surati has estimated close to \$1 million.

It's the cumulative effect; you can't just raise the bottom wage and expect that everybody else is not going to cascade. It's the cascading effect. It's that, and then when you add that we pay three times the amount for electricity—I could move my business to New York state and pay six cents. I'm paying 21 cents a kilowatt hour. It's cap-and-trade. It's all in a year and a half. We can't support this.

We want to support our employees, we want to train them and we want to give them good wages. If you came to my plant, I could pull 10 people who came here as new Canadians and have great stories on how they started hanging parts, they moved their way up to supervisor and they sent their kids to university. These four pieces of legislation, all within a year, are going to destroy all that.

As politicians, you have to ask yourselves if you want to look in the mirror in a couple of years and be responsible for the decimation of the small to medium-sized companies of this province. How are you going to feel about that? I'm going to feel bad if I can't afford to employ all of my employees, because they're like family.

Mr. John Yakabuski: One of the surveys that the CFIB did among its number of members said that over 34% of them would consider selling, closing or moving outside of Ontario. Would that be representative of your group?

Ms. Jocelyn Bamford: I think it's higher than that.

Mr. Peter Gossmann: It's much higher in our group.

Mr. John Yakabuski: Higher than that in your group?

Mr. Peter Gossmann: We are both looking.

Ms. Jocelyn Bamford: We have people—

Mr. John Yakabuski: Looking outside of Ontario?

Ms. Jocelyn Bamford: Absolutely.

Mr. Peter Gossmann: We're ready to set up a plant in the US now and hope to be able to keep our plant here.

If things don't change, the business goes there. It's very simple.

Ms. Jocelyn Bamford: Everybody is looking right now at hedging their bets. We were just down in New York state—

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have another written submission, it needs to be to the Clerk of the Committee by 5 o'clock on Friday, November 3.

Ms. Jocelyn Bamford: Can I just say one more thing? We have such innovation in the small to medium-size businesses in this country. Won't it be a shame if our innovation becomes another country's success story?

The Chair (Ms. Ann Hoggarth): Thank you.

Just before I call up the next presenter, I'd like the committee to know that the 5:45 presenter has cancelled.

ONTARIO NETWORK OF INJURED WORKERS GROUPS

The Chair (Ms. Ann Hoggarth): We will now hear from the Ontario Network of Injured Workers, please.

Mr. John Yakabuski: The 5:45 has cancelled?

The Chair (Ms. Ann Hoggarth): Yes, the last one.

Good afternoon. If you could please identify yourselves for the purpose of Hansard, and then your five-minute presentation will begin.

Mr. Karl Crevar: My name is Karl Crevar. I represent the Ontario Network of Injured Workers, as well as the Canadian Injured Workers Alliance in Ontario.

Mr. David Newberry: My name is David Newberry. I'm a community legal worker with Injured Workers' Consultants community legal clinic, a supporter of ONIWG.

Mr. Karl Crevar: Let me first begin by saying that the first round of these hearings went around; you asked for submissions or people to put in their names to be able to present in person. I'm really disappointed again. We've heard various organizations that have some work in combination together, yet when the Ontario Network of Injured Workers Groups from different communities put their names in to be heard, they're not being heard. I'm the only one from that organization of injured workers that I'm aware of to be heard. That's despairing.

The reason I say that is there is a very strong message when we start to talk about the effects of Bill 148, particularly minimum wage. I want to say that we support wholeheartedly the increase. It's been far too long that it's taken this far to get the minimum wage to people who need it. I'm not going to get into the Bill 148 concerns that labour has and some of the businesses have; I want to get into the top-end part. I pointed this out the last time to this committee, why we're here.

We are concerned, particularly with the workplace safety and insurance portion of it. Obviously, I have not seen any amendments that you had from that last submission to address our concerns. You have some of the most vulnerable people in Ontario, when we talk about that. What are we doing with them? We're disregarding them.

We've been disregarded for well over 30 years or more. We come to committees and we say, "This is what is happening," and yet nothing is being done. Nothing is being done.

I tell you, historically, three major pieces of legislation that have been introduced from 1990 to 1997 reduce benefits. Those people have been living in poverty ever since, and we wanted to address that to the government. I want to share the concern with you on that. We need you. We know that this cannot be part of the Bill 148 legislation, the WSIB. We are concerned that if this goes ahead, what the compensation board is going to do is to use that increase to deflect and cut benefits even further.

When we heard the previous presenters, who were saying poverty levels in Toronto are—they need a wage increase of around 16 or 18 bucks, and in Hamilton, which is where I come from, it's a high rate of poverty that's there. You're going to increase that poverty to the most vulnerable people in this province. That's going to be downloaded onto the communities themselves, and that is wrong; it's humanly wrong. That has been going on far too long.

What I would suggest to you is that we have talked to the board, we have talked to the government and said, "Listen. You have to address this issue." They need this committee to give direction to the government to instruct the WSIB not to go down that road beginning January 1. They're already doing it. They're already calculating benefits based on \$14 per hour. Those people are young people who are earning minimum wage right now. God help them if they get hurt next year. They're not going to get a dime. They're going to be out of work, they're going to be hurt, they're going to have permanent paralysis and they're not going to get a dime. That's what we have to look after.

1730

I want to turn it over now to David.

Mr. David Newberry: Sure, absolutely. What Karl is talking about is a practice called deeming—

The Chair (Ms. Ann Hoggarth): Excuse me. Could you identify yourself, please?

Mr. David Newberry: My name is David Newberry. I'm a community legal worker with the Injured Workers' Consultants community legal clinic and a supporter of ONIWG.

The reason that we've come to this committee and asked for this committee to give direction is that we have been, through freedom-of-information request and through correspondence with the WSIB and the Ministry of Labour, asking what the plan is.

The issue here is a process called "deeming" or "determining," where the WSIB pretends that an injured worker has a job at a fabricated wage. If somebody is injured now and the minimum wage goes up, the suspicion is that the WSIB will then reduce workers' benefits by this higher fabricated wage.

We wrote to the WSIB to ask how many people this was going to affect. They said, "We have no idea." We

said, “What are you going to do about it?” They said, “Nothing until it becomes law, and then we’ll think about it.”

We alerted the Minister of Labour as well, and he said, “This is kind of up to the WSIB.” I’ve brought along a package of my adventures in pen pals with the ministry and the WSIB for people to take that shows that we’re raising concerns and no one in the ministry or at the WSIB is thinking about what is going to happen.

The Chair (Ms. Ann Hoggarth): The first round of questioning would be with the government: MPP Potts.

Mr. Arthur Potts: Thank you, gentlemen, for coming in. I actually had the pleasure of meeting with a group of you two weeks ago. We’ve been reading some petitions in the House, because I’ve got a lot of empathy for the concerns that you’re raising.

Unfortunately, the changing workplaces reforms—the WSIB wasn’t part of the changing workplaces reform review, but it is something that we absolutely we need to look at and look very closely at. When we shifted from a compensation board to an insurance board, I think there were some unintended consequences that we need to take a very serious look at.

I get the issue of deeming. I get the issue of not respecting your own physicians. I know it’s something that we will be looking at in the future, but unfortunately, it’s nothing that we can do in this bill.

Feel free to comment, if you would like, but I don’t really have a special question.

Mr. Karl Crevar: I appreciate your comments. That’s what we hear: comments. We don’t hear anything else. I presented to this committee the first time and raised that concern. Since that time—we’re back here again—we haven’t heard anything about whether there’s anything that’s going to happen, if the committee here is going to recommend—that’s why I suggested that you recommend to the government, through the Ministry of Labour, to contact the board and to start paying attention to it.

This comes into effect on January 1. I know—I’ve been involved for over 30 years—that once legislation comes into place—guess what? Those workers are going wait a long time before any other changes are going to take place. That’s the unfortunate part and that has to stop.

We’re talking about human lives—not only the injured workers, but their families and their children. They’re going to pay that price, which they’ve been paying for a long time. It’s time that we get back to treating human lives with dignity. A life is worth something; it’s not just something to throw away.

Mr. Arthur Potts: Thank you.

The Chair (Ms. Ann Hoggarth): We’ll move now to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you, Karl, for coming. I don’t know what to say. We’re not in government. You’ve never met with me, as the labour critic, to discuss these issues, but it’s not hard to see that you’re passionate about them. Bill 148 doesn’t directly deal with them. It is

an issue that I think is worth talking about, but I haven’t had that conversation with you or your representatives at this point.

Mr. David Newberry: I know that injured workers who are affiliated with our office have written you with concerns about deeming and haven’t heard back.

Mr. John Yakabuski: I’m not aware of that.

Mr. David Newberry: Okay, I’ll send it again.

Mr. John Yakabuski: I’m not aware of that. When would that have been sent?

Mr. David Newberry: It would have been earlier in the summer. It’s no problem. I’ll resend it.

Mr. Karl Crevar: If I could maybe add to that: We make no bones about it. We’re doing a province-wide campaign to bring public awareness—not just to the public, but also to the politicians—of what has happened over a number of years and that has to stop. The truth has to be told and people have to be treated as human beings.

We are going to do a campaign around this. From what I understand, we’ve talked to some MPPs already, a number of you; and from the other communities we will be contacting the MPPs to get their opinions as well so that we can put our positions forward. It has gone on far too long—far too long.

Mr. Toby Barrett: I was trying to make the connection with this particular legislation. You made mention of the negative impact on poverty and downloading on the vulnerable. You said “\$14 an hour and not getting a dime.” You’re making a link with this increase in the wage, that it doesn’t translate into a ratio of an increase in WSIB payments?

Mr. David Newberry: This is a quick example: Let’s say somebody is working and making \$13 an hour right now and they get injured. They may get benefits for a little while, then the WSIB has a habit—that they call “determining”; that many people call “deeming”—of pretending that injured workers have jobs that they don’t have. So they might look at this worker and say, “Well, we think that you should probably be a Walmart greeter right now. That would be a minimum-wage job, and so we are going to reduce your benefits by \$11.40 an hour,” pretending that you have this phantom job.

When the minimum wage goes up to \$14 an hour, for somebody who is making \$12 or \$13 right now, who would still be getting a meagre amount of money from the WSIB, our fear is that the WSIB will then say, “Now, you could be working as a Walmart greeter for \$14 an hour, and so we’re going to subtract \$14 an hour from your benefits,” and then it will be zero. That is the concern.

The Chair (Ms. Ann Hoggarth): We’ll move to the third party: MPP Forster.

Ms. Cindy Forster: Go ahead and finish.

Mr. David Newberry: That was it. We have seen in the past that there have been different approaches at different times that the minimum wage has gone up. At times, the WSIB has used it as an opportunity to decrease the benefits of workers, and we have historical examples

of that, and at times they have said, “No, we understand that this is a moment in which there is something happening that is supposed to benefit all workers and that should include injured workers.” That’s what we’re looking for, a statement from the government or direction from this committee or a statement from the WSIB that says, “No, we are not going to use this change which is meant to benefit all workers in order to reinjure injured workers financially.”

In this package that I’ll send around, we can see that even though the WSIB says they’re not acting on it right now, they are already deeming workers at an anticipated future minimum wage, resulting in them getting zero benefits.

Ms. Cindy Forster: If the government wanted to, the government could open up any act that they want to and actually make the changes so that injured workers in Ontario would not be impacted by the minimum wage increase. I could bring an amendment forward, but if I brought an amendment forward, the government would rule it out of order because they would say the WSIB act is not open, which is why we didn’t bring an amendment forward the last time.

We have a majority government sitting right over there, and they can open up whatever they want. I’ve seen it done in the past, where they’ve just opened up one little section of an act because there was housekeeping that needed to be made to make that act mirror whatever they were changing in this act. When they want to do it, they can do it.

So I’m putting it on the government to actually do the right thing and do it quickly, before the injured workers in this province, who aren’t getting a whole lot of money out of WSIB when they’ve been deemed—to make sure that they do not go further into poverty because of this.

Mr. Karl Crevar: I just want to respond. The most outrageous thing of this is that you don’t need legislative change. This is a policy within the board that can be done, but they need the direction from the government to say, “Here’s what we’re doing in the minimum wage. Look after this part here.”

We have been playing political football with people’s lives, between the WSIB and the government. We tell the WSIB, “Here is the problem; we want to work with you to fix it.” They say, “Well, it’s not our problem; it’s the government.” We go to the government and this is what the board tells us: “Go back to the WSIB,” because they’re arm’s-length. That’s false.

Ms. Cindy Forster: The government can make a call to Tom Teahen tomorrow, or to Elizabeth Witmer, and actually make that work.

Mr. Karl Crevar: That’s correct.

Mr. Arthur Potts: You could make the same call.

Ms. Cindy Forster: She wouldn’t listen to me.

The Chair (Ms. Ann Hoggarth): Thank you. The deadline to send a written submission to the Clerk of the Committee is 5 p.m. on Friday, November 3.

Mr. David Newberry: Okay. I’ll pass this over to the Clerk as well. Thanks, guys.

Mr. Karl Crevar: And we will be in touch.

1740

MISSISSAUGA BOARD OF TRADE

The Chair (Ms. Ann Hoggarth): The final presenter this afternoon is the Mississauga Board of Trade. Could you please identify yourself for the purposes of Hansard? You may begin your five-minute presentation.

Mr. David Wojcik: Thank you, Madam Chair. My name is David Wojcik. I’m the president and CEO of the Mississauga Board of Trade. I was so pleased to see two of the previous deputants, who are real business owners. I think it’s very, very important that all of the members of the provincial Legislature understand that these are real people. They’re not faceless businesses; they’re middle-income earners who really care about their businesses and they care about their employees.

Madam Chair and members of the committee, thank you for allowing us to present today on behalf of our 1,000 members of the Mississauga Board of Trade and their 40,000 employees, and for the opportunity to address you on Bill 148, the Fair Workplaces, Better Jobs Act.

Mississauga is Ontario’s third-largest city and one of Ontario’s biggest employers. While we are proud to be home to many multinational and corporate head offices, two thirds of our members employ less than five people. So Bill 148 matters to them, and it greatly impacts their businesses and their employees.

Many of our members have expressed concern over the rapid pace of change proposed in Bill 148. While not opposed to Ontarians making fair wages—and in fact, most of our members pay those wages and more—Bill 148 simply ignores the reality of many small businesses in their ability to pay and operate successful workplaces.

A lot of attention has been placed on the proposed minimum wage increases beginning on January 1, 2018—not that this very large increase over a very short period of time isn’t important to our discussions today; it is. Other elements of the bill do not properly reflect the realities in today’s workplace.

When I talk to or interview them—and I have submitted a flash drive with three interviews from businesses in our jurisdiction—many of our members express concern that this government has decided to turn its back on business. After suffering through high hydro rates and regulatory burdens, which we acknowledge the government is now addressing, they now have Bill 148 confronting them.

On the topic of increased minimum wages, one of our members has indicated that he will need to give up his job at his restaurant and work somewhere else in order to ease the burden of additional wage and shift notification costs. He said that he simply cannot raise the prices fast enough to cover these additional costs, and if he does raise those prices, his patrons will simply stay home instead of enjoying a night out.

Another concern relates to notification of shift changes. One of our very active members who operates a home care facility has clearly stated, “How do I give 48 hours’ notice of a shift change when one of our clients passes away in the middle of the night?”

Another says, “I operate a seasonal business. Only God decides bad weather—how do I accommodate for that?”

Therefore, despite the government’s best intentions, when the rubber hits the road, legislation doesn’t always serve the reality many businesses face in their day-to-day work.

Bill 148 also does not recognize that many different business sectors operate in very different ways. It does not recognize the difference between part-time and full-time work, and the emergency leave provisions are very tough to administer for most small business operators. Seasonal businesses, just like Amazon is advertising today, offer part-time work for peak periods. This is still often good work, at certain times contributing to our economy and giving youth an opportunity to earn extra money to help with their education expenses.

Many independent economic studies have cited job risk, job loss, an impact to an uncertain economy moving forward and the very rapid pace of change being proposed as a recipe for greater concern for Ontario’s economy moving forward.

At this time, the Mississauga Board of Trade asks the committee to consider the following:

(1) Indicate to the government that they must slow down the pace of these reforms and balance the interests of workers and employers.

(2) Recommend changes to Bill 148 that provide greater flexibility to employers sector by sector.

(3) Request the government to complete its own independent economic analysis for Bill 148, which to date they have not been willing to do.

(4) The government’s own Financial Accountability Office predicts the loss of 50,000 jobs.

We ask the government to listen to its own advisers. Madam Chair, all of us want an Ontario that is strong and prosperous.

The Chair (Ms. Ann Hoggarth): Thank you. We’ll move to the official opposition: MPP Yakabuski.

Mr. John Yakabuski: Thank you very much, David. Go ahead and finish your presentation; there’s not that much left.

Mr. David Wojcik: Thank you.

Our members are some of the best employers in Canada. Mississauga has a strong and prosperous economy and dynamic future, but we need the Employment Standards Act and the Labour Relations Act to recognize how businesses work and contribute to that great future.

In conclusion, please take the time to get this right. Anything less will surely slow an economy which now enjoys steady growth.

I’ll be pleased to take your questions.

Mr. John Yakabuski: Thank you very much, David. When you look at this piece of legislation, when we hear

from—we have got probably the most diverse economy in the world here in Ontario. When we hear the deputations from that broad sector—it’s almost like they decided that everybody in Ontario works 9 to 5, Monday to Friday, and they’ve built every change in that act that would fit into that model, yet—at the risk of being cliché—the cookie-cutter approach just doesn’t work in an economy like Ontario’s. Have you got any comment on that, David?

Mr. David Wojcik: This is an important part to understand, how business owners are real people. They are working six or seven days a week, 13 or 14 hours a day, trying to build their business. Some of our members have said they would be thankful to make minimum wage at certain points in the growth of their business and in certain times of the season. They don’t get to make minimum wage. Whether that’s their fault or not their fault—and I’ve heard other deputants say, “Well, maybe the viability of a business—if they can’t afford this extra money, then maybe they don’t deserve to be around.” That may be true, but those people are going without money themselves in order to keep their employees working, and that is worth something.

Mr. John Yakabuski: When they are gone, those jobs are likely gone as well.

Mr. David Wojcik: They’re gone.

Mr. John Yakabuski: David, I appreciate you coming in today. We’ve heard so much. This is the last deputation we’re going to hear on this act. We go to clause-by-clause the next time. I do hope that the government has heard and listened to some of the concerns that have been expressed, not only by you representing the Mississauga Board of Trade, but businesses all across Ontario; not people who are talking about where we’d love to be, but people who are talking about where we actually are. I think that’s hugely important. We appreciate you coming in and helping us with that.

Mr. David Wojcik: Thank you, sir.

The Chair (Ms. Ann Hoggarth): We’ll move the third party: MPP Forster.

Ms. Cindy Forster: Thank you so much for being here. I realize that some businesses are going to struggle, but it isn’t all doom and gloom. I’ve been following this for the last two years. More recently, in Alberta, I’ve seen the reports and stories in the newspaper from restaurant owners who have said, “Oh, I’m going to have to close. The sky is falling,” and whatever, who are now praising the minimum wage increase because so many more people had money to spend that their business has actually grown by 10%. When this restaurant owner says, “I’m going to have to go find a new job,” that may not be the case, because more people are going to actually be able to go and eat in his restaurant.

The other example you used, about the notification of shift changes, that the client passed away—what should she do? But what is the worker supposed to do, who gave up another shift to do that? How is she going to feed her family next week if she doesn’t have that shift? There

have to be some protections for workers. I agree; it's not cookie-cutter. It can't be cookie-cutter, because every sector is different, every business is different, depending on the size and what their product is.

From one side, we hear doom and gloom about everything, the world is going to end in Ontario if these wage increases come in, and then we hear from the other side that the workforce, the people living in poverty, can't take it any longer. There need to be some changes made that actually will address some of those issues. I don't know; what can government do to assist these people who really are struggling and are going to go out of business?

1750

Mr. David Wojcik: Thank you for the question. You've raised three very important points there. Number one, about people having more money to spend: That is true. There will be a certain sector of people who will have more money to spend. But everybody who studied economics knows that a false floor, which minimum wage is, takes away from some and gives to others. There will be job losses. While a certain sector of the population will have more money to spend, there will be a certain sector of the population that will now have zero.

To your second point, poverty: Raising the minimum wage in this fashion does not address poverty. That's a separate issue. The studies we have done show that only 2.2% of minimum wage earners are the major breadwinner in the family; 56% of minimum wage earners are a son, daughter or another family member living in a family home.

When you talk about vulnerable employees, you're talking about youth unemployment, which the Premier has given a commitment to fight against. These are the people who will lose their jobs.

The Chair (Ms. Ann Hoggarth): We'll move to the government: MPP Colle.

Mr. Mike Colle: Thank you, David, for your passionate presentation. I know you certainly have the best intentions in representing the incredible success stories in Mississauga and Peel region—which, in many cases, gets overlooked being next to this elephant here called Toronto. It's about time people started to pay more attention to Mississauga and Peel region.

I know you're a great spokesperson. I know what you're trying to do. We don't challenge that. But here's what we're faced with: Today, there was a new report about poverty and how it's spreading. Do you know where it's spreading? "Equally troubling is that this 40-year trend for Toronto has spread"—the income disparity—"beyond the city's boundaries into areas such as Peel where for the first time a majority of neighbour-

hoods are low-income, says a report by United Way Toronto and York Region being released Wednesday.

"The data shows that the challenge of growing income inequality and polarization is now widespread throughout the region..."

That is one thing we are trying to address. Certainly, we don't claim to have all the answers to everything, but at least one of the things I think fair-minded people are concerned about is that there are people who are working very hard—as you totally agree. They're the ones who work in the factories and small businesses but find that, as hard as they work, they can't pay the rent. They're having trouble even though they're doubling up in apartments, as you know is happening in Peel region; it's happening in Toronto. This is not the magic bullet—but just to try to accelerate their income based on the work they do. That's where we're coming from.

We're not trying to say that you're the bad guys or that we're disregarding your challenges. The minister of small business, Jeff Leal, has been going around the province trying to find ways of helping good small business people and big business people cope with this change.

I just want to put that on the record, too, for you.

Mr. David Wojcik: We have had the pleasure of having the minister for small business, Minister Leal, come and speak with us and conduct round tables. We certainly appreciate that. We've had many ministers come and speak with us, and we do appreciate that.

Again, to the point of poverty: Minimum wage does not address poverty. And the rapid pace of the minimum wage that the proposed legislation wants it to increase—that's the point on the minimum issue, if we're addressing that. So, number one, it doesn't address poverty. Number two, it will displace workers. That's an economic fact. You cannot argue that—

The Chair (Ms. Ann Hoggarth): Thank you, Mr. Wojcik, for your presentation. If you have a further written submission, it needs to be to the committee Clerk by 5 p.m. on Friday, November 3.

Mr. David Wojcik: Thank you, Madam Chair. Thank you, committee members.

The Chair (Ms. Ann Hoggarth): I'd like to thank everyone who has presented, and I'd like to thank the committee members.

I would like to remind you that the deadline for filing amendments to the bill with the Clerk of the Committee will be 12 noon on Wednesday, November 8, 2017.

Are there any questions or concerns? Okay. We stand adjourned until 9 a.m. on Thursday, November 16, 2017, when we will meet for the clause-by-clause consideration of the bill.

The committee adjourned at 1755.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Présidente

Ms. Ann Hoggarth (Barrie L)

Vice-Chair / Vice-Président

Mr. Han Dong (Trinity–Spadina L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Mike Colle (Eglinton–Lawrence L)

Mr. Han Dong (Trinity–Spadina L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Ann Hoggarth (Barrie L)

Ms. Harinder Malhi (Brampton–Springdale L)

Mrs. Cristina Martins (Davenport L)

Mr. John Vanthof (Timiskaming–Cochrane ND)

Substitutions / Membres remplaçants

Ms. Cindy Forster (Welland ND)

Mr. Arthur Potts (Beaches–East York L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Also taking part / Autres participants et participantes

Ms. Teresa J. Armstrong (London–Fanshawe ND)

Mr. Norm Miller (Parry Sound–Muskoka PC)

Mr. Bill Walker (Bruce–Grey–Owen Sound PC)

Clerk / Greffier

Mr. Eric Rennie

Staff / Personnel

Ms. Sandra Lopes, research officer,
Research Services