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(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

Fair Workplaces,
Better Jobs Act, 2017

2nd Session
41st Parliament

Tuesday 11 July 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

Mardi 11 juillet 2017

Chair: Peter Z. Milczyn
Clerk: Eric Rennie

Président : Peter Z. Milczyn
Greffier : Eric Rennie

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 11 July 2017

Mardi 11 juillet 2017

The committee met at 0933 in the Best Western Hotel and Conference Centre, North Bay.

The Clerk of the Committee (Mr. Eric Rennie): Good morning, honourable members. In the absence of the Chair and the Vice-Chair this morning, it is my duty as the Clerk to call upon you to elect an Acting Chair for the meeting. Are there any nominations for Acting Chair? MPP Baker.

Mr. Yvan Baker: I'd like to nominate Soo Wong.

The Clerk of the Committee (Mr. Eric Rennie): Does the member accept the nomination?

Ms. Soo Wong: Yes.

The Clerk of the Committee (Mr. Eric Rennie): Are there any further nominations for Acting Chair? Seeing no further nominations, I declare the nominations closed and MPP Wong elected Acting Chair for the meeting.

FAIR WORKPLACES, BETTER JOBS
ACT, 2017LOI 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 Acting Chair (Ms. Soo Wong): Good morning. I'm going to go through some housekeeping first for administrative purposes.

We're meeting 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. For all the witnesses coming forward, you have five minutes for your presentation, followed by 15 minutes of questioning from the committee. Are there any questions for the committee before we begin? I have silence; that's a good sign. We're going to begin.

NORTH BAY AND DISTRICT
CHAMBER OF COMMERCE

The Acting Chair (Ms. Soo Wong): I will ask the first witness to come forward, the North Bay and District Chamber of Commerce.

Welcome. Good morning. Before you begin, please identify yourself for the purpose of the Hansard. I will tell you as we get closer to the five-minute mark.

Mr. Peter Chirico: Good morning, Chair and members of the committee. My name is Peter Chirico. I am the president and CEO of the North Bay and District Chamber of Commerce. I am accompanied today by Patricia Carr, vice-president of policy and communications. We represent almost 900 members who employ close to 10,000 employees across our district. Thank you for the opportunity to present this morning.

Initially, we would like to state that we are not fundamentally opposed to the increase in the minimum wage to \$15 per hour. What we are opposed to is the speed that it is being instituted at and the unintended consequences of the sweeping reforms that will affect our business community. From the outset, we have agreed with the Ontario Chamber of Commerce that, considering the reforms being proposed, the government of Ontario should be completing a province-wide economic impact analysis of what these changes mean to our businesses.

As stated earlier, it will be the unintended consequences that will affect our members. What are these unintended consequences? As we only have five minutes to present our case, I will provide a brief summation of what these are:

(1) The government is taking an active position to encourage unionization, especially amongst temporary help agencies, the building services sector, and the home care and community services sectors.

(2) There will be a 23% increase to the minimum wage in six months and full implementation within 18 months, equalling a 32% increase.

(3) The Employment Standards Act reform requires an educational component for existing businesses and also a single point of contact between government and business.

(4) Personal emergency leave being extended to all businesses will be detrimental to small businesses, and the impact must be looked at. Presently, our members are compassionate and assist when required without the government telling them to do so.

(5) Shift cancellation and on-call payments to employees do not provide the flexibility that is required in both the manufacturing and/or health care sectors.

(6) We're not opposed to vacation entitlement after five years, but we do need an economic analysis for future implementation.

(7) Temporary help agencies will be forced to match wages, and companies will lose their competitive advantage when business cycles require those temporary workers.

(8) Labour Relations Act reform will abolish exemptions for traditional industries that have relied on these exemptions for generations.

Over the past 30 days, we have surveyed our membership. We've had a 37% response rate, with a resounding 73% response indicating that the minimum wage increase will negatively affect their business. Some 69% of those respondents indicate they will pass on the costs as quickly as they can to the consumers; 46% will reduce staff; and an additional 45% will reduce the number of part-time, seasonal or student hires to offset those costs.

0940

Small business is the lifeblood of the Ontario economy, and although changes are required, we do believe that the government must look at the economic impacts. That includes inflationary pressures that will become more and more prevalent as the costs are added to those businesses.

The Ontario Chamber of Commerce and other groups which make up the Keep Ontario Working coalition have commissioned an independent economic study that will be due out in August. This is in response to the lack of the same study being done, as it should be, by the government of Ontario. We implore that the changes at least be held until this is brought forward and reviewed.

Thank you for your time, and we will take any questions.

The Acting Chair (Ms. Soo Wong): Thank you very much. There's more than enough time. I'm going to turn to Ms. Forster for this round of questioning.

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

Do you have any comments with respect to equal pay for equal work, the part-time versus the full-time?

Mr. Peter Chirico: Directly, no. As we say, there are many of these implementations that are proposed in this legislation that there is a need for. Particularly to that one, no, we don't have a comment.

Ms. Cindy Forster: Okay. Now, when you talked about abolishing exemptions, what in particular were you speaking to?

Mr. Peter Chirico: The exemptions that the businesses presently have maintained for generations, whether it be in the tourism sector or whether it be in the health care sector—the use of temporary employment, those types of things—traditionally have not been touched by government. They have enjoyed that ability to be flexible, as I said, over a number of generations, and that is now being proposed to be changed.

Ms. Cindy Forster: And with respect to the scheduling of employees, I think the piece you're speaking to is actually about kind of cancellation pay. Does your chamber actually have a proposal that perhaps could balance the needs of employees and their family life with the need for business to actually have some flexibility?

Mr. Peter Chirico: Certainly, I think that when we speak to the Ontario chamber in conducting the economic

impact, that is where the stance on that will come out, when we look at how that is going to affect them cost-wise. Of course, we all have anecdotal costs where businesses have come to us and said, "This cost in scheduling changes and this cost of having to have workers—yes, I understand the family balance, the work balance etc., but there are going to be costs associated with that." How are those going to be absorbed by those businesses, especially during a very quick implementation period? Those are the ones that we're concerned with.

Ms. Cindy Forster: Yesterday, actually, we heard from a number of business agencies, chambers, with respect to the cost of hydro and how that actually has affected your businesses. This was in Thunder Bay yesterday. Do you have any comment on that?

Mr. Peter Chirico: I could probably go on for a couple of hours on that, but I don't think you'll give me the time on that part.

Certainly, there's a lot of change that's in the air right now in the province of Ontario. We continually hear that there's an economic recovery in Ontario, that Ontario is in an economic recovery and things are looking buoyant.

That may be the case in southern Ontario and the GTA; in northern Ontario, we are not faced with that same buoyancy that we're seeing. There are certain specific—the mining sector is starting to show a pulse, which is nice for a change. But certainly hydro costs that are added to these—wow.

Take a look at northern Ontario. We ask that the government specifically take a look at northern Ontario when it comes to the implementation of any of their policies or any of the new costs that are being added to it. Look at how we do business in northern Ontario. It's different from southern Ontario.

Ms. Cindy Forster: Thank you. John, do you have any—

Mr. John Vanthof: Just one. In your comments, if I'm correct, you're not opposed to the raising of the minimum wage; it's more the speed and the reasoning behind it. Would I be correct in assuming that?

Mr. Peter Chirico: That is absolutely correct. The Ontario chamber, as a matter of fact, before this announcement was made, was in discussions and, I guess, negotiations with the province of Ontario, the government, about the implementation. Quite frankly, this took both ourselves, as the North Bay and District Chamber of Commerce, and the Ontario Chamber of Commerce by surprise. The speed at which it was going to be implemented, we believe, is one of the factors in why our businesses won't be able to catch up. They won't be able to implement those changes and those cost recoveries.

The ironic part about it—and I will say that I was thinking about it last night—is that governments, both federal and provincial, have the ability to run deficits. Businesses don't; they won't be in business.

The Acting Chair (Ms. Soo Wong): Thank you very much.

I'm going to encourage members to speak right into the mike, because the fan above us is making a lot of inability for listening. Okay?

I'm going to turn to Mr. Milczyn, from the government side, to begin this round of questioning.

Mr. Peter Z. Milczyn: Good morning, and thank you for your presentation today. It's very appreciated. You touched on a few things I just wanted to ask you. You said, in terms of the business climate, how it is in northern Ontario, but we do see that Ontario overall is leading the country in GDP growth. The unemployment rate is finally coming down; we're below the national average now. Job numbers are improving month over month. There's a lot of positive economic activity. There's a lot of investment in infrastructure, certainly, not just in the south but in the north—the twinning of roads—and I know municipalities are getting a lot of support as well. The hydro rates are coming down, as of last month, quite significantly as well. I appreciate that they went up dramatically before that, but year over year, businesses are seeing the benefit of that.

So, within that climate of a lot of positive news for the economy and that businesses can benefit from, do you also see the benefit for people in your community who will have more money in their pockets, more disposable income—the people who will benefit from increases in the minimum wage? They will not be sending that money to bank accounts in the Cayman Islands and won't be spending it on investment properties. They're going to be buying groceries, buying gas, maybe a new car, maybe a better used car, but they're going to be spending all of it in the local economy. Do you see the benefits of that?

Mr. Peter Chirico: As I said at the beginning of my presentation, we are not fundamentally opposed to the increase in the minimum wage. We believe that every citizen is entitled to a fair wage for fair work. There is absolutely no doubt about that. What we are concerned with is the implementation and the speed of implementation.

Your comments regarding the economy, and Ontario leading in GDP growth etc.: When we take a look at the macroeconomics of the province of Ontario, that may be true, and that may be true in the GTA, in Waterloo and London and southern Ontario. Northern Ontario is not in the same basket as those people. We have experienced tremendous job losses in the north when it comes to the mining sector, the forestry sector. All of those sectors are still, for lack of a better word, in the toilet. They are showing some signs of life, but not yet.

We are quite concerned with our businesses having to absorb these costs in a less-than-perfect economic situation. If you take a look at the overall factors when we look at GDP, with your housing prices, the investments in the GTA and the south being part of that—when we take a look at the government's investment in transportation, the majority of your transportation dollars have gone to southern Ontario. They haven't gone to northern Ontario, and that is the big difference with that.

While we're not opposed to the increase, we're opposed to the speed that it's coming in. Please take consideration for northern Ontario within this.

Mr. Peter Z. Milczyn: Fair enough. As a point of clarification, because I'm PA to labour but I'm also PA

to infrastructure, I can tell you that basically half of the money for infrastructure is going into the greater Toronto and Hamilton area. The other half of the money is going elsewhere in Ontario on a proportional basis. It's not all going into the GTA and southern Ontario; there's a lot coming to other parts of the province.

0950

But, you know, point well taken. I hear you. That's why we need to continue investing in infrastructure, because that creates a lot of good jobs, which are all well above minimum wage and not affected by this.

I was just wondering, on some of the other aspects of Bill 148, what your comments are on the issues around the scheduling provisions, equal wages for part-time and full-time work—whether your chamber has concerns for that or, again, whether those are concerns about the speed of implementation only.

The Acting Chair (Ms. Soo Wong): I'm sorry, Mr. Milczyn. We have to stop here. I'm going to turn to Mr. Fedeli for this round of questioning.

Mr. Victor Fedeli: Thank you very much and welcome, Patti and Peter. I found your report that you submitted to be particularly detailed, and I'm quite certain that the committee is going to look forward to reading through this as we begin to make our report. In it you ask your members, “Will the increase of minimum wage ... have a negative impact on your business?” You have 72.26% who have answered yes. Can you elaborate on some of the comments that you received in terms of what the respondents had to say?

Mr. Peter Chirico: I'll defer this over to our vice-president of policy and communications, Patti Carr.

Ms. Patti Carr: Thanks for the question. I would say a lot of the comments coming through were because of the short timelines and having to find the money somewhere to be able to increase wages. It's not only for the minimum-wage people; there was concern about having to increase those who have been there for a long term and need a similar increase as well, because it's only fair if they're long-term employees and have been with the company for a long term. They're looking at all the employees, not just the minimum wage.

So where are they going to cut? They're looking at part-timers, students and that type of thing. I was just given a calculation that somebody working 40 hours might be cut to 30 hours. That's where their savings are. Is that better for the person, in their pocket? It's not. It doesn't assist those people.

There were some people who said they're going to have to close. They will not have the ability. What was really kind of unique in that, too, was where they said it wouldn't affect them: They're the operator/employer, and they don't have employees. A lot of them stated that, so they don't see the increase as being any different. But 72% were very concerned that it was going to hurt their business.

Mr. Victor Fedeli: And those 72%—I'm just looking down at some of them: possible closure; would consider downsizing or closing; may have to close; reduce hours;

reduce staff; reduce benefits. The one that was of interest here which I hadn't seen, but we did hear this in Thunder Bay yesterday, was "invest in robotics and automation." That, I thought, was quite a surprise yesterday. Where you see eight grocery checkout lines that are automated, you'll now see 28.

We talked yesterday in Thunder Bay about some of the hardware-type stores that already have that, and the car washes and gas stations, especially in smaller communities outside of Thunder Bay, where they talked about the fact that at the moment they have an attendant, but car washes and gas stations are the ones that can automate. Is that what you're referring to?

Ms. Patti Carr: Fast food, as well. We've seen them already in McDonald's, I believe, here locally, and that's what they're going to have to do. You do your order yourself on a screen.

Mr. Victor Fedeli: Rather than have an employee, replace an employee with the automation?

Ms. Patti Carr: I can give another anecdote for a fast food location. They've figured out it's \$208,000 for the first year, so where do they make up that money? They're looking at a 25% increase in their food costs, so if you don't have the customers coming anymore, you can't pay your staff.

Mr. Victor Fedeli: You talked about fundamentally not having any opposition to the increase. Talk to us, then, about a timeline that you would have. This is a question we basically ask everybody every day.

Mr. Peter Chirico: When we look at a timeline of implementation, we're certainly on board with the Ontario chamber. We were looking at a possibility out to 2019-20—for a slower implementation, rather than the 18 months that was proposed when this was originally announced.

We're looking at, I believe, a 28% increase in the first year. That brings it up to a 32% increase by the beginning of 2019. It is just too fast for our businesses to be able to absorb those types of costs. When I say "absorb"—"pass on."

I'm sure there's a number with the same colour of hair as myself—

The Acting Chair (Ms. Soo Wong): I'm sorry; I need to stop here because we are six minutes behind. I check the clock carefully. Thank you for your presentation. We have a written submission. Thank you for being here.

THE EQUITY CENTRE—NIPISSING UNIVERSITY

The Acting Chair (Ms. Soo Wong): The next presenter is the Equity Centre at Nipissing University.

Good morning. Welcome. As you heard earlier, you have five minutes for your presentation, followed by 15 minutes of questioning from the committee. This round of questioning will be starting with the government side. Can you please identify yourself for the purpose of Hansard?

Ms. Sam DeFranco: Good morning, everyone. My name is Sam DeFranco. I am here on behalf of the Equity

Centre at Nipissing University. The Equity Centre is a safer place on campus where we work to provide educational resources, advocate on behalf of students and provide allyship on campus. I'm speaking to you today both as a supporter of students and a student myself, and as a supporter of, specifically, those students from marginalized communities.

The first thing I would like to stress is how important this bill is and that there are many excellent changes being suggested both to the Employment Standards Act and the Labour Relations Act.

One of the most important changes that is suggested is the increase to Ontario's minimum wage. As cost of living and tuition increase, it is getting harder for students to afford post-secondary education. If a student does not have the privilege of being born into a family that can support them through what is increasingly becoming four to six years of post-secondary education, it is often minimum wage jobs that allow young people to attend college and university. But when the minimum wage isn't a livable wage, these students often can't commit themselves to their studies in the way they want to. When their ability to attend school depends on a high average, it's no wonder that students are more depressed, anxious and stressed than ever before.

Almost every student that I know needs to work 10 to 20 hours a week, on top of their classes, just to be able to attend school, even though most are also going tens of thousands of dollars into debt. This makes it impossible for students to engage in their communities in the way they want to. Students have always been the group that fights for change, cares the most about politics and brings new ideas to the table. When all of their time is spent working for minimum wage, it's impossible for them to do this. If we want to hear young voices, we need to give them the time and energy to develop and share those ideas. That can only be done if these students aren't spending all of their free time working for barely enough money to buy pasta and rice.

Accordingly, I urge you all to pass this bill and remove the sub-minimum wage for students and liquor services. The Ministry of Labour promised that in the fall of 2017 they would review these exemptions, and it is clear that the time has come. High school students are more often than not working to save for post-secondary or to support their families. They are doing the same work as those who are older than them, and they deserve to be paid accordingly. Students cannot only start working to pay for post-secondary once they begin their post-secondary education. We need to allow them the chance to save ahead of time, and that can only happen if they are paid a reasonable amount for their labour.

One other aspect of the bill that I would like to talk to you about today is scheduling. While Bill 148 makes huge progress related to scheduling, such as adding the three-hour rule and the right to refuse a shift 96 hours in advance, the one thing that it does not include but should be an amendment stating that employers must provide their employees with at least two weeks of notice of their

work schedules. This is something that should not be overly difficult for an employer to do and will be immensely helpful for their employees who are trying to juggle various commitments.

My friend Jenna, for example, is here today and has stated that I can share her story. She spent the last year trying to work two part-time jobs while also attending school full-time and volunteering, yet she often got her work schedule the weekend or even the day before, making it incredibly difficult for her to run office hours or events for our office. The Equity Centre is an important part of campus life and helps students from minority communities experience the best that Nipissing University has to offer. Because of her work schedule, however, Jenna cannot volunteer and help her fellow students the way she wants. An increase in minimum wage would give Jenna more time to give back, and getting her schedule ahead of time would allow her to plan her life in advance instead of week to week.

1000

I truly believe that this bill can have a great impact on the lives of all people, especially students, and with a few simple changes, it can be even more effective.

Thank you. I will take questions.

The Acting Chair (Ms. Soo Wong): Great. Thank you very much. I'm going to turn to Mr. Milczyn for this round of questioning.

Mr. Peter Z. Milczyn: Good morning, and thanks for coming in today and presenting to us. I just wanted to ask you about various changes that are coming in. Yes, the minimum wage is increasing. There would continue to be a reduced rate for students. However, at the same time, hundreds of thousands of students in Ontario will benefit from free tuition, so that's the bargain there. Do you think that one helps offset the other?

Ms. Sam DeFranco: There is the fact that not everyone is receiving free tuition, of course, and that—

Mr. Peter Z. Milczyn: Well, it starts this coming September.

Ms. Sam DeFranco: Yes. Tuition isn't the same as rent and food and all of that. While it's definitely going to be a huge help, and it is definitely going to be a great thing for many students, I think that we still have to increase minimum wage, and give students a chance to pay off the debt that they already have and to continue to work now and pay for the other expenses that they're going to be experiencing.

Mr. Peter Z. Milczyn: There are other provisions in the bill in addition to the minimum wage provision. There is the scheduling, which you touched on and which I understand you think isn't going far enough, but it is going to help a great deal in terms of some of the last-minute changes.

There is also a provision about equal pay for work of equal value. A part-timer doing the same job as a full-time employee should be paid the same. That might also have an impact on a number of students. Would you agree that this is an important change that is being implemented?

Ms. Sam DeFranco: Yes, I definitely think that equal pay for equal work is going to be huge. Once again, I think that there are ways that it can go a little bit further. The language in the bill should be saying "similar" work instead of the "same" duties. A lot of the time, employers will say, "Well, it's not exactly the same," and will change things maybe a little, in order to make sure they don't have to pay equal pay for equal work. I think that if we change the language to be "similar" instead of "same," it might make it a lot easier to close that loop-hole.

Mr. Peter Z. Milczyn: Another aspect of the bill that's in there—and a commitment by the government—is to increase the enforcement of our labour laws. Certainly, with a lot of young people entering the workforce for the first time, they may not be aware of all of their rights and of the employer's obligations. They may not be aware of all of the safety aspects in a workplace. Do you think students and young people will benefit from increased enforcement?

Ms. Sam DeFranco: Yes, for sure. I think that a lot of students may not be aware of all of the things that they are entitled to. Having more information out there would definitely help.

Mr. Peter Z. Milczyn: Thank you very much for your presentation today.

Ms. Sam DeFranco: Thanks.

The Acting Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Samantha, for joining us this morning. You talked about a number of things. One of the things you talked about was scheduling. I think that, in general, everybody is in agreement that the changes with respect to scheduling are positive ones, and that everybody has lives they need to try to keep some order in. To have the benefit of knowing when you're working, and proper notices and stuff like that, I think, is something that we all support.

We did hear this morning from the North Bay chamber of commerce, and in Thunder Bay, we heard from a number of presenters as well. One of the parts of their survey—which is not an anecdotal study—indicates the intentions of business, should this be implemented in the timeline as indicated in the bill.

Of course, many of those jobs that you're talking about—the people that you represent—are minimum wage jobs. Students occupy a significant number of those jobs; they're part of that market.

Now, if the chamber is correct—if this is the actual intent of their membership—and the people you represent end up either not having one of those jobs, or having reduced hours in one or more of those jobs, that's not going to help them either.

The chamber's position is that we could implement this \$15-an-hour minimum wage but at a different pace. I recognize you're advocating for your members and the people you represent and you want them to get the most benefits. We understand that. But sometimes things can happen in reverse, if the people on the other side that

have to pay the wages have to make adjustments that are not positive for your people. Would you consider, as the chamber has asked for, a longer timetable for implementation, if it would seem to be that that would result in the least upset to people that you represent?

Ms. Sam DeFranco: The chamber suggested that there would have to be job cuts if there was this increase in minimum wage, and I think there have been a lot of studies over the years by economists that have shown that minimum wage increases don't actually result in a lot of job cuts, that often people who have minimum wage jobs are living paycheque to paycheque—I know that that's true for a lot of students—and that when they're able to earn more money, they're going to put that back into the community, and the businesses are going to get more money because people are going to be spending more.

I think that we have to increase minimum wage quickly because people are living in poverty right now. I know many people living paycheque to paycheque who are having a lot of trouble making ends meet. If we can increase that quickly, we can ensure that people aren't getting sick, that people can support their families.

Mr. John Yakabuski: There are competing studies. Some studies say the opposite. The recent one out of Seattle says the opposite. It says that minimum wage did lead to significant job losses and loss of income for the people most affected. If that did happen, where would those people then turn to? If in fact the prediction of the chamber and their members did happen, where would those people then turn to here in the North Bay area serviced by Nipissing University?

Ms. Sam DeFranco: Here in North Bay we do have a lot of minimum wage jobs, so I don't think that there would be a huge impossibility right away for students to get jobs. I do think that there won't be such a job loss that it would be impossible for students to be able to continue finding jobs that they can have, especially with the way that money would be going back into the community as time passes, and more jobs will be created because there will be more of a need for services and small businesses that students want to go to, if they have more money to go to them.

The Acting Chair (Ms. Soo Wong): I need to stop you there. I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Thank you, Samantha, for being here. There seems to be the sense out there that students don't need money, and I heard you say that the average student works 10 to 20 hours a week regardless of how much money their parents have, right? So you're suggesting that there be one minimum wage. I've heard from people over the last 24 hours who have said, "I've worked in Tim Hortons. I do the same job as the 50-year-old woman, the middle-aged woman, who's trying to make ends meet. I open, I close, and I do all the same things. Why should I be paid any differently for that work?" I think that's the message that you're trying to get to us.

Now, the government actually raised the issue of tuition, so the free tuition combined with an increase in

minimum wage should help students, but in fact with the free tuition, there's a cap. I think that cap is somewhere in the \$50,000 ratio, and that this year, every student will actually lose the \$3,000 OSAP credit. Are you aware of that?

Ms. Sam DeFranco: Yes.

Ms. Cindy Forster: Yes. And so in fact there are students who last year perhaps got \$9,000 from OSAP, and this year, because their income and their parents' combined income are greater than that \$50,000 mark, they're only going to get \$6,000 from OSAP, which means they're going to have to work more hours to make up that difference. Can you comment on that?

1010

Ms. Sam DeFranco: The free OSAP is only going to help very specific people immensely, I think. It will help everybody a little bit to have OSAP. Some people will definitely be earning less. The people whose parents earn the least will be helped the most. But if you're in that middle-range area where your parents earn enough, but not enough to help you, or not enough to pay for your school, that can be a hard thing for students, who then are going to have to find a way to pay for food and for rent and can't have it covered by OSAP.

Ms. Cindy Forster: Would you like to comment on the gender wage gap, specifically, as well?

Ms. Sam DeFranco: Definitely, there are studies that show that minimum wage workers are mostly women, female-identified people, and that if we keep the minimum wage lower, that makes it even harder for more women to earn money; for women to increase in the workforce; for women, who are more often single parents than men, to support their children. It's why it's more important that we have these laws on scheduling, so that people who are single parents can support their children. We have to be aware of the ways in which gender affects minimum wage and the other aspects of this bill.

Ms. Cindy Forster: Do you have a food bank at Nipissing University?

Ms. Sam DeFranco: We do.

Ms. Cindy Forster: What percentage of students do you think have to use that food bank?

Ms. Sam DeFranco: I know a lot of students who have to use the food bank, especially when it comes to the end of the year. In residence, we have food tables that get set up near the end of the year because students are living paycheque to paycheque or their OSAP doesn't make it to the end of the year.

Ms. Cindy Forster: The issue of enforcement was raised, as well. I've heard over the last couple of days that in fact there can be young people working side by side in a restaurant and some are being paid the student rate and some are being paid the minimum wage, because there's no enforcement. If you don't disclose to an employer that you're a student, you're getting the minimum wage. But someone else who has disclosed, "Well, I can't work these specific hours because I've got classes that day," is being paid a lesser amount of money. Is that your experience?

Ms. Sam DeFranco: Yes, and I think that just makes it so much more difficult for students to balance their lives. If they can't disclose something like that, they're not going to be able to plan around their classes. They might have to skip a class, or they might not be able to keep their grades up, keep scholarships, that kind of thing. It's really important that we get rid of sub-minimum wages so that we don't have to deal with that.

The Acting Chair (Ms. Soo Wong): Thank you very much for your presentation. I notice that you didn't submit a written submission to the Clerk. You have until next Friday at 5:30 to submit to the Clerk.

Ms. Sam DeFranco: Thank you.

CLUB VALUE CLEANERS

The Acting Chair (Ms. Soo Wong): The next group coming before us is Club Value Cleaners. Good morning. Welcome. As you heard, you have five minutes for your presentation, followed by 15 minutes of questions from the committee. This round of questions will be starting with the official opposition. Before you begin, please identify yourself for the purpose of the Hansard.

Mr. Randy Fournier: Good morning, Madam Chair, committee. My name is Randy Fournier. I am the owner of Club Value Cleaners.

Is minimum wage worth progressively addressing? Yes, in a prudent manner that leads to sustainable economic progress for the population and creates sustainable economic conditions to foster the success of the very businesses that provide the employment. Sadly, the Liberals have chosen a rapid and reckless implementation timeline for a massive wage and benefits increase which they have abandoned small businesses to fund by themselves.

Forget that businesses operate on budgets built around cash flows and cost assumptions. Forget that businesses operate on bank financing and debt structured around the supposed stability of operating in a First World country, in an economy with defined conditions and rules. Forget all of that, because for the Liberals, none of that exists when you can quickly ram through what should be very positive and progressive legislation on such a reckless and destructive timeline.

Why does such a positive initiative have to be launched at such a negligent, damaging pace, threatening the very businesses who provide the employment at this spectrum of the wage scale? It is possible to gracefully launch an ocean cargo vessel with some ripples on the water, and yet the Liberals are launching theirs by instantly dropping tonnes of steel from the sky and creating a wave surge that wipes out the people on the pier. The objective of a launch can be achieved without a misguided methodology leading to avoidable casualties.

The Liberals speak of the working poor. Small businesses did not skyrocket the cost of electricity and then throw back some discounts. Small businesses did not scandalously destroy \$1 billion of taxpayer funds, catering to wealthy political supporters, in cancelling gas

plants. Small businesses did not create unaffordable housing.

The best social program always has been and always will be a job. Small businesses take risks by investing to create employment into the very sector of the economy that provides these jobs. The long-term benefit of a prudently progressive increase in minimum wage cannot sacrifice the very businesses that create and provide the actual minimum wage jobs.

If the Liberals believe that extremely expensive but very laudable initiatives can be funded in mere months from existing allocated cash flows, why not immediately implement and government-fund absolutely free child care for everyone? Why not suddenly government-fund free university and college tuition for every member of the population, starting January 1?

Fentanyl is a new and urgent crisis that actually kills people, and yet I see nothing extreme and immediate of a Liberal solution, as we are seeing on minimum wages, that would address that problem by January 1.

The reason these great and worthy initiatives are not tackled in such a haphazard manner is that governments need time to manage and allocate funds across the cost spectrum. And yet, the Liberals are forcing small businesses to defy financial gravity in just six months by denying prudent time to reconcile how we will fund this massive wage cost increase.

Time and support are important. A full-term childbirth takes nine months. What happens when a child is born much too early in a First World country? It's the ICU and 24/7 care, to help foster strength and survival. What happens to small businesses when the Liberals deliberately deliver Bill 148 in a negligent timeline that resembles a severely premature birth? Why is small business not afforded an ICU level of proper time and prudent care, to foster our ability to restrengthen and survive? Will small business be afforded government support and taxation changes to strengthen our ability to meet the demands of this unfunded Liberal initiative?

To bring this worthwhile—and I will say it again: worthwhile—minimum wage increase towards a rational and sustainable reality, it must be intelligently and carefully implemented over a timeline of three to five years.

Additionally, the government must revisit payroll taxes, and their generously expanded benefits, to have the government take on a significant portion of this cost burden versus leaving resource-starved small businesses to again pay the entire cost by themselves. This would help small business owners, their employees and markets to safely and prudently adapt versus being forced to immediately react in desperation to the Liberals' misguided timeline to recapture their disenfranchised voters.

Our company, in the western GTA, in Peel and Halton, provides jobs located in Liberal ridings. Our families live in Liberal ridings—

The Acting Chair (Ms. Soo Wong): I'll stop you there, sir. I'm sorry. Your five minutes are up. I'm going to turn to Mr. Fedeli for this round of questioning. Thank you.

Mr. Victor Fedeli: Do you want to finish your presentation, please?

Mr. Randy Fournier: Thank you, Mr. Fedeli.

We have full- and part-time employees ranging from sole-income earners, retirees, new immigrants, students, and spouses working part-time jobs. How long they will remain employed by us under this immediate shock-and-awe wage increase, I do not know. This negligently rapid increase of over one third of the cost of minimum wage and benefits does not allow small businesses the time to properly prepare a viable plan with all families considered, and puts employees at direct, near-term risk.

The reckless and destructive speed of implementation of this bill is nothing more than a Liberal-approved Kathleen “win” for themselves to buy back disenfranchised voters. Unfortunately, the people whose lives are fully invested in their businesses and their employees are mandated to immediately pay the financial costs on the Liberals’ behalf, which sets us up for a Kathleen “lose.”

Thank you, Mr. Fedeli.

The Acting Chair (Ms. Soo Wong): Thank you. I’ll turn it back to Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Mr. Fournier. Obviously, you’re very passionate about your business. Do you want to take a moment and tell us anything about your own particular business—where you are located, what it is that you do, and how this will affect your company?

Mr. Randy Fournier: We have 40 to 50 full-time-equivalent employees. We’re based in Mississauga. We have 13 locations throughout Peel and Halton. Our wages represent over half of our annual cost structure. Our business does not operate in a high-margin manufacturing sector; those jobs left Ontario long ago. We have a low-margin business. We have a business that provides a valuable service, but yet it is a business that has a market.

Wage increases, and the rapidity of the increase, are going to absolutely decimate us. There is a third of our cash flow that suddenly now needs to be reallocated to meet a wage and benefits increase. Is it a worthy initiative? Yes. Should we be looking at the living wage and increasing it with time? Yes. The time to implement it is important and has not been considered.

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The Acting Chair (Ms. Soo Wong): Okay. Mr. Fedeli—no, Mr. Yakabuski. I’m sorry.

Mr. John Yakabuski: Thank you, Chair.

In your business—it’s cleaning—do you have contracts that you would have to renegotiate as a result of these changes?

Mr. Randy Fournier: We have some fixed-price contracts that service the police services that are not negotiable. We are involved in a retail sector that’s highly competitive, so the price increasing is going to be very much of interest.

The other sector of our business, although not contractually based, is competitive bid based. Not every one of my competitors has the scale that we have. How they’ll mitigate it, I’m not sure.

I have had employees, even ones who are making well above minimum wage today, already say, “We keep the same gap going forward.” Yes, I’ve had other folks who are actually customers of ours who have jokingly said to my staff, “We give up.” They’re small business owners. They have said, “If he’s not going to be able to employ you, come to us, because we’re going to pay \$12 an hour, but it will not be on a T4.”

Mr. John Yakabuski: So where you have a fixed-price contract, for example, with police, your business would have to absorb all of the increase in cost until the end of that contract, with no change in your income from it?

Mr. Randy Fournier: Thank you for the question. At this point, for the speed of implementation for my contracts, there is no hope for me to increase pricing. Any attempt by us to increase pricing at this pace will simply lead to a loss of volume in business. We’ll put ourselves into a spiral, because you cannot chase your tail in a race to the bottom. Unfortunately, the speed at which this is being implemented just creates reactionary measures: not plans, not an approach, not an engineered solution—pure and utter reaction.

At the end of the day—and I liked what Mr. Chirico said—a small business does not have the luxury of running a deficit. What this does is that in six months, it induces an immediate deficit that is unfounded. I have yet to see a government that can go out and do something this drastic that quickly and not see the impact, without running a deficit.

Mr. John Yakabuski: You intimated that there would be a pressure on the wages of other employees. Have you been approached by employees who have said, “I expect us to maintain a gap”?

Mr. Randy Fournier: I have a manager of one of my stores who makes above minimum wage who very clearly said that if the increase is not given to all employees to maintain the exact same gap, she will start looking for employment elsewhere. This is an employee with double-digit years of employment with us. There is no animosity. This is not a situation of being disgruntled. We’ve respectfully disagreed with one another. I just simply cannot. I need to fund just the change for at least half of our employees who make minimum wage. That alone is a quarter of a million dollars. Anything above that continues to escalate an already massive gap.

I’ve had to explain it to one employee. I’ve had another employee who has raised the question but has not said that she’ll have to leave just out of principle if that gap is not maintained.

The Acting Chair (Ms. Soo Wong): Okay. I need to stop you there. I’m going to turn to Ms. Forster for the next round of questioning.

Ms. Cindy Forster: Thank you for being here. I’m still not clear what your business is. Is it dry cleaning?

Mr. Randy Fournier: Dry cleaning, laundry. We take care of retail and we also take care of insurance restoration work across Ontario.

Ms. Cindy Forster: Okay. You haven’t commented on any of the other pieces of the bill and the impacts of

the scheduling, the cancellation pay, the part-time/full-time equal pay, those kinds of issues. Can you—

Mr. Randy Fournier: We pay by position. So whether you're a full-time employee or a part-time employee, if the position pays \$11.40 an hour, that's what you earn. It's what the position pays. It's not whether or not you're a full-time or a part-time employee.

To comment on scheduling, our full-time employees have their schedules. It's etched in stone. We're a Monday-to-Friday business. We have very fixed hours. They know when they're working. Our part-time schedules: If they choose to make a change—something comes up in life, whatever—the store managers, our individual units, have the discretion to allow people to trade off shifts and build that schedule that works for them.

Can I say definitively the schedules are set two weeks in advance? Yes. Do employees have the latitude to move those schedules around as long as we're competently staffed? They absolutely do. We provide that kind of flexibility without legislation. We recognize the importance of families. We recognize the importance of people.

Ms. Cindy Forster: What about the issue of expanding personal emergency leave?

Mr. Randy Fournier: On paper and in print, it's an absolutely noble idea. It has merit. The problem that we see—and I say this respectfully, because it's not a reflection on my employees; I'm making this as a general statement across the employment grid. Too often, the best of intentions lead to the unintended consequences that Mr. Chirico alluded to. We do not currently have an absentee problem in our company, but in the few cases where we do, too often, it's not for the reasons as would be written out there. It is not a question to allow time off because an employee must take time off for whatever they want to do, whether it be a job interview or whether it just be a day off. If we follow the legislation the way it's written, perfect. The reality is that the enforcement of that is difficult. I know some of my colleagues who have businesses in other sectors struggle with phantom absenteeism that is unjustified but they do not have the teeth to be able to say, "Enough." My fear with this for them is that if it's a little too open—those who need it, thank God they have it. Those who abuse it, shame on them.

Ms. Cindy Forster: Do you currently provide any paid sick leave or emergency days—

Mr. Randy Fournier: Just under the employment standards.

Ms. Cindy Forster: Okay. Thank you.

The Acting Chair (Ms. Soo Wong): Mr. Vanthof?

Mr. John Vanthof: Thank you for coming and thank you for your passion and for your perspective and your candour. I just need to reaffirm: You're not opposed to an increase in minimum wage but it's more the speed at which that doesn't allow your business to adjust for it.

Mr. Randy Fournier: Absolutely. If someone was to suddenly lose their job and their mortgage is at risk, that is unforeseen, that is unplanned and that is a very sad,

negative event. When something is implemented in a planned fashion, there is absolutely no reason it cannot be done in an orderly and prudent manner to allow businesses to adapt to what is being put in. An increase in minimum wage, I'm all for it. Do it with the right mechanism. Allow markets and people to adapt. There is no reason to drop it from the sky when you can roll it out of the back of a truck.

Mr. John Vanthof: Would you agree with me that the current minimum wage in many of the areas of employment is not actually a living wage?

Mr. Randy Fournier: I guess, Mr. Vanthof, the way I would say it is our business, more weeks than not, goes with hours unfilled. So if folks require additional discretionary income, there are hours available for that. I don't mean working 100 hours; I'm saying a part-time employee who wants additional hours. We have many, many weeks that go by with these hours unfilled.

My perspective is that if it is insufficient, I should never see an unfilled hour. People should be just desperate to get the extra dollar. The reality is, a lot of my employees are retirees. They are spouses who are working the extra job, because they are students, both university and high school. My full-timers have full-time employment so they're not necessarily there for those extra jobs. So if I take my full-timers out of the equation, I guess the existing wage can't be too bad because I have unfilled hours. On the flip side, I do believe that an increase in that wage to allow those folks to have a better life, I'm fine with it, but there's a pace at which you have to do that. You cannot do it in a shock-and-awe fashion.

Mr. John Vanthof: Thank you.

The Acting Chair (Ms. Soo Wong): I'm turning to Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Mr. Fournier, for coming in today and sharing your concerns with us. In your presentation you said that you believed a three-to-five-year implementation would be reasonable.

Mr. Randy Fournier: Yes. I'm not going to do the quick math, but if we said three years—I know it's not an absolute—a 10% cost increase on any cost line year over year for three consecutive years seems pretty extreme, but in light of the 18 months that's being afforded, I can bite my lip and say three years may make sense. But if we sat back and said almost a third increase in wages, 10% a year, year over year, for any business, that's impressive.

Mr. Peter Z. Milczyn: The other measures in Bill 148, would you also suggest they need to be eased in over time or they could come into effect as planned?

Mr. Randy Fournier: I think the entire bill is one absolute increase in costs, so whether you meter in pieces of it, all of it or some of it, at the end of the day, it's the absolute cost impact that happens. When I look at the level of payroll taxation, when I look at the level of taxes we already pay and we add on another 2% for vacation and we add and we add, at the end of the day the government wants to solve their problem, yet they're asking small businesses, the people who actually invested to

create the jobs—you're asking us to solve your problem by ourselves.

I'm saying, if you want to solve a problem, why don't we come to the table and do it with a mechanism where you foot some of the bill, where you put some of the money behind your initiatives. Taxation is a great opportunity to allow me to increase my wages and you pick up some of the cost of the taxation that goes for it. I'm happy to pay for the hours of work, but at the end of the day, I'm not the one who has to cover the entire tax bill either, and right now what I see in the way the legislation is proposed is—I don't know if the government coffers have been tapped out but somehow small businesses are looked at as having an infinite amount of funds—that we can suddenly just step up, take the wage scale up by a third and that's okay. I can't imagine any other government policy that would go in so recklessly.

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Mr. Peter Z. Milczyn: So you'd like to see offsets in all kinds of costs and burdens on small business, whether it's government regulation or fees or taxes or whatever—the range of things that you have to deal with in your business that relate with government.

Mr. Randy Fournier: There is no shortage of costs for a small business—and I emphasize the word “small.” Yet you overload us with bricks and mortar at the same time as you expect us to carry the water.

This is a very, very laudable initiative. The means by which it's being rolled out are highly questionable, and the magnitude of it is so surreal that I couldn't believe, when I saw it in print, that it really happened. So for government to step in and help with its problem, I think, would be absolutely a starting point.

Small business should be there to complement the government. We should be there to be part of the solution. But somehow, the solution gets drafted by folks that may never have written a cheque from a dollar that they earned through their own business, and they're going to ask us to go pay that bill. It's unfathomable to me, how the logic made it to print in this manner, in an 18-month timeline. It's just surreal. It's unquestionably reckless and careless, and you jeopardize the very folks that actually create the jobs that pay the minimum wage.

You talked about sectors of the economy that are showing great success in Ontario, and all the statistics. That's great. They're probably not paying \$11.40 an hour. You're talking about a sector of the economy that is probably operating above what you're implementing here.

What you're implementing here is into a sector of the economy that is highly vulnerable, highly competitive, and highly important to students; to retirees who have to supplement their income; to part-time workers; to spouses who have to balance child care with their full-time-employed spouse. You are ignoring the fact that small businesses—we are that safety net.

The Acting Chair (Ms. Soo Wong): Okay. I need to stop you there, sir. Thank you for your presentation. If you want to submit anything in writing to the committee,

please do so by next Friday at 5:30 p.m. Thank you very much.

Mr. Randy Fournier: Thank you, Madam Chair.

GATEWAY HOME HARDWARE

The Acting Chair (Ms. Soo Wong): The next group coming for a presentation is Gateway Home Hardware. Good morning. Welcome.

Mr. James Ahola: Good morning. I have copies.

The Acting Chair (Ms. Soo Wong): Absolutely. The Clerk will come around. You just leave it there. The Clerk is going to come around.

As you get yourself prepared for your presentation—you have five minutes for the presentation, followed by 15 minutes of questions from the committee. Can you identify yourself for the purposes of Hansard, please? Thank you.

Mr. James Ahola: My name is James Ahola. I'm a small business owner with 30 employees in North Bay.

The Acting Chair (Ms. Soo Wong): You may start.

Mr. James Ahola: Okay, very good. I would like to completely echo all of the previous commenter's comments: This is way too fast.

I do agree with the previous commenter again: We do need to put up the minimum wage. I'm watching members of my staff declare bankruptcy—not all of them, obviously. They're having a very hard go at things. Yes, we should increase the minimum wage. However, again, it needs to be done in a slow fashion. When you boil frogs, if you do it too fast, they jump out of the pot, you know? It's the same thing. You've got to do it slowly, so that we can make sustainable changes. All you're going to get is a knee-jerk reaction, a survival mechanism, of laying off people and making jobs more efficient. You're going to have 80% to 90% of the people better off, and 10% to 20% looking for a job. That's a quick, knee-jerk reaction, because we don't have any time to react. That is the issue.

Also, we've got issues in the workplace such as automation. You go to your local Sobeys and you see the kiosks. Jobs are being phased out in that respect. That's what people with deeper pockets than myself are turning to, like your Sobeys and your McDonald's and that sort of thing. So jobs are being phased out that way. This is only going to further incentivize the loss of jobs to automation and that sort of thing.

I did read the act. I am pleased that you have a student minimum wage. I'm very pleased that you did that. There could be more tiers to include those that are younger. I see that it's going to 18. Maybe there could be something set for the 16-year-olds to allow them entry into the workforce. Again, they are the most vulnerable people. We want to make sure they're included. It is important for young people to start work at a young age, so that they develop proper habits and that sort of thing.

Definitely, the way this sits, the status quo as we know it will be disrupted—absolutely. I know that, myself, I am going to have to cut back wage and cut back staff in

order to cope with things in the current schedules. I would submit that, this January, you put it up a dollar, and at the next scheduled one in October, put it up to the \$14. Do a three-year thing, much like Mr. Fournier had suggested.

Perhaps there can be some sort of subsidy for small business. If you want to make these big, heroic, trendy changes—we can't do it alone, so maybe you could subsidize small businesses under 50 people, if you want to do these big, heroic changes.

Really, it's a bit rash. I would suggest, again, like the previous commenter, that it is quite a bit rash and fast. You could almost compare it to mandated unemployment, if you would, simply because there's only so much pie to go around. We are in a low-margin business. I can't just jack up the price of this or that, because of my competition, that sort of thing, so I have a limited margin that I can use. It's not just, "Let's all put the prices up." It doesn't work like that, I'm afraid.

It's time for cool heads and no rash decisions. I know it's very, very popular right now to go up to \$15. You can go online and look at the Faces of \$15. You can look at a number of businesses closing in areas that have implemented the \$15 wage. There are losses. Businesses are closing, and that sort of thing.

As well, from a retail perspective, there has been talk of the retail apocalypse before this, you know, before this talk of a \$15 minimum wage. We're beset by all kinds of online and mass merchants. So it's tough enough on the little guy, and then 23%? Really? No. Slow it down. Slow it down a little bit. Make sure that we can survive as well. That way, you actually are creating more jobs. Otherwise, you'll just be looking at coping with the 10% or 20% of people who won't have a job because of how we've simply had to put up a knee-jerk reaction.

That's pretty much all I have to say about that.

The Acting Chair (Ms. Soo Wong): Okay, thank you very much. I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Thanks for being here today. Do you have any comments on any other pieces of the bill besides the minimum wage? The cancellation pay, the scheduling provisions, the emergency leave—

Mr. James Ahola: It really struck me, when I was reading the bill, that people are really that unethical that you have to have that sort of legislation to have good working practices. Cancelling your shift within 96 hours? I would never do that to anybody. Some of these things look foreign to me, in the legislation.

I think they're fine. I think the three-hour rule and that sort of thing are all good. But I would never treat my staff like that. As I say, it's pretty foreign.

Ms. Cindy Forster: It does happen. Clearly, we hear from people, and we heard from people when we were in Thunder Bay yesterday, that at the very last minute, people are being cancelled.

Sometimes, it isn't necessarily the fault of the employer. We heard an anecdote from a restaurant owner in a hotel where, suddenly, 20 people cancelled. It was a

party of 20 people. They'd brought in an additional server, and then they cancelled. One hour before the shift starts, they are calling to cancel that employee, who probably could have gone to work at her second or third job. That happens quite often in today's world, that people are actually juggling two and three part-time jobs. So I think that scheduling piece, people are finding, would be very beneficial.

Mr. James Ahola: Yes, I totally agree. It doesn't affect me. But, yes, I do think that is a good idea.

Ms. Cindy Forster: Do you have any paid sick leave or other benefits within your—

Mr. James Ahola: No more than the legislation offers. But that being said, I do offer a high degree of flexibility to my staff. If they need a day off, they just let me know. I'm not hard to get along with.

Ms. Cindy Forster: What about health benefits?

Mr. James Ahola: Yes, we do offer that as well.

Ms. Cindy Forster: You do offer health?

Mr. James Ahola: We do offer that as well. Yes, we do.

Ms. Cindy Forster: John, do you have anything?

Mr. John Vanthof: Thank you very much for coming. I think the common theme that I heard again is that you're not opposed to raising the minimum wage. It's the time you've been allowed to prepare for it.

Mr. James Ahola: Correct. The 18 months is just too fast. It's simply too fast.

Mr. John Vanthof: You identified one other issue that struck a chord with me. My wife worked in retail for years. Before she quit—we had a store—people would come in, look at an article, and then go and order it online, because they could get it for a dollar cheaper. Basically, the store was a display for Amazon. That's something that happens a lot. One other thing I heard you say is if the government could look at ways of helping small business achieve the goal of being able to pay their workers more in other ways.

1040

Mr. James Ahola: Any help would be appreciated. If you're going to put it all on our backs, at least help us with it, absolutely.

Mr. John Vanthof: Once again, thank you very much for coming.

Mr. James Ahola: I think simply my presence here should be something. I have to work. I can't really afford to take a lot of time and so my presence here alone should be telling you something.

The Acting Chair (Ms. Soo Wong): Thank you for your presentation. I'm going to turn to the government side: Mr. Potts.

Mr. Arthur Potts: Yes, thank you, Mr. Ahola. Thank you very much for coming here. You're colourfully displayed in your corporate colours and I appreciate you there in representing your corporation extraordinarily well. "Home Owners helping homeowners." I've got to tell you, your analogy about the frogs—I've always wondered why I can never get that frog soup right, but now—I've got to keep those things.

I really appreciate the fact that you recognize that we need to get the minimum wage to a livable wage. The Employment Standards Act is designed as a minimum set of standards, but what we've seen happening over the years is that it's become the baseline now, that corporations seem to think that's the place to start, right? And that is the place to start, but that they don't move people up. Let me ask you this question: Why is it, in your successful business, 30 to 40 people, that you haven't been able to evolve to paying a livable wage? I'd like to think that if your business plan is premised on paying substandard living wages, you've got to rethink the business plan. I know that can be difficult, so what is the driver that hasn't got you to a \$15, \$16 average wage in your business so far?

Mr. James Ahola: Well, I have a lot of new starts, so the new starts always start at the lower end of the scale. That being said, you look at the conditions in retail right now, again, with all the competition. The bag of milk—you only pay four bucks for a bag of milk. It's how cheap you buy the bag of milk where you make your money. That's the whole idea. There's a fixed amount there. What's happening is conditions. Years ago we used to pay a lot more—better, relatively higher than minimum wage—but as retail conditions get so much “better,” then things have tightened up over the last 20 years.

Mr. Arthur Potts: Yes, as the margins get tighter and tighter. So it's that competitive pressure that you're operating under which has probably forced it to a place where \$11.40 seems to be the baseline now for all workers.

Mr. James Ahola: Again, it's where they start. If I had a lot more long-timers, people that have been there 10, five—they all make more than minimum wage. Of course they do. But that's the other issue. Now when I put the guys who have just started up, now those guys are going to want to go up, so there's more added pressure. It's not just the minimum wage; it's the whole spectrum. Am I supposed to tell my guy who has worked for me 10, 15 years, “I'm not going to put you up,” when I've just put the guy that just started up three bucks? That makes it tough all over. It's not just the baseline that gets affected by it.

Mr. Arthur Potts: And you mentioned that it's hard to raise prices because of the competitiveness of the thing. I appreciate that the Amazon cross-border type of pressure is one thing, but compared to other hardware facilities in the community, if everybody is facing the same working conditions, they'll all be in that position. People are still going to need to buy that drill and that hammer and that ladder. Will this new baseline help with that competitive pressure?

Mr. James Ahola: I don't know. It might help Amazon. It might help somewhere else in jurisdictions where the wages aren't higher. There are still going to be people ordering stuff online, and where they're running their plants out of. If you look at Amazon's warehouse, they've got 1,000 robots. They've eliminated 10,000 jobs. It's crazy.

Mr. Arthur Potts: But when I go to buy a drill battery, and it's a 20-volt or a 14-volt, the guy at Amazon

can't answer that question so I always rely on the Home Hardware guy.

Mr. James Ahola: Thank you very much, but it's—

Mr. Arthur Potts: I appreciate your being here and bringing the perspective. It's very important.

Mr. James Ahola: Thank you.

The Acting Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Yakabuski for this round of questioning.

Mr. John Yakabuski: Thank you very much, James, for joining us this morning. I wore one of those red jackets for many years, so full disclosure. We were independent from 1918 until 1971; Dominion Hardware from 1971 to 1978; Home Hardware in 1978 until my wife and I sold the business. I wasn't there in 1918. We sold the business in 2001. I came home to operate the business in 1980, and I saw what happened to margins in retail just from 1980 on. I recognize the reality that you're dealing with. That was from 1980 to 2001, and I can only imagine what it's been like since then because the world has become much more competitive in the last 16 years that I haven't been with Home Hardware. So I recognize and appreciate your coming today.

When you're talking about the threat that this could be to the jobs, because you're walking a fine line at any time and, like you said, people can shop anywhere they want today. You can't just raise your prices, because they can go down the street. They can go to Home Depot. They can go to Amazon. They can get online—delivered to the door, free shipping, the whole bit.

You're talking about how you employ a number of students. We had a lady from the Equity Centre at Nipissing University earlier talking about student jobs. These changes, implemented on the timetable that has been determined by Bill 148, what is that going to mean to student jobs at Gateway Home Hardware?

Mr. James Ahola: It's going to be rough because, again, all things being equal, it's, what, \$14.10 for a student when finally fully implemented and \$15—so 90 cents an hour between a student at 16 or a proper adult.

There should be something, again, that's for the 16-year-olds, the young people. The guy that's putting together the bicycles, the young kids that price and put the stickers on things. I mean, they're not highly demanding jobs. You don't need a lot of expertise for that. A young person could do really well like that. That would allow them entry into the workplace, and it would allow the employer the benefit of having reduced-cost labour for those jobs. Not every job is a skilled job. Somebody has got to sweep the floor.

Mr. John Yakabuski: And will you be looking at the possibility of some of those student jobs that are so important for the first job in a workplace, the first opportunity in a workplace, learning about what it's like to get up and have a job—are some of those jobs threatened?

Mr. James Ahola: I would think so. I mean, as an employer as well, I have to find the best quality employees.

The other one that that brought to mind, not just the students is that I'm a nice guy—

Mr. John Yakabuski: I think you are.

Mr. James Ahola: I like to give people a chance, you know? But I can't do that as much now. At \$15 an hour, I can't take chances. I can't afford to be as kind. I have to have good people. The stakes get raised. So, yes, students would be at risk. And, again, I won't be able to give people a chance or take a chance on an employee. I have to be more resolute.

Mr. John Yakabuski: And I recognize the family atmosphere at a home store because we were part of it.

I'm going to turn it over to my colleague Mr. Fedeli now. I have no more questions for you. Thank you very much.

The Acting Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: James, thanks for being here today. It's great to see you. You're brave to be here, by the way, to have a recognized family business, to be here and bare it all like that. I want to acknowledge that. You said that just the fact that you're here should mean something, and I think it does. The fact that you are a small, family-owned, independent business person, who is concerned about this enough to be here, that does not go unnoticed. I want to say thank you for that as well. We're here to learn from all sides. We need to hear all aspects of it. I think you have provided a bit more insight to us.

When you talked about how you have to be more resolute, are you also resolute in your thoughts about the three-year-plus timeline to implement this? Is that something that would be—

Mr. James Ahola: Well, you don't want to leave it too long. There are people suffering. There are people suffering who do need the increased income, absolutely. However, at least three years—I'm saying at least three years.

The Acting Chair (Ms. Soo Wong): All right, I'm looking at my clock and mindful of the clock, that's the 15 minutes for your Q&A. Thank you for your presentation and thank you for being here.

SUDBURY AND DISTRICT LABOUR COUNCIL

The Acting Chair (Ms. Soo Wong): The next group before the committee is Sudbury and District Labour Council, Jamie West. Good morning. Welcome.

As you probably heard, you have five minutes for your presentation, followed by 15 minutes of questions from the committee. This round of questioning will be coming from the government side. Before you begin, can you please identify yourself for the purpose of the Hansard. You may begin any time. Thank you.

1050

Mr. Jamie West: My name is Jamie West and I'm the president of the Sudbury and District Labour Council. I'm also a steelworker with Local 6500.

I just want to quote something from Bill 148. I'm going to be talking about section 4.4.1, "Replacement Workers":

"The term 'replacement workers' is typically understood to refer to workers hired to fulfill some or all of the functions of workers who are either engaged in a legal strike or who have been locked out by the employer....

"The vast majority (over 95%) of negotiations for a new or for a renewal collective agreement are resolved without a strike by employees or a lockout by the employer. In addition, replacement workers are used by employers in a small minority of those labour disputes where a strike or a lockout occurs."

I want to tell you a personal story. I was a steelworker at Vale in 2009 when we went on strike. We went on strike for a year, which was the longest labour dispute that we've ever had. My union has a 50-year relationship with that employer. It was previously Inco. We never had replacement workers. We never had a strike that lasted a year. The one before that was in 1978, which was nine months old. The nickel price was below what was achievable to make ends meet. At the time of our strike, nickel was at \$20 a pound. It costs about \$4 a pound to make ends meet.

At the time, I was a furnace operator. I worked in a furnace. Imagine a vessel the size of this room, filled with lava. Outside, you drill a hole in the side and the lava comes out. Sometimes, what happens is that lava comes out of holes that you don't want it to, and you call for help. When you call for help, it's your co-workers who come to your aid.

One of my co-workers is a guy named Todd. We've been friends for a long time. Our families hung out together. My daughter and his son were about the same age. Every year, Todd and I, for five years in a row, would go to the States to see a Notre Dame game. We were very, very close.

Just prior to 2009, Todd became an acid plant operator—the same plant, but a different department. When we were on strike, he phoned me and said, "I don't really know these guys. Why don't you join my strike team? I'm the captain. We can hang out. It's 12-hour shifts. We're going to be together." So I joined him. That was in the summer of 2009.

Like I said earlier, we had a 50-year relationship with the employer—no replacement workers. We managed to negotiate contracts. Sometimes it seemed like the union won, and sometimes it seemed like the company won, but we managed to move forward together.

In 2009, the company brought in a militarized security firm called AFI to intimidate and follow workers around at their homes. They also brought in replacement workers. That resulted in the longest strike that we've had in a 50-year relationship.

In December 2009, there was a rumour that Todd has crossed the picket line. I don't know how much Todd was offered to work, but I do know that co-workers—because I was on that strike shift with the other acid plant workers—were offered \$7,000 a week. If you can im-

agine, most people who work live paycheque to pay-cheque. But let's say you have a cushion—typically, people tell you to have a cushion of about three months to survive. Six months into a strike, with no money coming in, with a seven-year-old daughter, as a single father, it's pretty tempting if a company comes to you with \$7,000 a week to make ends meet. I don't know exactly what he was making. I'm just estimating that if others were offered \$7,000, it was probably \$7,000 for him as well.

As a result of Todd crossing the picket line—and as a union member, I'm not proud to say this; it's just factual—in the spring of 2010, he was assaulted. I do know that Todd lived in fear for a long time. When I called Todd in December and told him that there was a rumour going around just prior to Christmas and we needed to fix this, he said, "I promised myself I wouldn't lie about it. I'm crossing the picket line."

For a long time, I blamed Todd. But I've had seven years to think about this, and I blame the employer. I think Todd was trying to hang on to a shred of dignity by saying, "I wouldn't lie about it." But when a close friend of mine has to turn his back on his friends—somebody you call for help in a life-or-death situation—it's a difficult and very troublesome situation to be in.

The Acting Chair (Ms. Soo Wong): Please wrap up your presentation, because I need to start this round of questioning.

Mr. Jamie West: Okay. I just want to say that having replacement workers is extending strikes. Mine was a year long. The Ikea strike in Richmond was 17 months. Crown bottling was over 21 months. As it says in the document for Bill 148, less than 5% of negotiated contracts end in a labour dispute, and fewer than those use replacement workers

I'm encouraging you to remove the use of replacement workers because of the effect it has on families, friends and communities. Thank you.

The Acting Chair (Ms. Soo Wong): I'm going to turn to the government side. Mr. Milczyn.

Mr. Peter Z. Milczyn: Good morning, Mr. West. Thank you for sharing a very personal story with us.

Bill 148 covers a number of aspects of working conditions in Ontario. It was one of the most exhaustive and deep reviews of our labour laws in decades. It took about two years to do the review, and there were a number of recommendations that were brought forward.

I was wondering if you have any comments on any of the specific recommendations. We heard one aspect of it, but do you have any comments on any of the specific recommendations that were adopted from the review and put into the bill?

Mr. Jamie West: There are multiple ones. As you said, this is a once-in-a-generation—perhaps once-in-a-lifetime—change to the acts, so I'm looking forward to it.

There has been a lot of talk this morning about the minimum wage. I understand that it's difficult for small businesses to make the gap. My parents had a small business; my wife's parents had a small business. It is a tough gap.

I think also, for the government to understand, and perhaps to help those small businesses: It's unfair for workers to be living below the poverty line and working regular hours. It's unfair for a business to make the argument that, "If I were to raise wages, I wouldn't be able to make ends meet, so the workers who work for me have to work for less and not be able to make ends meet." You can't make an argument like that; you can't suck and blow at the same time.

I get it, as a small business, that margins are tight. Maybe the government has to help bridge that gap as they hurdle over it. But too often, large organizations that can afford to make the change wrap themselves in the blanket of the small businesses and use them as a shield when it comes to increasing wages or increasing protections for workers, and they don't defend it properly. When a Walmart or a large business comes to a community and wipes out the small businesses, that's okay, but when it comes to increased protection for workers, all of a sudden they're the small business's best friend.

Mr. Peter Z. Milczyn: Mr. West, you touched on something. When the review was being done around the province, we heard the details about different aspects, certainly around better scheduling, better workplace protections for employees, vacation time, and ensuring that unionization could occur in a reasonable and transparent fashion. But sort of underlying a lot of that was people saying things like what you just said, that all the minimum provisions in legislation sometimes are abused, and in the end, who bears the brunt of that are the workers. Companies use temp agencies to avoid hiring people as their own employees and to then not pay them the same wage or not pay them the same benefits. They hire part-timers to pay them less than full-time employees and then play some games around scheduling.

That might be the exception and not the rule, because most businesses treat people very well. But underlying all of that was also that people are just struggling to make ends meet and that they are not being paid a living wage in a lot of these precarious situations, and a lot of companies perhaps could pay more but choose not to.

Would it be your experience from the work you do that that in fact is the case, that the minimum standards are simply treated as, "That's the way it's going to be," as opposed to a starting point and building up on that?

Mr. Jamie West: My experience as the president of the labour council and in being involved in different conversations is that more and more employers, instead of saying, "We're going above and beyond," are saying, "The floor is the legislation and that's all we need to do." That comes in employment standards where it comes to health and safety, where "The standard is this. That's all we're legally required to do; that's all we're going to do." That can be motivated for economic reasons or competitiveness.

I don't want to lump everyone together, because there are many, many good employers. But there are some unscrupulous ones that make the group look bad, and you do have to raise that floor to force it.

The Acting Chair (Ms. Soo Wong): I need to stop you there. I'm going to turn to the opposition. Mr. Yakabuski, you may start this round of questioning.

Mr. John Yakabuski: Thank you very much for joining us this morning, Mr. West. I appreciate your personal recollections of the strike. I know a friend of mine from my hometown—he's long since retired—lived through those strikes. They are very difficult times for the people affected by them when they are of that duration.

What you're asking for today—and I'm not going to ask you a whole lot of questions about things that you didn't comment on, unlike the government side. What you're asking for, to be incorporated into the bill by way of amendment, is a ban on replacement workers.

1100

Mr. Jamie West: Right. I understand that for organizations, you need a minimal staff in order to keep it running. For example, in a hot metal facility, you can't just shut it down. It's going to cause issues. You can't just shut down an acid plant. But we've managed, for 50 years, to run these organizations in care and maintenance.

What happens in that situation is, when you withdraw your labour as a worker, you're waiting to see who can last the longest. But more and more, these organizations are worldwide, and they count their profits quarterly by the billions or millions. If you're operating a plant, you're basically just starving the workers out. What we're seeing in my workplace is that the workers came back because they were starved out. Their families were falling apart. They were losing their houses. They were having separation from their children.

Recently, our sister union, the office and technical workers—the employer told them the day before their contract was to be voted on, “If you go on strike, we're going to bring in replacement workers indefinitely.” Those workers lost their benefits. They don't have retirement benefits.

In my workplace—I don't know if it's slanderous to say, but it's a cancer factory, right? We breathe in nickel dust, arsenic, silica, diesel particulate and fumes. We have three members at my union hall who work full-time on workers' compensation claims. To lose your benefits and not have benefits when you retire, after spending 30 years in an organization like that, it's criminal. But what can you do? You have the opportunity to go on strike and lose your house and lose your family, and come back for the same benefits after a year or longer. These strikes are showing that they're lasting more than a year.

Mr. John Yakabuski: What you're saying, sir, is that a large conglomerate employer basically used that opportunity to force—by bringing in replacements, they ensured that the strike would be longer than it otherwise would have taken, and thereby beat you into submission, so to speak.

Mr. Jamie West: There's no incentive to negotiate. There were no negotiations until after the first six months. There was no contract offered until well into the third quarter of the first year.

Mr. John Yakabuski: By having that ability to do that, there was no incentive for them to get back to the table.

Mr. Jamie West: There was none at all.

Mr. John Yakabuski: I appreciate you coming in. I thank you for that information. The committee takes note of all submissions, and yours would be no exception. Thank you very much.

Mr. Jamie West: Thank you.

Mr. John Yakabuski: But I would say that small business certainly doesn't—that kind of situation certainly doesn't apply to a small business.

Mr. Jamie West: I think typically not. Your own data in Bill 148, in the submissions, talks about—it's less than 5% of contracts, and very few of those actually use replacement workers.

In my experience, in my knowledge, it's typically larger organizations who can afford to bring in replacement workers and pay them a higher wage.

Mr. John Yakabuski: Right. Thank you very much. I appreciate that.

The Acting Chair (Ms. Soo Wong): Thank you very much. I'll turn to Ms. Forster.

Ms. Cindy Forster: Thank you. Did you have anything else in your presentation that you didn't have enough time to complete? If you wanted to use a couple of minutes, you could.

Mr. Jamie West: I think I spoke about most of them. It was about how to compete with a multinational with profits in the billions. The office and technical staff, I was able to speak about.

Our union is going to be negotiating in 2020, and the company has already announced that they'll be removing our benefits, and if we don't accept that offer, they'll replace us with replacement workers. Many of the members, obviously, are afraid because they're still trying to get out of debt and out of bankruptcy protection from a year-long strike.

Ms. Cindy Forster: Right. During that—that was in 2009?

Mr. Jamie West: Yes.

Ms. Cindy Forster: During that strike, did they ever appoint a government relations board? Did the province ever appoint somebody?

Mr. Jamie West: No. Near the end, we had political pressure, because the workers, out of frustration, had formed a blockade on two of the work sites. I know that my friend was assaulted. I'm not advocating for violence, but I'm actually surprised that more people weren't. When you lose your wife or you lose your children, and you have someone you can blame—you can't blame an entity in Brazil, but you can blame a local guy. I think that people get frustrated.

Ms. Cindy Forster: Your issue isn't unique. We had a long strike last year in Niagara and Haldimand county—CarePartners. An independent owner took home \$1 million the year of the strike—I think it was \$600,000 in wages, and another \$400,000 in bonuses—health care; private sector in the community. She owned, I think, 12

agencies across the province. She kept nurses, predominantly female workers, registered nurses, registered practical nurses and clerical workers on the picket lines for 10 months. She brought in a military-type security firm. Right from the beginning, she brought in replacement workers from her other agencies across the province, paid them travel time, overtime, paid their meals, put them up in hotels and paid them overtime for all their hours, and kept these women out on strike for 10 months.

With the money that she spent paying for all those replacement workers, she could have given these people—the top rate of pay for a registered nurse was \$17 for a visit, and a visit could be anywhere from 15 minutes to two hours.

I hear what you're saying about replacement workers. In the days when we had a ban on replacement workers, our strikes were much shorter, so I think it's something certainly that the government needs to look at when we're continuing to debate this piece of legislation.

Mr. Jamie West: Thank you.

Ms. Cindy Forster: Do you have any comment on the issue of—I know that you deal with injured workers every day—injured workers being deemed and the fact that the government isn't proposing anything in the WSIB legislation for injured workers who may be deemed and not working at this point in time and the impact that's going to have on them? When the minimum wage moves to \$15, they'll actually have less money coming out of their WSIB benefits.

Mr. Jamie West: There's a lot to unpack when it comes to injured workers. I think the majority of people believe that the system works until they're injured, and they find out that it doesn't. My understanding from working with our occupational union members who support those workers is that the majority of the claims—I think about 70%—are automatically denied, similar to this idea of a starve-out, we'll just starve you out. You have to have the wherewithal to fight back and appeal and appeal and argue your case, which is very difficult to do when you have the mental health issues of not having your wages come in, or your full wages come in, and being injured and in pain and difficulty just getting around.

Ms. Cindy Forster: Okay. Thank you.

The Acting Chair (Ms. Soo Wong): Mr. West, before you leave, you have until next Friday at 5:30 to do any written submission for the committee. Thank you very much for your presentation.

Mr. Jamie West: Thank you very much.

UNITED STEELWORKERS LOCAL 2020

The Acting Chair (Ms. Soo Wong): The next group before the committee is the United Steelworkers Local 2020. Good morning. Welcome, Mr. Smith. As you've probably heard, you have five minutes for your presentation followed by 15 minutes of questioning from the committee. This round of questions will be from the

opposition. You may begin any time. Please identify yourself for the purposes of Hansard.

Mr. Wayne Smith: I'm Wayne Smith. I'm out of Local 2020. I'm a unit president there, and I also sit on the executive board to represent the North Bay region because Local 2020 is an amalgamated union.

We have over 3,000 members here in the north. We represent employees at 64 different employers and workplaces from North Bay and Parry Sound to Kirkland Lake, New Liskeard and Sudbury.

The United Steelworkers has over 70,000 members in Ontario. They are from every social, cultural and ethnic background and they work in just about every industry and job. I work here in North Bay at the Community Counselling Centre of Nipissing, where I am an adult protective service worker and a family support worker. I work with marginalized individuals who have developmental disabilities.

People in our community and members of my union strongly support the progressive reform to our labour and employment laws. We were pleased to see a broad consultation process that led to the final report of the Changing Workplaces Review. But while Bill 148 goes some way to addressing what is needed, it falls short in key areas.

I'll first deal with the Labour Relations Act. We support the return of the card-based certification rights for all workers in the province and not just for workers in sectors identified in Bill 148. There is no justifiable policy reason to provide the right to only a limited subset of Ontarians in just a few sectors. There should be no second-class rights when it comes to the ability for employees to make choices about their collective representation. Section 5 of the Labour Relation Act states, "Every person is free to join a trade union of the person's own choice and to participate in its lawful activities." How can it be right that people here in North Bay working at a Tim Hortons or at a hotel will have weaker rights than a person working in construction or as a building cleaner? It just makes no sense.

1110

The card-check system was a tried-and-true method of determining majority support for unions for decades under successive Conservative and Liberal governments. Removal of the card-check system results in a major drop in union certification rates, especially among those who need unions most. Employees' success rates in winning union certifications in Ontario dropped almost 10% after the Harris Conservative government brought in the mandatory vote system. The reasons are simple: Employer opposition to unionization and even employer misconduct are just more likely under a vote system than they are under the card-check system.

It's simply wrong to say that vote-based is democratic because that's how we elect our politicians. Our union representation votes are unlike any other kind of election because of the inherent power that the employer holds over the employees: the power to control the employees' pay, hours and working conditions, or even deprive the employees of their livelihood.

Bill 148 returns card checks for employees in the building service sector. That is a good but very insufficient step. Your committee should give Bill 148 the courage of its convictions and support an amendment to Bill 148 to give all Ontarians the right of a union choice process based on the card-check model.

Next, we encourage your committee to amend Bill 148 to provide important workplace information to workers and their unions during organization efforts. Employees deserve to actually communicate with each other and understand the contours of their workplace in the same manner that the managers do. Bill 148 should provide more detailed information, including job titles, employment status and an organizational chart showing the relationship of employees in the proposed unit to other employees and the lines of authority between management and supervisors.

As well, we encourage you to remove the requirement that the union's application for certification mirror its application for the employee list. That requirement makes no good sense.

Next, my union supports the introduction of a Manitoba-style interest arbitration provision. When strikes and lockouts have lasted beyond six months, this is a rational modernization to our laws in a world of mobile and global capital.

On the Employment Standards Act, we support the position of the Ontario Federation of Labour. We want to especially highlight the need for Bill 148 to be amended to provide for seven paid personal emergency leave days, also known as sick days, and for the designated leave, 10 paid days of job-protected leave for survivors of domestic or sexual violence followed by a period of job-protected unpaid leave.

Thank you for your time.

The Acting Chair (Ms. Soo Wong): Thank you. Just on time.

I'm going to turn to—is it Mr. Yakabuski? Are you going to ask this round of questions?

Mr. John Yakabuski: Thank you very much, Wayde, for joining us this morning. You're looking not so much at what's in the bill as what's not in the bill, by listening to your submission: first off, an increase in the paid emergency leave days, but I think your number one issue would be card-based certification.

Mr. Wayde Smith: Yes.

Mr. John Yakabuski: There is an expansion to card-based certification in the bill, but not—what you'd like to see is that card-based certification is across the board. Are you proposing or going to suggest an amendment to that effect, then?

Mr. Wayde Smith: We'd like it to be a 20% sort of thing.

Mr. John Yakabuski: Okay. And on the paid days—

Mr. Wayde Smith: Yes.

Mr. John Yakabuski: I guess we have to have a look at that.

Mr. Wayde Smith: For the domestic violence or just paid sick days?

Mr. John Yakabuski: The extra paid days, from two to—there are two in the bill, and you're saying to raise that to seven?

Mr. Wayde Smith: Yes.

Mr. John Yakabuski: That is a significant—particularly to small business, I would suggest, it would be significant at this point, when you're talking already the changes that they're experiencing in a very competitive marketplace, to basically add five more paid days. Certainly it's something that I'm not sure that small business is going to be—given their testimony today, you've heard from small business that it's something that they may not be able to absorb. It might be something that could be part of collective agreement negotiations for businesses that are large enough to possibly absorb that kind of thing. How do you feel about that?

Mr. Wayde Smith: When you talk about two to seven, and the different costs and all that—not everyone takes seven. Not everyone even takes the two, right? To do this fearmongering, that everyone is automatically going to start taking seven, just doesn't make sense.

Mr. John Yakabuski: But the potential is there.

Mr. Wayde Smith: Yes.

Mr. John Yakabuski: The potential is there, and I think that when you're a small business, that's the concern. The circumstances in any particular workplace or any particular life—if it did happen to everybody in a small business, it would be significant.

Mr. Wayde Smith: But the reason behind having a sufficient number of days is so that you don't have to be so fearful of using them, or taking even one because you only have two. It's to be proactive. I'd like to see the numbers of how many people it protects from going off on long-term or short-term disability, because they were able to take care of themselves a little better.

Mr. John Yakabuski: I appreciate your submission today, and your suggestions. All submissions are considered by the committee in forming its report to go back to the Legislature. Thank you very much.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Ms. Forster.

Ms. Cindy Forster: Thanks for being here. I'm going to focus on card-based certification, and the fact that it is discriminatory to pick just certain sectors of employees and allow them an easier route to unionize, when it really should apply to everyone.

You talked about the inherent power that employers have over employees, particularly during organizing drives. Can you tell us about some of the things that employers do to employees under the existing situation? We have to sign cards, and then we have to file our application. During that window, when the employer finds out that you're close to becoming unionized, what do some employers actually do?

Mr. Wayde Smith: The employers try to target the employees who stand up and try to become unionized. For the most part, these people are terrified during this whole process. They aren't able to speak about anything, they aren't allowed to show anything, because they become targets of discipline and dismissal, regularly.

Ms. Cindy Forster: Right. Under the bill, the Liberals are proposing that employees terminated during an organizing drive would only have access to the labour board for a potential reinstatement if they are terminated after certification, or at the time of certification, and not during the campaign. What are your comments about that?

Mr. Wayne Smith: My understanding with unionization is that for the most part, these are the people in our community who are supporting and lobbying and fighting for equality and social justice everywhere. It's not often that you see small business owners out beside other members of the community, trying to keep our services. It's the other unions who are joining and trying to keep our Canadian style of life together.

Ms. Cindy Forster: In your experience, are employees generally fired during the campaign or on the date of certification?

Mr. Wayne Smith: During the campaign.

Ms. Cindy Forster: Right. That has been my experience as well. Actually putting this language into the act does nothing to help those inside and outside organizers who have signed people up.

Mr. Wayne Smith: They're most often people in great distress within their workplaces, in very toxic work environments. Without the ability to communicate or educate them on how to help themselves, it's sometimes a losing battle for those people. It's not very user-friendly.

Ms. Cindy Forster: Right. Because in many cases, employers use scare tactics, what is the impact on your vote? Sometimes, at the end of the day, when people have to go to a secret-ballot vote—I can tell you, from my experience in my years of organizing, that we lost a number of votes over the years because the employees were too scared to vote “yes,” even though they had signed a card. Has that been your experience?

Mr. Wayne Smith: That's correct, yes. That's why they want to switch it back to the other method that is more tried and true.

Ms. Cindy Forster: Okay. Thank you so much.

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The Acting Chair (Ms. Soo Wong): I'm going to turn to the government side. Mr. Milczyn.

Mr. Peter Z. Milczyn: Good morning, Mr. Smith. Thank you for coming out today and sharing your thoughts with us.

On the issue of certification, the reason why that particular group of workers is being afforded the ability to continue to do card-based certification is that those are some of the most vulnerable workers: in the building sector, home support workers and so on. They're also in those sort of scattered places of employment. They all don't necessarily show up in a big factory or in a single office building—a single place. They are distributed all throughout the community, and they might actually never see each other anywhere. That's why it was important for the ability to unionize those workers.

That, coupled with the government proposing in this bill to provide to unions the employee lists, the ability to

do electronic voting and those types of measures to make it a level playing field so that information can get out to workers and that they have the ability to vote in as non-confrontational a way as possible—they could potentially do it from their phone or their home. Do you think all of these measures are positive steps?

Mr. Wayne Smith: I think it needs to have the same measures for all groups. When you're talking about those other more marginalized or vulnerable individuals, I haven't seen one group that has stepped forward and said, “We want to organize because it's beautiful at my workplace.” They're all vulnerable and marginalized when they're looking to—it's a cry for help, basically.

Mr. Peter Z. Milczyn: In Bill 148, there are a number of other issues that are being raised. For instance, we're looking at increasing enforcement: doubling the number of officers out in the field to do enforcement and to provide information to workers. Is that something that your union has been calling for?

Mr. Wayne Smith: I think it's a great first step. I really enjoyed the line of questions by Mr. Potts earlier about how the minimum has now become the baseline and all that other stuff. We have to move it all forward. There are too many people that are being left behind. Enforcement is definitely one of the steps that needs to be taken as well.

Mr. Peter Z. Milczyn: Well, precisely. In the consultation that we had around the Changing Workplaces Review, we heard a lot of specifics; people identified different things that needed to be changed. But the underlying theme was that a lot of people are struggling to earn a living wage and a lot of people are struggling in workplaces where they have employers who only are interested in the bare minimum, if even that, and they try to get around that if they can.

Mr. Wayne Smith: That's what I struggle with sitting back there sometimes, hearing, when people say, “We agree with it being \$15 an hour.” Well why did you need someone to tell you that that's the minimum for you to provide a living wage to all these people beforehand? And needing it to take more than the time that you guys have already suggested, for it to need three to five years? If your business model is not going to work today, it's probably not going to work in five or three or 10 years anyway. It's just prolonging a process that should have started long ago.

Mr. Peter Z. Milczyn: Thank you.

The Acting Chair (Ms. Soo Wong): Thank you very much, sir, for being here. You have until next Friday, July 21, at 5:30 p.m. for your written submission. Thank you very much.

MS. JENNIFER BARNETT

The Acting Chair (Ms. Soo Wong): The next group before the committee is Jennifer Barnett and Jared Hunt. Is Jennifer Barnett here? Great. Thank you very much. Welcome and good morning. As you have probably

heard, you have five minutes for your presentation, followed by 15 minutes of questions. This round of questioning will be coming from the third party. Please identify yourself for the purpose of the Hansard.

Ms. Jennifer Barnett: My name is Jennifer Barnett. I'm a staff rep with the Canadian Union of Public Employees. I'm following Wayde, which is interesting because we're both talking about the same issue.

The reason that I'm here is to speak with personal experience on the group that I had as a new certification as a new rep, who would not have been included based on your exemptions.

There are two issues that I'm going to speak to today. In my capacity while working in Oshawa, I encountered my first new certification. This group received their certification after three gruelling attempts. There were nine campuses or nine work sites, and 186 members who didn't even know each other, didn't have staff meetings, didn't encounter each other because they were spread out. So it took them three very gruelling attempts, several terminations during that time, in order to certify. It took them four years to finally become certified. People were terminated for attempting to organize. The workplace was toxic, stressful.

I've been saying for about 20 years that the employer gets the union they deserve and the union gets the employer they deserve. The employer, when she was confronted with the vote, became belligerent, hostile, put out misinformation that was absolutely staggering: that people were going to be paying \$350 for initiation fees—endless misinformation.

The reason that it was so difficult for these people to certify was because of the vote. If there was no need for a vote, they would not have gone through what they went through. Again, they went through three organizers, who were the ones fighting, kicking, screaming, yelling.

One of the reasons that I am very strong for union environments is because we are the people who enforce the legislation that you pass. If you are in a non-union environment, it is very difficult for people to uphold their rights under the legislation.

This legislation at this point is skewed against workers. I understand the vulnerability of home care. I understand the vulnerability of the construction industry, the building industry. But every worker in Ontario who has a terrible employer is a vulnerable worker, in my opinion. And I see a lot of bad employers.

In my opinion and experience, the only fair workplace is a union workplace. I mean that sincerely. In a union environment, the rules are very clear, the rules are consistently applied, and the laws of the province are followed and strictly enforced. It is the job of every union executive to police their collective agreement and to educate people on the laws that govern the workplace. Unions spend a great deal of time and effort on education. We teach labour laws, workplace safety and insurance, occupational health and safety and more courses that allow workers to be safe and secure.

We require employers to act reasonably, rationally and responsibly in dealing with their employees. Were it not for unions, health and safety language would not exist. That's a fact. It's also a fact that unions are the ones that enforce health and safety, Ontario human rights legislation, employment standards legislation, pay equity and other legislation.

The group I mentioned earlier had a bookshelf holding up a wall. There were holes in the floor that would catch a high-heeled shoe. The HVAC system hadn't worked in years. The employer violated at least three employment contracts of employees she had hired. That's just what I knew once they had been organized. In addition, I had an employee who was on pregnancy and parental leave, who was unable to come back to her job because the employer either didn't know or didn't care about the Employment Standards Act on pregnancy and parental leave, which says that you're entitled to your job if it exists when you come back. She—

The Acting Chair (Ms. Soo Wong): The five minutes is up. I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Go ahead and finish your presentation.

Ms. Jennifer Barnett: Thank you.

She was at home for six months. She had no income. The employer finally said, "I have a job for you in Bowmanville." For those of you who are from southern Ontario, who have to go from Ajax to Bowmanville—it was needless, pointless. She could have had her job in Ajax, and there was literally a new hire in her job. The employer chose to ignore that.

The reason I'm mentioning this is because workers are suffering these injustices every day.

The amendment that I'm asking for is that you open up card-based certification to all workers in Ontario.

1130

The second issue has already been dealt with by Wayde, which has to do with the first contract, having mandatory arbitration for first contracts. These people took two years and three months to get a contract. The intimidation, the hostile work environment, the pouting, the game-playing, the fact that the employer wouldn't bargain—all of that stuff. The membership took a vote in order to have their dues being taken off, even though they didn't have a contract, and the employer refused.

They had no money to get a contract. They had no money to bargain. The employer continued to bargain at a hotel and at a mediation centre at a shared cost, and they couldn't afford it. Two and a half years: They are \$67,000 in debt. This shouldn't happen.

To have mandatory arbitration once things have broken down—and this employer hired a \$1,000-an-hour lawyer to fight them on a first contract that should be standard.

Ms. Cindy Forster: Thank you.

My understanding is that the language that the government is proposing doesn't get you an automatic first-

contract arbitration. It gets you to the board, and then the board has the discretion, the ultimate power to say, “Get back to the table,” “Get a mediator” or “Get to a first-contract arbitration,” which is not what you’re looking for. You’re looking for an automatic right to first-contract arbitration to avoid all of these lengthy delays and intimidation tactics.

Ms. Jennifer Barnett: Yes, and also that the onus should not be on the union to prove that we are working in good faith. We’re always working in good faith. We’re working to protect the workers. The employer is not.

Ms. Cindy Forster: You also used some examples of non-unionized facilities. It seems that enforcement is the issue. We currently have the Employment Standards Act and the Occupational Health and Safety Act. We hear from people every day about that lack of enforcement. To be clear, if we’re adding new provisions to the Employment Standards Act, we’re going to have to make sure that we have enough enforcement officers on the streets actually doing regular reviews in workplaces to make sure that workers get what they are entitled to as a minimum under employment standards.

In your experience, what has enforcement been like? This is not to blame the workforce. I think it is a lack of numbers.

Ms. Jennifer Barnett: Or it’s a lack of knowledge, or it’s a lack of understanding. I know in the union environments that I work in for CUPE, we have people who don’t know their own collective agreement, let alone what the Labour Relations Act says or what the Employment Standards Act says. Enforcement has been, well, impossible.

One of the women from the executive of this group that I’m talking about said, “So basically, if we don’t unionize, our employer can fire us because she doesn’t like the colour of our shoes.” Yes, she can.

There’s no reinstatement ability under the current Bill 148, either. If your employer is found to be unjust, there’s no reinstatement for you, except where unions are.

Ms. Cindy Forster: Right. Where did you say you were working?

Ms. Jennifer Barnett: I’m staff for the Canadian Union of Public Employees, CUPE.

Ms. Cindy Forster: Okay. I don’t have any further questions. Thank you.

The Acting Chair (Ms. Soo Wong): I’m going to turn to Mr. Milczyn for this round of questioning.

Mr. Peter Z. Milczyn: Good morning. Thanks for your presentation. I know that—perhaps not you personally, but perhaps you were involved in the consultation on the Changing Workplaces Review. Certainly CUPE was at the table throughout, and we thank you for your participation in that process. As you know, it was probably the most exhaustive, most in-depth review of Ontario labour legislation in over a generation.

I’m wondering, as you look at the overall package of Bill 148, how closely do you believe it reflects what was

in the Changing Workplaces Review and the input that you provided?

Ms. Jennifer Barnett: I wasn’t part of the consultations because I was in the people’s republic of Alberta at the time, but yes, I am quite pleased to see the types of protections for workers that Bill 148 is going to afford. There is a lot of good stuff in there. I would just like to see a little bit more protection for those people who want to join a union, want to be a part of things but don’t honestly know how to do it or are intimidated. I have seen some really terrible intimidation on the part of employers, not just this group. I could go on for hours about the types of things that they do: lying about initiation fees, lying to people about the fact that they’re going to lay off, they’re going to close their business, all kinds of things that are really terrible. I think with card-based that takes that out of play. I have people who will not come to a vote because they can’t face the employer, no matter how they’re voting. It’s a secret ballot but they still won’t show up.

Mr. Peter Z. Milczyn: Do you think that the electronic voting that’s in the bill would help with voting and making people feel more comfortable in casting their vote?

Ms. Jennifer Barnett: Absolutely. But like I said, I would love to see you just open it up to everybody.

Mr. Peter Z. Milczyn: Do you think that the provision of employee lists that’s proposed in the bill is going to also make it easier for employees to connect and participate?

Ms. Jennifer Barnett: Yes. This group specifically, when we finally got the lists, had five deceased workers and three children on the list for voting that the employer had supplied to the board. We didn’t know that, obviously, until after, when we looked at the list. So yes, it is very important at the 20% mark to know who it is that we are organizing so that we’re able to find them—like in home care, where you work from this client to this client to this client. You may never have an actual building to meet with people. Absolutely.

I agree with a lot of Bill 148, very much so. I’m very happy to see what is there.

Mr. Peter Z. Milczyn: For those places of employment where it’s just not realistic that a union would be able to certify—small businesses and so on—do you think the provisions around how scheduling can be done, equal pay for work of equal value, and protections for temporary workers and part-time workers—do you support what’s in Bill 148 on those things?

Ms. Jennifer Barnett: I do, very much so.

Mr. Peter Z. Milczyn: Thank you very much.

The Acting Chair (Ms. Soo Wong): Thank you very much. I’m going to turn to Mr. Yakabuski for this round of questioning.

Mr. John Yakabuski: Thank you, Jennifer, for your submission. Welcome back to the people’s republic of Ontario.

Ms. Jennifer Barnett: Thank you. You’re not NDP yet, but okay.

Mr. John Yakabuski: We've been there.

As I said, thank you for your submission. Both you and the submitter before you, Wayde, clearly indicated—I didn't have a chance to ask Wayde about the first-contract arbitration, which is another, from your perspective, omission in Bill 148. The appointment of a mediator is there but not automatic arbitration. My friend from the third party also brought that up with you.

So we recognize that there are issues in this bill, that while the ability to organize has been enhanced, made easier by the ceilings and the 20%, and then the information dissemination, which should make it easier to contact prospective members for a vote, your position is clear that those changes do not go far enough.

Ms. Jennifer Barnett: Correct.

Mr. John Yakabuski: You would like to see full card-based certification, period, and automatic access to arbitration for a first contract when it cannot be arrived at within a prescribed period.

Ms. Jennifer Barnett: Absolutely, yes. And a couple of the things that tend to drag out—I had an arbitrator once say, "I don't really want to be dragged down into the weeds if I don't have to." But there are a lot of things in a first contract. For example, with this group, there was a \$30,000 difference in the same classification amongst workers. We in the union world call that favouritism, and it is rampant.

Mr. John Yakabuski: Can you explain that?

Ms. Jennifer Barnett: Sure. When the employer hires and you're working for her, if she likes you, she would pay you exponentially more than she would someone else.

Mr. John Yakabuski: You mean there was up to a \$30,000 difference for the same job?

Ms. Jennifer Barnett: I kid you not, yes. The same classification, the same job. We didn't know that until we got disclosure for bargaining for the first contract. So imagine being the rep trying to wrap your head around what is the basis for this payment. How do we work out a wage structure when there's a \$30,000 difference? It happens all the time. I was shocked, but apparently my co-workers have said, "Yeah, yeah, that happens all the time."

Mr. John Yakabuski: It's a lot of money. Thank you very much for your submission. We appreciate it. All submissions are reviewed by the committee and form part of the report.

Ms. Jennifer Barnett: Friday at 5:30?

The Acting Chair (Ms. Soo Wong): Thank you. I was going to do that housekeeping note. Thank you for your presentation. Thank you for being here.

Committee, I don't know. We've been on time now. We're going to be recessed until 1:30 sharp. Thank you and have a great lunch.

The committee recessed from 1140 to 1332.

The Acting Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs this afternoon. We are gathered here again 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.

UNITED WAY CENTRAIDE
NORTH EAST ONTARIO/NORD-EST
DE L'ONTARIO

The Acting Chair (Ms. Soo Wong): I believe the first witness before us this afternoon is the United Way Centraide North East Ontario. Are they here? Good afternoon. Welcome. Have a seat.

I'm not sure you were here this morning—so you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will begin with the government side. You may begin at any time. When you begin, please identify yourself for the purpose of the Hansard. Thank you.

Ms. Nicole Beaulieu: Hello. Bonjour. Aanii. My name is Nicole Beaulieu, and I'm the director of labour community services for United Way Centraide North East Ontario/Nord-est de l'Ontario.

Charities are heavily relied upon when individuals need help and cannot afford to live. Therefore, we see many of the struggles that people are going through on a day-to-day basis. I would like to speak from that lens today.

Let me begin by sharing United Way's mission. We aim to improve lives and build community by engaging individuals and mobilizing collective action. We want to work with others to help our community—and we do this by bringing all people, even unlikely partners, together—focus on helping kids be all that they can be, build strong and healthy communities, and move people from poverty to possibility.

We all know that to build strong communities, we need to work together. I think we can all agree that everyone benefits when we are given the opportunity to fully participate in our communities. However, many individuals are not given this opportunity because they cannot afford to participate.

For example, many parents cannot afford after-school programs for their children. In a study published in 2013, written by PEPSO, McMaster University and United Way Toronto and entitled *It's More than Poverty*, it was found that, due to the increase in precarious work, low-income households are the most likely to report problems buying school supplies, paying for school trips and financing children's activities outside of school.

What if you, as a parent, could not afford to give this opportunity to your child? In order to help families within our community, we need to be able to afford to do so. With an increased minimum wage, you are now either in a position to help yourself and your family out of poverty and/or you can help others in need as well. If everyone could make a decent wage, then all parents could pay for what they need and contribute more into our local economy, into our communities and into our children's

lives, which helps everyone grow and leads to a more prosperous and bright future.

What we are talking about today isn't just about fairness within our labour laws. It's about morals and what we need to do to survive. It's about treating human beings with respect and helping each other out as a society. It's about closing the huge wage gap that exists in our province and sharing the prosperity that we all work towards. It's about acknowledging that we have evolved into a precarious labour market, and things must change.

The proof is in the pudding. It's shown when we look at how many people access our services. Our local United Way helped 3,900 individuals file their income taxes during our income tax program this year, and that's in Sudbury alone. This tells us that at least—obviously there are many more, but at the very least there are almost 4,000 people in our community who fit into the low-income category.

I have spoken to these families and to individuals who struggle to put food on the table or pay their hydro bills. When I ask them, "Why are you struggling?", they know. They can tell me:

"It's because I still have student debt, I'm working contract jobs and I can't seem to get ahead."

"It's because I'm working two part-time minimum wage jobs, and it's still not enough."

"It's because my mother is sick, and I need to take care of her, so I'm paying for more mouths to feed."

"It's because I have a disability. I'm on ODSP, so no one will hire me."

"It's because my child gave me hand, foot and mouth disease, so I've been out sick for a week, and I don't get paid sick days, so that put me behind."

These are the reasons I care about these changes. Even though we have made great gains with Bill 148, we do need to continue to move ahead. We need to ensure that there are no exemptions, that everyone, including students, gets paid a decent wage and that everyone is protected by our labour laws.

In closing, charities like the United Way are heavily relied upon to help individuals who work hard to make ends meet. We want to build stronger communities, move people from poverty to possibility and help our kids be all that they can be, so that everyone has a chance at a better life. But we cannot do it alone. We must consider the root causes of our current economic climate, we must consider that the labour market and labour laws are an integral part of our everyday lives, and so we must continue to make them better.

The Acting Chair (Ms. Soo Wong): Thank you. I'm going to ask you to stop, because I'm going to turn to Mr. Milczyn to start this round of questioning.

Mr. Peter Z. Milczyn: Good afternoon, Ms. Beaulieu. Thank you for coming in and sharing your presentation with us.

In your work, I'm sure you come across many people who are struggling, some with jobs and some without. One of the things that we know through the Changing Workplaces Review is—we heard from people about the

changes they wanted in the workplace. We also heard very clearly, notwithstanding that, that people were struggling to make ends meet on the wages that they were getting. That's where the increase in the minimum wage came from.

But I'm also wondering, in the work that you do and the people you come across, has there been a disincentive to work because of the nature of the conditions of employment and low wages, such that these changes might actually bring more people back into the workplace?

Ms. Nicole Beaulieu: I think that if you treat people fairly, of course they want to go to work. I definitely know that my generation and younger have struggled with a lot of disadvantages, harassment and unequal treatment within the workplace. I know that the people we see at the United Way—I don't think that there's a disadvantage to want to work; everyone wants to work because they need to get by. But I do think that if we make our laws fair, of course that will be much more of an incentive to want to go into work every day.

1340

Mr. Peter Z. Milczyn: With people of your generation, in particular, who are juggling jobs and school and work and so on, do you think the combination of free tuition for many students coupled with a higher minimum wage is going to have a significant impact on their ability to study and to excel in their studies?

Ms. Nicole Beaulieu: I hope so. I think we can always improve, but this is definitely the right step forward. As Sam mentioned this morning, the tuition rebate doesn't apply to everyone, so I'm curious to see how that goes. But a lot of these gains are, like I said, heading in the right direction and will hopefully help students get ahead. I do think that allowing students to get minimum wage, not student wage, would also be improving even more.

Mr. Peter Z. Milczyn: Another element of the bill is increased enforcement and the plan to almost double the number of employment standards inspectors or officers in the province over the next few years. In your experience, do you think that young people, in particular, as they start working, are aware of their rights as employees, and of employers' obligations to them in the workplace?

Ms. Nicole Beaulieu: No, I don't think they're very aware of it. I think that's one of the biggest issues. I volunteer at a workers' centre in Sudbury, and we see many youth walk through the door who were never given that page that legally you're supposed to get when you start working and that outlines your rights under the Employment Standards Act. There's a lot of misinformation; they were never trained properly. Like I said, they are taken advantage of, and it's very scary because it's always coupled with harassment.

Mr. Peter Z. Milczyn: So it's not just about the minimum wage. It's about conditions in the workplace and also making sure that there are some teeth to the enforcement and that people are informed of their rights.

Ms. Nicole Beaulieu: Absolutely.

Mr. Peter Z. Milczyn: Thank you very much.

The Acting Chair (Ms. Soo Wong): Thank you. I'm going to turn it over to Mr. Yakabuski to start this round of the conversation.

Mr. John Yakabuski: Thank you, Chair, and thank you, Nicole, for joining us this afternoon.

Mr. Milczyn asked you about the possible effect of changes to the tuition cost. When I talk to United Ways all across Ontario, one of the biggest reasons that people are relying on the United Way is the cost of hydro, because it has gone up so much under this government. I'll ask you to comment on that, what kind of an impact that has had on the number of people who come to the United Way for help and assistance.

But I also want to ask you a question with regard to this: We heard from the chamber this morning; we heard from small business. I know in my riding, United Way relies very much on small business for much of its source of revenue, and on the small business entrepreneurs in those communities. Per capita, they're some of the best contributors to the United Way's funding programs. If they are faced with a sudden increase in their costs—I know we say it's over a few months, but it is in a fairly short time frame—they're going to have to make choices.

How do you feel that could impact the revenue stream of charities such as the United Way, if employers are faced with the choice between, "Do I keep this person? Do I cut my wages?" Within 18 months, it's a 31% or 32% increase in some of those wages. "Do I keep these people working? Do I cut back their hours, or am I going to cut back on my charitable donations?"

If you could respond to that, I would appreciate it.

Ms. Nicole Beaulieu: Sure. First you wanted me to talk about hydro. I think that we're in a time right now where we're getting it from all sides. It's a mixture of our economic climate, the hydro rates, the tuition fees, everything. We're drowning in costs. But the United Way definitely—

Mr. John Yakabuski: Licence fees.

Ms. Nicole Beaulieu: What's that?

Mr. John Yakabuski: Licence fees—drivers' licences, everything.

Ms. Nicole Beaulieu: Yes, sure.

The United Way has seen an increase in questions and concerns and people struggling to pay their hydro bills. We run a Home Weatherization Program with our partners, which allows for retrofitting for certain homes and certain people who fit in the low-income category, so they can try to get their attic fixed up so that they can keep the heat in the house and get those lower costs on their bills. That's definitely something we've seen.

To your second point around small business contributions: Our workplace campaigns are actually run with both the employers and the employees. If the employees are making more, then they can contribute more. Also, if they are struggling, we are always open to many different kinds of partnerships to—like I said in my speech, we're always there to work together to figure out how to help our communities. If it's not through a specific corporate donation, it might be able to be in another way. So there are endless opportunities. Together, we are possibility.

Again, I think if the employees are getting paid more, the entire workplace campaign would still be able to generate donations if they wanted to give.

Mr. John Yakabuski: Thank you very much. I appreciate that.

The Acting Chair (Ms. Soo Wong): I'll turn to Ms. Forster.

Ms. Cindy Forster: Thank you for being here. I just have a couple of questions for you.

I know that United Ways in my area, in the southern end of the province, are struggling. There was a day not that long ago, maybe 10 years ago, when my local United Way was able to raise \$1.2 million without any trouble whatsoever. Huge campaigns went on in manufacturing facilities and larger employers. Today, they're hard-pressed to raise half of that in a year. Are you facing those same kinds of issues in your United Way?

Ms. Nicole Beaulieu: Yes. We're seeing it across Canada. I think, like I said, it's because we're getting it from all sides right now. In Sudbury, even the big corporations—our mining industry was suffering for a while. There are a million factors that come into play. But, as mentioned, there are so many different ways that we can partner. For example, our Home Weatherization Program is not putting our hand out to a business and saying, "Give us money to help your community"; it's "How can we help people fight energy poverty?" Then, we come up with this great program together.

There are a lot of different ways to help the community. I think we need to start being creative and working together, and looking at our new world of work and trying to come up with sustainability ideas that work for everyone and bring people together.

Ms. Cindy Forster: You made the comment that we need to make laws that are fair for everyone. When you look at Bill 148, there are, in a number of areas, whether it's organizing into a union or whether it's rules under the Employment Standards Act—they're not going to apply to everyone the way that they are. You have to work five years with one employer to get three weeks' vacation. How likely is it, anywhere today, with the clients that you see, that they'll actually be with the same employer for five years?

Ms. Nicole Beaulieu: Unlikely.

There are still huge gaps within this bill. The exemptions are definitely the main thing that I'm most concerned about. It's called the Fair Workplaces, Better Jobs Act. If it's going to be fair, it should be fair for everyone.

Our clients who use our services are struggling. But I can even speak personally: I'm 27 years old. I still haven't been anywhere for five years, and I've been working since I was 16. It's not for lack of trying, let me tell you that much.

Ms. Cindy Forster: You also spoke to the issue of two-tier wages and the fact that the government isn't going to address that in Bill 148; that they're going to continue to pay students and servers a lower rate of pay.

I was in Red Lobster last week in my area. The vast majority of the people working in Red Lobster on that

particular Saturday night were not students. They were middle-aged men and women just trying to make ends meet. People are at a tipping point, I think, in Ontario.

1350

Are your clients of all age groups?

Ms. Nicole Beaulieu: All ages, all walks of life. On that point, it does affect everyone. I truly believe the student minimum wage is age discrimination. I don't understand how it can be part of this bill at all, when we have a Human Rights Code in our province.

Ms. Cindy Forster: Anything else, John?

Mr. John Vanthof: No.

Ms. Cindy Forster: Thank you so much.

Ms. Nicole Beaulieu: Thank you.

The Acting Chair (Ms. Soo Wong): Before you go—you have until next Friday at 5:30 for any written submission. Thank you very much for your presentation.

SUDBURY WORKERS EDUCATION AND ADVOCACY CENTRE

The Acting Chair (Ms. Soo Wong): The next group before us is the Sudbury Workers Education and Advocacy Centre. Welcome, and good afternoon. As you probably heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will be coming from the official opposition party.

You may begin at any time. When you begin, please identify yourself for the purpose of Hansard. Thank you.

Ms. Jenny Fortin: Perfect. Thank you. Hello. Bonjour. Aanii.

My name is Jenny Fortin, and I am the executive director of the Sudbury Workers Education and Advocacy Centre, or SWEAC, the short form. We're an organization committed to supporting and educating workers in low-wage and precarious employment. We also organize many campaigns in the greater Sudbury area—decent-work campaigns such as the Living Wage and the Fight for \$15 and Fairness.

But before I talk about the centre, I just wanted to tell you a little bit about my own experience and personal struggle with precarious work, in particular while I was working for a fairly well-known sporting goods retailer in Ottawa.

Throughout my three years working full-time for this employer, I faced multiple violations of my rights, including multiple instances of bullying and harassment from management, threats of reprisals, and a complete disregard for the Pay Equity Act and Employment Standards Act when it came to me receiving the same pay as my male counterparts. Doing the exact same work, they were receiving \$5—or more—more than me per hour.

One specific instance of these violations was when staff were told on numerous occasions that during large sales days, if we were to go and have our lunch break—the employer supplied pizza during this time. If we took pizza, we were actually giving up our lunch break. We

were only allowed five minutes to eat the food, and then we were expected to go back to the floor. These days often ran about 10 hours or longer, in shifts.

This instance, and others similar to it, had many negative effects on my social, mental and economic well-being. I became depressed, suffered from frequent panic attacks, and developed back and joint problems from standing on a concrete floor.

With my husband in school full-time and only able to secure short-term contracts, we had no other choice but to accumulate massive amounts of debt, credit card debt, and often were faced with notices of eviction and notices to pay rent, hydro and student loan payments.

Fast-forward to today, where I'm very, very fortunate that I have decent work and decent pay. But I still have to supplement my husband's income, because he still can't get permanent, full-time work. We're still scraping by, paying off the debt and scrambling to make ends meet in an economy where the bottom line keeps rising above our heads.

The sad thing is that my story really isn't that much different than those of the many workers I speak with daily.

Since SWEAC's inception in 2013, we have helped over 466 individuals with workplace education and support on issues related to their work, as demonstrated in the handout I provided. Most of the support we provide is in relation to unpaid owed wages and helping people file claims with the Ministry of Labour and the Ontario Human Rights Tribunal.

Since 2014, our support services and strategies have helped workers in northern Ontario recover \$25,000. That's money coming back into the community, going towards their rent, going to pay their hydro and going to pay their kids' daycare.

It is for these reasons that the workers' centre supports Bill 148's amendment to embed the \$15, phased in through January 1, 2019, in the ESA.

Additionally, we support the written submission and recommendations put forward by the Workers' Action Centre, Fight for \$15 and Fairness, and Parkdale Community Legal Services.

If we continue to allow our minimum wage to remain under \$15, we are setting a precedent in society that permits the devaluation of certain work and workers over others, despite utilizing and relying on these services on a daily basis. My example would be Tim Hortons.

Working a minimum wage job, just like any other job, is hard work—and they deserve pay that appropriately reflects this and allows them to fully take part and play an active role in their community.

Personally, a \$15 minimum wage couldn't come any sooner for me, and it means so much. It means having a living wage. It means that both my partner and I can finally pay off our student debt, which is about \$50,000. It means not asking my parents for help when I need medication or emergency dental work.

Most of all, it means having a family. I'm responsible. I can barely even pay for my own food and my own rent.

I'm not going to bring kids into this world if I can't provide them with the same things that I was provided when I was young.

In closing—I'm sorry; I'm crying—I would really like to thank you for your time and for taking the much-needed steps in creating a fairer and more equal workplace for the future, one where our labour laws truly reflect the struggles of the working class. We all know that a healthy workforce, one that enjoys income security and decent working conditions, is essential to the social and economic well-being of our communities.

Thank you.

The Acting Chair (Ms. Soo Wong): Thank you for that.

I am going to turn to Mr. Yakabuski for this round of questioning. Mr. Yakabuski.

Mr. John Yakabuski: Thank you, Jenny, for joining us this afternoon and for that emotional testimony.

Ms. Jenny Fortin: I'm sorry I cried.

Mr. John Yakabuski: I hope things work out for you and your husband, and I hope that the future is brighter than the past has been, and brighter than even the present. At least it looks like things are working in the right direction, but you've certainly had your challenges, as many people do.

We know that in this economy, there are an awful lot of people who are living in precarious jobs. We all want to see people prosper. I think there are different views about how we are going to get there.

I certainly understand your position, as you've articulated it. I have no direct questions. I don't want to put you in any difficult or uncomfortable situation.

Ms. Jenny Fortin: Ask away.

Mr. John Yakabuski: But my questions would be with regard to if we actually create more opportunities or close some opportunities, at least in the short term, if business is faced with a huge increase in their costs. The increase is going to come immediately on January 1, and immediately on January 1, 2019. You can't increase your revenue in the same time period. There's no vehicle for a business to say, "On January 1, 2018, my revenue is going to go up 22%. On January 1, 2019, it's going to go up another 11% or 12%." We live in a free marketplace.

But I do understand where you're coming from, and I appreciate your testimony. Thank you for joining us today.

Ms. Jenny Fortin: Thank you.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Thanks, Jenny, for being here. Don't apologize for being emotional. It's good.

What I take from your presentation is that you're supporting the recommendations of the Workers' Action Centre and Parkdale, which are to have laws that apply to everybody and not just to certain sectors of our society.

Ms. Jenny Fortin: Correct. Right.

1400

Ms. Cindy Forster: The government is actually proposing card-check certification for three specific

sectors—the construction industry already has it—but for no one else. Do you have any comments on that process?

Ms. Jenny Fortin: Not really, because at the workers' centre, we help non-unionized workers. I see more the exemptions—and eliminating those, as just eliminating a lot of confusion across the board.

We go into schools and we do school presentations, and then we tell students they don't get the three-hour rule, and their jaws drop—or their mom is a massage therapist, and she doesn't get minimum wage. They just don't understand it. To them, it's just not creating a fair and equal workplace.

I would really like to see, as Nicole said before me, the exemptions be eliminated right across the board.

Ms. Cindy Forster: Right, so that they would apply to everybody.

Ms. Jenny Fortin: Correct.

Ms. Cindy Forster: With respect to the two-tier wages, the different wages for servers and for bartenders—

Ms. Jenny Fortin: At the workers' centre, we get a lot of instances where we have bartenders come in, because there is something called the mixed rate in the Employment Standards Act currently. If you're not serving liquor or alcohol but you work in a bar—say a server might go and wash dishes for a couple of hours—they're supposed to get the general minimum wage for those hours of not serving liquor. But we're seeing a lot of instances where that rule is not being followed, and these individuals continue to get the server general minimum wage.

I would like to see the server minimum wage as well as the student minimum wage—which again, Nicole said, is age discrimination, any way you look at it. You're paying somebody less because they're younger. We have laws, Ontario human rights. That's the law that protects that. I really don't understand why it's still in the Employment Standards Act. It's boggling.

Ms. Cindy Forster: You said that you've helped 466 individuals over the past couple of years and were able to obtain significant amounts of money, from employment standards and from human rights, around lack of enforcement, because there wasn't enforcement with those particular employers, so they weren't actually paying in accordance with the laws.

Ms. Jenny Fortin: Right. Their rights were being violated. Most often, we're seeing it around termination pay and severance pay. The employers, assuming that they just have the right to fire an employee, often try to cite misconduct as a reason, because that avoids their obligations under the Employment Standards Act. If they can prove that there is a loss to them and that provides a reason to fire those employees, then they don't have to pay termination pay. We're finding that a lot of employers are citing that, and the employee was wrongfully terminated, so they were owed their termination pay.

Our method is we try to reclaim it. We often try to mediate with the employer before going to employment standards, because that's what you're supposed to do

when you file a claim. Then if that can't be resolved, we'll bring it to the ministry.

Ms. Cindy Forster: And you've been quite successful.

Ms. Jenny Fortin: We've been very successful. We've only been tracking our data since January 2014. With our capacity, there's a lot of data that we haven't been able to track, but it's quite startling.

Ms. Cindy Forster: Then you raised the issue of medication, and the struggle to pay for medication.

Ms. Jenny Fortin: Yes.

Ms. Cindy Forster: We introduced a universal pharmacare program that probably would have assisted you with some of those medication costs.

Ms. Jenny Fortin: Yes. It's great that youth are getting medication; I have no quarrels with that. But it's still really expensive. My partner works minimum wage, and I have a puffer that I have to take every single day of the month. It costs me \$125 for a month of my medication.

On top of that, if I get sick, we're not able to put money aside, because everything we make is going to pay off our debt that we've accumulated. We don't really have those backup sources, so I have to ask my parents. I'm very fortunate that I have parents who can help me, because I know there are not a lot of people out there who have that option, right? But it's not helping the economy any better if I'm going to my mom and dad for money because I can't afford it.

The Acting Chair (Ms. Soo Wong): I'm going to stop you here, ma'am. I'm going to turn to Mr. Milczyn to start this round of questioning.

Mr. Peter Z. Milczyn: Thank you for coming out this afternoon and putting a real face to the challenges that we hear people face all over the province.

This morning, we heard from some who were supportive of the changes in the bill and of the increase in the minimum wage but said, "Not now. It's too fast. Later—three years, five years." Thank you for coming out and putting a face to someone who can't wait five years or three years.

I wanted to ask you, because of some of the experiences that you had—whether you knew your rights or not as an employee, it seems like there wasn't enough help for you to get them enforced. When you were working for that sports retailer in Ottawa, did you know what your rights were? Did you have somewhere to turn to help you with them?

Ms. Jenny Fortin: Yes. I'm very lucky that I came from a really strong labour family, so I had a good sense of what was right and wrong, but I never had anybody go through my rights. In fact, until I started working at the workers' centre, I didn't know a lot of the rules and regulations in the Employment Standards Act that I could have used to protect myself better and protect my co-workers better.

In fact, the reprisal I faced was because I was trying to unionize this sports store and the employer actually told me—I got brought into the office with my manager, and

they told me I was being really negative. I said, "Of course, because you don't pay us well and you have us work ridiculous hours." There would be days where I would work 16 hours. On days where we would do inventory, we would work 16-hour days. We were expected to stay there the whole time. We were never even given the paper to sign or told that we could leave or anything. So I've never had those rights told to me.

We've educated over 1,500 kids in the Greater Sudbury and surrounding area since we've opened the workers' centre. Many have no idea what their rights are, or they are being told their rights from the 1990s, what their parents used to have when they were teens, and they just don't apply anymore.

Mr. Peter Z. Milczyn: In this bill, we're looking at strengthening enforcement and almost doubling the number of officers over the next few years. I assume that would be of assistance to the people you are dealing with now.

Ms. Jenny Fortin: Definitely. And I'd like to see more blitzes, especially in northern Ontario. I'd like to see those numbers be more than they are—because I know they're on the ministry website, but I feel like a lot of the focus is on southern Ontario. I really don't hear about blitzes happening too often in the north.

Mr. Peter Z. Milczyn: That's a good point.

I was just wondering: The increase in the minimum wage that is going to be coming should the bill be passed, coupled with a reduction in hydro rates, coupled with—maybe it's too late for you and your husband now—free tuition, and free pharmacare for those 25 and under, is that going to make a significant impact in people's lives and their ability to get on their feet starting out when they are young?

Ms. Jenny Fortin: I think it really will, and the sooner the better.

I know there's the argument that small business just can't keep up. Well, you look at the Living Wage campaign across Ontario, and there are many small businesses—many businesses of different sizes. We have the Social Planning Council of Sudbury that is paying \$16, and we have Muskoka Brewery that is paying a living wage. My friends own the little Boardroom café in Guelph, and they were a living-wage employer right out of school. So it can be done. They just, time and time again, show that employee retention is better. They don't have to spend additional costs on training. Their employees like them more, so they speak up more in the community about the business. All of these things add to the businesses' growth. So they might not see growth immediately and they might dip a little bit, but I think in a couple of months it will come right back up and above what they expected. People have more money to spend, too.

Mr. Peter Z. Milczyn: Any increase in your wages—where is that going to go?

Ms. Jenny Fortin: In my wages?

Mr. Peter Z. Milczyn: Yes.

Ms. Jenny Fortin: It will go to paying my student loan. It will go to savings and having that emergency

fund so that I don't have to go to my parents for money. It will go to starting a family, which is what I want to do. I'm in my thirties. I shouldn't have to go to Mom and Dad for money.

Mr. Peter Z. Milczyn: Thank you for coming in today.

Ms. Jenny Fortin: Thank you.

The Acting Chair (Ms. Soo Wong): Thank you so much for being here. Before you go off, if there is any additional submission you want to make to the committee, you have until next Friday at 5:30 p.m. On behalf of the committee, I want to say thank you for your presentation and also for your courage.

Ms. Jenny Fortin: Thank you so much.

DYNAPPLE MANAGEMENT CORP.

The Acting Chair (Ms. Soo Wong): The next witness before the committee is Dynapple Management Corp. Good afternoon, sir. Welcome.

Just so everybody understands, the air conditioner is on. Please speak close to the microphone so that your message and your questions can be heard for Hansard purposes but also for everybody—because I believe this is streamed live. Right? Am I correct?

1410

Good afternoon, sir. As you've probably heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questions will begin with the third party. You may begin any time. Please identify yourself for the purposes of Hansard. Thank you.

Mr. David Snutch: Hi, my name is David Snutch. I'm the president and the operating partner/owner of a company called Dynapple Management Corp. We operate 13 Applebee's franchisees across Canada, five of which are in Ontario. We have 25 full-time employees in Ontario and 171 part-time employees. Our gross payroll in Ontario is about \$3.3 million. Our Ontario sales are about \$10.8 million. We serve about 600,000 guests in Ontario every year.

This restaurant business has been getting tougher and tougher and tougher, not only for myself but for many of our competitors. As you see on the second page that I've put up there, the operating margins—I know sometimes you get presentations from Restaurants Canada etc. as far as what the margins are like, but these are my actual results for this year, in 2016, and as you can see, our payroll costs are by far our largest expense. They're at 35%. At the end of the day, we've got an EBITDA of about 4% or 5%, and that's before I have to pay my \$72,000 mortgage payment on the money I've borrowed to build these restaurants over time.

If we go ahead with these proposed changes as they are, my labour costs will jump to about 43%. A lot of people just talk about the minimum wage going up. They're forgetting about the 20%, approximately, in burden that we have to pay on top of that minimum wage. So it is going to be a hefty, hefty challenge for us.

Some of the answers I've heard from people who are for the minimum is, "Increase your prices." It's not that easy. I don't have an exact number on how many customers we lose each time we raise prices, but a general rule of thumb that I use for myself is if we raise prices 3%, we lose 3% of our customer base; if we raise prices 5%, it's 5% of the customer base. You just get to the point where it's too expensive for people to continue their buying habits with everything else that they've got going on. People on fixed income etc. can't afford the higher prices that we have to charge.

On the next page, I show that if this minimum wage goes through, it will cost me, in Ontario, around \$692,000 a year. Well, there's not \$692,000 left over at the end of the year to pay it, so I'm a little concerned about where that comes from. And that's before we add on the 15% to 20% in burden. I have to raise my prices more than just the \$692,000 because I have landlords and lease agreements that are on percentage rent which goes up. I'm a franchisee. I pay on percentage sales. I'm forced to spend a percentage of my sales on advertising. Some of our contracts that we have with suppliers are all based on a percentage of sales, and all of my suppliers who sell me food, clean the windows, clean the carpets are going to have to increase their minimum wage, so our prices are going to have to go up a lot. I'm expecting big customer declines.

The one thing, though, that I want to focus my time here on is one issue of this act which I just don't understand at all, and I think it's absolutely loony-tunes that something hasn't been done about this—not just with this current government but with the Conservative government before that and every other government before that—and that has got to do with the server wage. I was raised in Sundridge, just down the street. My parents had a resort down there. I went to hotel and management school up here at Canadore in North Bay, and my parents paid for my tuition and accommodation—probably—I can't remember exactly. But I wanted to make extra money so I got a job at the Pinewood, which was just down the street. I worked there on Wednesday, Thursday and Friday nights. I never went home at the end of the shift without \$100 to \$300 in tips, and that's in 1979.

We've got a situation going on right now where we're trying to make this fair, but this is not fair at all. On the next page of the presentation—sorry. If you go to the one with all the blue dots—

The Acting Chair (Ms. Soo Wong): Can you please wrap up your presentation? Thank you.

Mr. David Snutch: All right.

In following that page, you'll see some very detailed stuff, because associations throw out numbers all the time. Tips could be this; tips could be that. I've listed what every single employee makes in our company in tips in Ontario, and we're averaging well over \$30 an hour. Now you tell me that it's the responsibility of the government to give someone who's making \$30 an hour another \$2.10 increase? That is loony-tunes. It doesn't make any sense.

In addition to that, all this money—you guys are encouraging all these tax-free, under-the-table payments that you don't enforce, that you don't do anything about. If we had to bring the tips—

The Acting Chair (Ms. Soo Wong): Okay, I'm going to stop you there. I told you to wrap up. I'm going to turn to Ms. Forster for this round of questioning. Thank you.

Ms. Cindy Forster: If you want to finish, you can use a couple of my minutes.

Mr. David Snutch: I certainly do, thank you. I was hoping, since it happened before.

If we only brought in and enforced tips as income in Ontario for the employee, probably just what I would have to pay out on my workmen's compensation payments would be another—sorry. If I expand it out to the size of the restaurant market in Canada, it's about another \$26 million in WSIB payments. It's another \$37,000 in employer health tax payments that would have to be paid. It's another \$220,000 in UIC and CPP payments that you're not collecting because you fail to recognize the \$30 an hour that people are really making as servers. And if you think our numbers are high, you should just see what the Keg's or the high-class, upper-end restaurants' are. If you want to get a level playing field, take some of that away.

In Michigan right now, they have a \$3.37 server wage, but they also have an \$8 minimum wage, and it's up to the employer to prove that the employees, with their base pay and their tips, exceeded the \$8, or they pay. We're so far behind the United States up here. In the United States, every single restaurant operator has to report the tips to the government so they can be properly taxed. That is huge money that we're just leaving on the table.

Where this minimum wage came from in the beginning, I think, was, "Oh, give them a \$2 discount, because that's probably what they make in tips." Maybe that was the old days of cash. Now 91% of my payments are electronic. I can tell you exactly what every single person is making, and if you assume that the other 9% tips the same as the 91% electronically, that's where you get your \$30. I've laid it out there on every single one.

I really think this is an opportunity for us to level the playing field between the tipped and non-tipped, because the tipped are getting way too much. That's why when you go into restaurants, you're starting to see less people on the door. You've got to find your own seat.

The numbers are there. I'll meet with any one of you individually, and I'll take your questions.

Ms. Cindy Forster: Thank you so much. I only have one question: Are you opposed in general to a wage increase, server wage rate aside? Are you opposed to the \$15 minimum wage?

Mr. David Snutch: The number one thing in the bill is increasing the server wage by one penny. It doesn't make any logical sense to me whatsoever. After that, I don't know how much the minimum wage would really affect me, because the rest of that is back of the house, and we can't hire people for minimum wage in the back of the house, or they certainly don't stay very long.

Ms. Cindy Forster: I see. So it might assist you.

Mr. David Snutch: It might assist? No, it won't assist, but it doesn't really—

Ms. Cindy Forster: If people made a little more money, you might not have the turnover.

Mr. David Snutch: No, no. I'm saying I'm paying them over that now.

Ms. Cindy Forster: Oh, you're paying them over it now. Okay. I missed that.

Mr. David Snutch: Yes.

Ms. Cindy Forster: Okay. Thank you.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Mr. Milczyn for this round of questioning.

Mr. Peter Z. Milczyn: Good afternoon, Mr. Snutch. I see that you've been here all day waiting and listening, so I appreciate your—

Mr. David Snutch: I've never done one of these things, so I wanted to get the feel of it.

Mr. Peter Z. Milczyn: I appreciate that. You've been here for the whole thing.

Your statement here is really interesting. I hear what you're saying on this one issue of the servers. You're saying there are other jurisdictions, especially in the US, where the government requires restaurant owners, bar owners, to report all the gratuities that they can. I guess some of the cash ones would be difficult to report, but—

Mr. David Snutch: No. If you want to know how they do it in the States, they come in and they assume tips are 15%. If a business is doing \$3 million, they assume it's \$450,000. You tell them where the \$450,000 went, to which servers, and whatever you are short, they tax you.

1420

Mr. Peter Z. Milczyn: I'm sure you wouldn't be happy about that part.

Mr. David Snutch: I'm fine with that. But one thing I hate is rules that aren't enforced. Why have them to begin with?

Mr. Peter Z. Milczyn: There are other aspects of Bill 148 that might affect your business: the provisions around scheduling, and equal pay for full-time versus part-time employees. Do you have any concerns about those aspects of Bill 148?

Mr. David Snutch: Not really, other than interference. Probably 95% of our schedules are done two weeks ahead of time. I don't want to get a fine because a manager is sick and doesn't get it out on time. That would be the only smaller point.

What was the other issue you brought up?

Mr. Peter Z. Milczyn: Scheduling, and also paying full-time and part-time employees the same rate if they're doing the same job.

Mr. David Snutch: I believe we comply with that right now. Most of our servers are working probably 20 to 25 hours a week. The managers are the people who are on salary and are there all the time. I believe we already comply with that, so that doesn't bother me at all.

Just in numbers—even though they're only working 20 or 30 hours a week, at \$30 an hour, they're making \$900 a week, even though you might say it's part-time.

They'd have the same disadvantage if they worked at Tim Hortons and were only getting \$15. They're not getting full-time employment. And \$30 an hour works out to \$67,000 a year, if you work 40 hours a week.

Mr. Peter Z. Milczyn: In your establishments, I assume the tips are pooled and then disbursed differently to servers, busboys or—

Mr. David Snutch: No. The new tip policy that is in place prohibits us from doing that for two reasons. I know you'll say that it technically doesn't. We do in the western provinces. But in Ontario, if you have any type of official tip-pooling policy in place, it's considered a controlled tip. If you have a controlled tip, it's considered by Canada Revenue that you must pay it out and take all the proper deductions, which are CPP and EI. Who pays for the employer portion of that? Because I'm not allowed to offset any business expenses.

I would love to have a tip pool, but we can't. What has happened in Ontario is that everybody has gone underneath the table. Nobody has got an official tip-pooling policy. They leave it up to the staff to tip each other out, and it's just a mess, is what it is, because there is no official policy, other than credit card commissions. So, it's all under the table.

Mr. Peter Z. Milczyn: Thank you very much. I'm sure the Minister of Finance will be very interested in this.

Mr. David Snutch: I'd love to. Let's have a set of rules and live by them.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Mr. Fedeli for this round of questioning.

Mr. Victor Fedeli: Thank you for being here today, David.

Let me get it clear: You're saying, on page 4, that the average real wage is approximately \$30 an hour for your servers and bar staff.

Mr. David Snutch: Yes. The highs and lows are on the details for each restaurant.

Mr. Victor Fedeli: Yes. I saw a couple of them there. I wouldn't mind being Server Number 7 in Windsor.

Mr. David Snutch: This is so simple to calculate. There's a POS system. For a person to get a tip, it goes on a credit card and it comes to us. The server puts out their hand and says, "Give us this much money." Of course, it's all electronically recorded, who served the table and who got the payout.

Mr. Victor Fedeli: Yes, it's brilliant.

You're here with a couple of issues. First of all, you're saying that you shouldn't be expected to pay \$2.60 an hour more and then \$3.60 an hour more.

Mr. David Snutch: Everything I've heard today was because we are trying to get the living wage up, okay? This is not getting the living wage up. You might as well start putting policies in place on what a middle manager will get paid and what a senior manager would get paid. Pretty soon, if it keeps going this way, you might as well just tell the business owners how much we can make, and then we'll just give everything else back. There are a lot of rules.

Mr. Victor Fedeli: I'm still trying to get at this. What you're saying is if and when this goes into place in January, you believe that your industry should be exempted from any kind of an increase, because you're already there.

Mr. David Snutch: Exactly.

Mr. Victor Fedeli: I'm not trying to put words in your mouth. I'm just trying to—

Mr. David Snutch: And if you want to go a step further, I believe anybody who receives tips should be in the same category.

Mr. Victor Fedeli: Okay.

Mr. David Snutch: The reason they don't do it is because they can't keep track of how much in tips the bellman gets, because it's all cash. But if the employer can prove—and I think the onus should be on the employer to prove that that person—and not on an annual basis, but every single payroll. The person gets paid an amount. You divide that by the number of hours they worked. If it exceeds the minimum wage, there's no other payment, and if they're short, the employer has got to make it up.

Mr. Victor Fedeli: Are you or your association—if there's an association at all—are you planning on asking for some kind of an amendment to the bill that takes that into account?

Mr. David Snutch: I'll ask for it myself. I know there might be a lot of people in this business who have different opinions than me, so I wouldn't say I'm part of an association or anything. I'm just speaking as a businessman who has got to pay bills. It's getting very difficult. When I look at everything, I'm saying, "Holy smoke. How much are people willing to pay to have their drinks or their food brought to the table?" You're paying somebody—it's you who are paying them—well, we're both paying them, I guess—\$30 an hour to bring us drinks.

Anyway, my point is, it's beyond what you're trying to do with the minimum wage. It's up here. There are so many other things that we could do. If I didn't pay that out, maybe I could push more wages to the back of the house.

Mr. Victor Fedeli: Let's assume January 1 happens, and this all is implemented, and no changes are made. What do you intend to do? What are your thoughts?

Mr. David Snutch: I really don't know at this point. Obviously, it will be a combination of price increases. I've got to come up with \$392,000, or whatever it is, to keep things the way they are. I can't find that page. Sorry, it's \$493,000. I wouldn't necessarily say there will be fewer servers on the floor, because we still have to look after customers. I can see maybe the senior management going from a four-manager team down to a three-manager team and then being expected to serve tables during their shift, which may knock a server out, but there will still be as many people on the floor.

I just don't know where to make it up. I'm not sure what the full impact is going to be with all the—whatever you call it—

Mr. Arthur Potts: Trickle effect.

Mr. David Snutch:—supply chain trickle effect. Thank you.

The Acting Chair (Ms. Soo Wong): You have one minute.

Mr. John Yakabuski: Thank you, Chair.

What you're saying, when you're talking about amending the formula with how we calculate the earnings of servers, is that if they were to meet the minimum—like, it's not so much the minimum wage. Let's just say, for the sake of argument, that the minimum wage is \$15—

Mr. David Snutch: Then they should be guaranteed \$15.

Mr. John Yakabuski: That's exactly what you're saying, then. If they're making \$15, fine. If they're not making \$15, it would be up to the employer—

Mr. David Snutch: To prove it.

Mr. John Yakabuski:—to top it up to \$15. But if they are making it—your data is saying they're making it, and significantly more. So you're fine, as long as that's what they were making and they would not be getting less—

Mr. David Snutch: The minimum wage, yes.

Mr. John Yakabuski:—than the minimum wage if they were not a server.

Mr. David Snutch: That's right.

Mr. John Yakabuski: Thank you very much.

The Acting Chair (Ms. Soo Wong): Okay. I'm going to have to stop you, gentlemen. Thank you so much for your presentation, sir.

The next group before us—

Mr. David Snutch: Don't forget about all those extra taxes you can collect.

The Acting Chair (Ms. Soo Wong): Thank you, sir. Thank you for being here.

METAL FAB LTD.

The Acting Chair (Ms. Soo Wong): The next presenter is from Metal Fab Ltd.: Karen Grasser.

Welcome. Thank you for being here, and good afternoon. As you probably heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will be coming from the government side.

You may begin at any time. When you begin, please identify yourself for the purpose of Hansard. Thank you.

Ms. Karen Grasser: Good afternoon. My name is Karen Grasser, and my husband and I own a manufacturing company in North Bay called Metal Fab.

I think I have a very unique perspective on this whole idea, as we presently have 74 employees, all full-time. We don't hire anybody part-time.

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We represent the welding, machining, powder coating, fabricating, one-stop, you-got-it mining sector in North Bay. It started in 1980 with my father-in-law and three employees, and has gone to 74. Presently, our son is 19,

and he's got the hopes of taking it over and he's being groomed for it, much to my chagrin. I've done everything in my power to tell him, "Sell this sucker. Let's get rid of it," because it's a dying business.

I wasn't going to get personal when I came up here because, in all honesty, we probably have about five employees who fall on the minimum wage, maybe a little bit more. Most of our employees range anywhere from \$18 an hour to \$35 being the top. That being said, those are men who have skills, who are definite assets to our company. My biggest issue is when I get an 18-year-old fresh out of high school coming in and telling me, "This is what I want to make." Well, there's the door, because, "Tell me what you have." "Nothing. I've just got my grade 12." Okay, fair enough. I have my teaching degree, and I gave up my teaching job to work with my husband.

We really promote co-ops. We promote apprenticeships. We have 10 of them on the go right now, but you move up the pay scale with what you acquire.

I was hearing from the other gentleman, about his payroll. I wish I had his. Ours is \$5 million a year. Right now, that is more than 50% of our gross sales. We presently pay \$10,000 a month in hydro costs. We presently pay \$250,000 for our employee benefits; we pay that ourselves.

I like to call us one big, happy, dysfunctional family. We know everybody's kids. We know where they live. We know when somebody is sick. We know when they have a spouse who is dying. We know everything about everybody. They know when my husband and I could kill each other and days like that. But at the same time, we all live in this community, and North Bay has suffered for a long time.

The boom was in 2008. That's when things really got going. After that, in 2010—no, 2008 is when they fell; 2010—I can't remember. Anyway, my husband, in one week, went down to 30 employees. He had to lay them all off, and he came home and cried, literally broke down, because he knows that he's going to see these people at the grocery store.

My issue is, like the other gentleman, where do we get this money from? Our sales aren't increasing. We're barely scraping by to keep these guys employed as it is. Who do I go up to and say, "I have to let you go"? That's the toughest question. Who am I going to let go? To say that it's going to add anything to our economy—maybe it will. I can't say for the other industries, but for us, it's not going to. It's going to mean we're going to have to trim staff. Who do I cut? Who do I say, "I'm sorry, but I can't take you on as an apprentice" to?

That gets me on the whole other side of the teacher in me. Who is going to go to Canadore, who is going to go to Nipissing if they don't have any prospects of having a job in northern Ontario? I've been on the board at Canadore trying to get the apprenticeships going. We've had to send some of our employees to Sault, to Cambrian. Some of them just can't get their level 3 for their Red Seal. That being said, they're sitting there waiting year after year trying to get this because we can't

get the numbers to get the teachers to run the program. I just see this whole trickle effect. My husband and I have been sitting there racking our brains, saying, “What are we going to do with this?”

On the other hand, there’s the part of me that does agree, yes, I would love to see everybody make a little bit more because it’s got to be tough making minimum wage—

The Acting Chair (Ms. Soo Wong): Okay, I’m going to stop you here, Ms. Grasser. That’s your five minutes. I’m going to turn to the government side and Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Thank you very much for coming in and giving us yet a different perspective than some of the ones we’ve heard today.

The employees who would be affected by this change are the apprentices—

Ms. Karen Grasser: Entry level.

Mr. Peter Z. Milczyn: The entry level. I assume what you’re saying is that if you have to let somebody go, you’d let somebody go, but you just might not be able to create as many opportunities in the future—

Ms. Karen Grasser: And we’re going to have a shortage of skilled labour very shortly. Through the years, we’ve seen people retiring, and we don’t have the mentorship anymore. We probably have about 10 on staff, and my husband is one of them. He’s the owner. We’re 48. He’s been in this business since he was 12.

You’re going to start losing these mentors, and what’s going to happen is that these kids really want the trades, but there’s no one to teach them. So then what do we do? We have a robot. We bought a robot, the first one in northern Ontario, biggest robot in the city. That’s going to become the way of the future because you don’t have to pay WSIB; you don’t have to pay benefits. You have to pay one guy that can do the work for 10. We don’t want to go that way. What do we do?

Where does this come from? That’s my biggest question. I know you don’t have the answer. And, like I said, there has to be a way of helping everyone out, but there also has to be a way of helping businesses to sustain and keep going.

Mr. Peter Z. Milczyn: So have you accessed any of the programs that are out there to help companies hire apprentices, do some of that training—

Ms. Karen Grasser: We do all of that. We use YES employment. I mean, we could go to job-sharing and cut everybody’s job in half and put them all part-time. That’s not the answer. When you get slow and you start letting people go—unfortunately, if you get slow and you let them go, then they leave and they go to southern Ontario. Up here in the north, we’re facing increased hydro costs—well, all of Ontario is—increased travel costs—

Mr. Peter Z. Milczyn: You’re getting the 25% reduction starting this month.

Ms. Karen Grasser: Okay, so 25% on \$10,000—I’m trying to do the math.

Mr. Peter Z. Milczyn: That’s \$2,500 a month.

Ms. Karen Grasser: Okay, \$2,500 a month would be good, times 12. That would pay two guys’ salary, so that

gives me two more guys, I guess. I have a rebate already. I’m getting the best price on my hydro. But I have the extra cost of travel. We do a lot of work out of Sudbury. We do work in Val d’Or. We do work in Saudi Arabia. We fly drills over there through Boart. People don’t realize how big we are. But that’s what I’m saying. The bottom line is, it just keeps getting smaller and smaller. If you look back to the 1980s when my father-in-law had three employees, the profit margin was way bigger. You could offer a lot more to the guys.

Mr. Peter Z. Milczyn: And so, other than the minimum wage, are there any other aspects of Bill 148 that you have concerns about?

Ms. Karen Grasser: I’d just like to see the north get more. I would like to see the mining—I would like to see something happen to jump-start the north, because we’re slowly dying up here.

Mr. Peter Z. Milczyn: You need commodity prices to start going up.

Ms. Karen Grasser: That would be nice, yes.

Mr. Peter Z. Milczyn: Yes, that’s the main thing.

Ms. Karen Grasser: I know you can’t really control all of that, but just the overall effect—our gas just to transport our product is increasing. Like I said, our hydro, our taxes, what we pay in tax alone—we need to do that here in the north, but just any incentives for businesses. And that’s the problem. We’re a small business, but we’re really mid-size, I would say. With 74 full-time employees, I’d call us pretty big.

Mr. Peter Z. Milczyn: Thank you very much for coming in today.

The Acting Chair (Ms. Soo Wong): Okay, thank you very much. I’m going to turn to Mr. Fedeli for this round of questioning.

Mr. Victor Fedeli: Thank you, Chair. Hi, Karen.

Ms. Karen Grasser: Hi.

Mr. Victor Fedeli: Thank you for being here today. It’s much appreciated. Again, you bring another perspective to this.

There are probably about three or four things that I want to touch on. I’m really glad you talked about the north, by the way, and mentioned the north. Many people in this room—

Ms. Karen Grasser: I love it.

Mr. Victor Fedeli: We both do.

Ms. Karen Grasser: I’ve lived down south. I love all of it, don’t get me wrong, but—

Mr. Victor Fedeli: Many people in this room would not realize that even a year ago our labour market rate in Nipissing was at 65%, and last February it fell to 50%, which means only every second person in our region is working. Every other person is not, for various reasons. They may be retired; they may be unemployed; they may be not looking for work. But to have a labour market rate of 50%—you’ve struck it. We’re in crisis mode in the north; there’s no question. And I know when your hydro went up 300%—I’m not sure if you qualify for the 25%. I’m going to stop by in two weeks—

Ms. Karen Grasser: Perfect. We’re right beside Rotacan. You know where we are.

Mr. Victor Fedeli: Yes, I know where you are well. I cut the ribbon. I'm going to come over and we're going to have a look at your hydro bill to see if, indeed, you did qualify for any of the reduction. We're going to look at that as well.

I want to thank you for being here, because it takes a lot to come here and talk about your company and the people—

Ms. Karen Grasser: Well, I'm proud of our company. I'm really proud of it. Like I said, we are a very large dysfunctional family. We love our men and they care about us, and that's the thing. You have a huge company, but we're not like Ma Bell. We can't just get this money out of nowhere. We can show them the books, but where does it come from?

Mr. Victor Fedeli: Yes, and as you say, you're going to have that question in January: Who am I going to let go?

Ms. Karen Grasser: Yes.

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Mr. Victor Fedeli: I know you're going to be there, and I know you're going to make the right decisions, Karen.

It's interesting that you talked about robotics, and I'll tell you why, because we heard it yesterday and most certainly we've heard it since the bill was introduced. We've heard from so many people who say, "Well, we're just going to automate." Yesterday in Thunder Bay, one of the presenters talked about the fact that where you did see eight automated checkouts at a grocery store, you're going to see 28 now. Those were, I think, her exact words. In another, we talked about the fact that the car wash and the gas station are not automated in Marathon, Ontario today, but that's obviously the next way to go.

I told them that I live in the north, too. I live in North Bay, and you can't really find too many car washes or gas stations that aren't automated now. No more attendants—they're gone.

Ms. Karen Grasser: It's true.

Mr. Victor Fedeli: They were always here. I know my wife, Patty, does look for the one in town that she can find where someone will still pump the gas because she likes to interact with the people and likes to talk.

The concern, then, about what you said in the robotics: I know Canadore spends an inordinate amount of time on the ICAMP, a robotics camp.

Ms. Karen Grasser: Yes. We've toured it and it's a wonderful program. Unfortunately, the robot that we bought, you have to go down south to get the programming to run it—which is not a bad thing. It's just that I'd like to see it brought up to the north. That's what I keep telling all the young kids who are getting the trades. I said, "The trades are wonderful. Get your welding trades. Get your Red Seal. But then combine it with the robotics so that you can do both." Because you have to have that welding knowledge in order to do the robot and realize what it's making.

Mr. Victor Fedeli: That's what one of the people that I was talking to after the deputations said: The biggest

beneficiary of this bill may just well be the robotics sector and that if you're a young person, a young man or woman today, that might be the best field for you to go into.

Ms. Karen Grasser: Absolutely—because that one robot does the work, but unfortunately, it does the work of 10 individuals. So does that one robot get the job or the one individual who's running it to the 10 people that you don't need?

Mr. Victor Fedeli: Yes. I really appreciate you being here today, and all of the work that you guys do. I am going to pop by in a couple of weeks.

Ms. Karen Grasser: Please do. We'll welcome you.

Mr. Victor Fedeli: We'll have a look. At the end of the month, we'll have a look.

Ms. Karen Grasser: Come meet our big, dysfunctional family.

Mr. Victor Fedeli: I'll see them again. Thanks.

The Acting Chair (Ms. Soo Wong): Okay. Thank you very much. I'm going to turn to Mr. Vanthof to start this round of questioning.

Mr. John Vanthof: Thank you very much for coming, Karen.

I live just south of New Liskeard.

Ms. Karen Grasser: Nice area.

Mr. John Vanthof: Yes.

Ms. Karen Grasser: We go skidooing up there.

Mr. John Vanthof: I ran a dairy farm for 30 years. I'd really like to heckle Mr. Fedeli, but often—I've been an MPP for five years, and I don't know how many times we've stood in the Legislature and said that we should have committee meetings in northern Ontario for a lot of bills. Your presentation and the other presentations are one of the examples why. Because we are all part of Ontario, and we're proud Ontarians.

Ms. Karen Grasser: Absolutely.

Mr. John Vanthof: We're proud of Toronto.

Ms. Karen Grasser: Yes.

Mr. John Vanthof: But we have a different reality here. One of the things I think, and I'd like you to comment on this, is yes, we are dependent on commodities, but one of the issues we face is when commodity prices are down and when the forestry sector is down—and I'm farming, and farming is also cyclical. If the companies can't be sustained while the prices are down, when the prices go back up, they won't be there.

Ms. Karen Grasser: Exactly. Exactly.

Mr. John Vanthof: You just can't expect the industry—"Oh, the jobs will come back." No, they won't. I'd like you to comment on that, and I'd also like you to comment on some of the competition you face from other countries.

Ms. Karen Grasser: Oh, absolutely.

Mr. John Vanthof: If you could comment on that.

Ms. Karen Grasser: Absolutely. I think that that's one of our biggest issues. Again, like I said, when the market did drop, my husband kept his men on so that he wouldn't lose them in the hopes that it would come back. It's trickled and there have been little bumps in the road, but that's exactly what happens.

I'm not putting anybody else down, because I know jobs are hard to find, but when you constantly bring in call centres that only pay minimum wage or the bare minimum, to me that's not a true job. If you want to start a family, you want to reside, you want to stay somewhere, you want to put roots down, you need good-paying manufacturing jobs.

Unfortunately, we don't have the population in the north that they do in southern Ontario, I feel, so maybe that sways things a little bit. I don't really know what the answer is because we are so spread out here. Like I said, we've tried to rack our brains many times, trying to figure out how to better ourselves.

Unfortunately, because we are an OEM, we don't produce anything. We are reliant upon companies such as Boart Longyear, which has been in trouble for a long time. Again, we're cyclical, so we go in line with the mines. If the mines aren't producing, we're not. When my father-in-law had the company, he may have had two customers; we probably have 150. We had to diversify when the bottom fell out, so we've gotten that many more clients. But again, everybody's sitting in the same boat, and you're trying to make them all happy.

How do you compete with China? I don't know. My husband said the steel is not the same as it was years ago—that seems to be levelling out a little bit—just for the quality of it. He said that that's the problem: You have to buy the higher quality. But if you buy the higher quality, you're going to pay a higher price. That being said, your prices have to go up, but if you go up too high, then you don't get the job.

Wave the magic wand. I don't know what the answer is.

Mr. John Vanthof: Is it fair to say that what brought you here today isn't simply the minimum wage, but it's the unique conditions we face—

Ms. Karen Grasser: Everything, yes. Like I said, I think that people should make more. What I'm afraid of, though, is the ripple effect, and the fact that if they go to \$15, then I'm going to have guys who are making \$25 saying, "Well, if he's only starting and he got a raise, then I want a raise." If I can't afford to pay people the higher minimum wage, how am I going to be able to move my payroll up another \$1 million? I just don't have it.

When your sales are \$10 million or \$12 million a year, you still have to put in your cost of sales. You still have to put all of your overhead in there. It doesn't keep the lights on. I'm back at the fact of, who do I lay off? I don't want to lay anybody off.

Mr. John Vanthof: And it's an overall fine. The government is talking about a 25% rebate now, but it was under this government that a lot of our prices have gone through the roof in northern Ontario as well.

Ms. Karen Grasser: Exactly. Like I said, I like the young guys who come in—or women. We've had some women who are getting into the trades; that's awesome. We want them to take the apprenticeships. Like I said, we've got 10 of them right now, and we would take

more. But you have to have supervision there. You have to have mentorship, and you can't do that if you can't carry the staff.

The Acting Chair (Ms. Soo Wong): Okay, I need to stop you there. Thank you very much for your presentation.

Ms. Karen Grasser: Okay, I will send something out.

The Acting Chair (Ms. Soo Wong): If you want to give a written submission to the committee, you have until next Friday at 5:30. Thank you very much for being here.

Ms. Karen Grasser: Okay. Thank you.

ENVIRO-STEWARDS INC.

The Acting Chair (Ms. Soo Wong): I believe our next witness is coming before us on the phone. I just want to remind all the committee members that when you are asking the questions, please identify yourself and your party, so that the witness understands who they're dealing with.

Good afternoon, Mr. Taylor. Are you on the line?

Mr. Bruce Taylor: Yes. Hello. It's Bruce Taylor here.

The Acting Chair (Ms. Soo Wong): Mr. Taylor, I'm Soo Wong. I'm the Acting Chair of the Standing Committee on Finance and Economic Affairs. I'm not sure if you heard the whole introduction earlier this afternoon. You have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will begin with the official opposition party. When you begin, can you please identify yourself for the purpose of Hansard?

Mr. Bruce Taylor: The purpose of which?

The Acting Chair (Ms. Soo Wong): Can you please identify yourself for the purpose of Hansard, so that they can record your name, because this is going to be a public document. Thank you, Mr. Taylor. You can begin any time.

Mr. Bruce Taylor: My name is Bruce Taylor. I am the president and founder of an engineering company called Enviro-Stewards.

I grew up in North Bay. I lived there until I was 19, and then moved down to Waterloo to go to the University of Waterloo, to take chemical engineering. I didn't really know what I wanted to do, so I worked at pulp mills, mining, petroleum and eventually consulting. I found that worked well for me, so I worked for multinationals for about 10 years. I became frustrated with some of their business practices, and started my own company in the year 2000.

We now employ about 15 people. We are what is called a living-wage employer. Say that in Waterloo region, where we set up our office, the living wage is \$15.42 an hour. There's nobody at our firm who makes less than that. As engineers, it doesn't affect most of us anyway; we're already making more than that. But cleaners, administrative support, interns—in our industry, unpaid internships would be a big one, so we refuse to

accept unpaid interns. The reason is, it basically favours those who come from middle and upper classes, because they can afford to take a year off after they graduate, to do an unpaid internship. If we need one, we'll wait and we'll hire one and pay them at least a living wage.

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I guess my point is, the line needs to be drawn somewhere, so where is the line? Is the line \$11 an hour, is it \$5 an hour, \$1 an hour, \$15 an hour? The line needs to be drawn somewhere, and then we need to adjust our businesses to reflect that line. If you are going to draw a line, my premise is, why not draw it so you can at least have your employees not be living in poverty?

A living wage basically doesn't even include retirement, home ownership, debt payment, saving for children's education or anything else. It's really a minimum amount. I would argue that that's a really good starting point, where that's the bottom. And then, what do we do to affect the bottom?

That's the same thing with our own company. For the longest time I was paid the lowest of anybody in our company, for a decade, as the owner. We then modified our business practices so that we could generate a higher margin on what we're doing, and basically that strengthened us, and we were able to grow and we were able to have more impact.

My premise is, the best place to draw the line is at least not having your staff in poverty. There are all kinds of benefits that come from that. One is, they're not thinking about the two other jobs they're working on. They're not moving on. You're not paying your senior people to retrain the person who is going to replace that person. In our case, Maple Leaf Foods hired us to do 33 factories across Canada. We sent the identical team to 33 factories across Canada over a two-year period. Not even anybody at Maple Leaf has been to all their plants. We found them an average of \$750,000 of savings per factory on energy, water and pollution prevention with under one-year payback.

I heard in a previous presentation about rising electricity costs. They are of concern, but the one benefit is, it actually causes people to look at what we're using our energy on. On Thursday we're doing a ribbon cutting at Southbrook winery in Niagara-on-the-Lake. They're already organic, LEED Gold certified, everything. They already had an energy audit. They found 5% savings with a 20-year payback. We went in and we found 38% savings with a four-month payback, which avoids 40% of their electricity consumption. So now they're installing 50% fewer solar panels because they're not using the energy in the first place. We don't want to waste our energy more efficiently; we want to just not use it in the first place. This preserves 50 cases a year of VQA wine, which is \$20,000-a-year worth of wine. In our province and our country there is a lack of emphasis on prevention; it's more on cures afterwards.

My first premise is, why not draw the line at a living wage? My second premise is, for those who are going to be really impacted by this, why not some employment

supports? I spent a decade volunteering at a homeless shelter in Kitchener here. A good example is a friend of mine. I was trying to get some work for him. He's basically diagnosed as depressed, and so he's on long-term disability for being depressed. The challenge is, now it's his job, literally, to be depressed, which keeps him depressed. I actually found him a place—

The Acting Chair (Ms. Soo Wong): Mr. Taylor, I need to stop you there to start this round of questioning. I'm going to turn to Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Mr. Taylor. It's John Yakabuski questioning you, MPP for Renfrew–Nipissing–Pembroke.

Mr. Bruce Taylor: Okay. Yes?

Mr. John Yakabuski: First of all, congratulations on your entrepreneurial spirit and the success of your business and managing to adapt to change as well as you have and bringing a unique service to your clients.

Mr. Bruce Taylor: Thank you.

Mr. John Yakabuski: You're welcome. Thank you also for being able to provide a living wage. I think every business would like to be able to do that. You touched on it and I really appreciate the fact that you saw this from both sides. You recognized that some may not be as adaptable. For example, people in the retail market, which is so über-competitive today, where people can go anywhere to make a purchase, not necessarily have to go to your business—I don't mean you, but I mean in general. There's a lot of choice in the marketplace, including online shopping as well. Many of our retail businesses have been here to present, both today and yesterday, and chambers representing them have registered serious concern about the timetable and the timing of the implementation period, with respect to how soon particularly the minimum wage changes would happen.

One of them actually did mention that if the government wants to legislate this kind of rapid increase, then the government also has to be prepared, or should be prepared, to transition businesses through that. Can you give me more of your thoughts on that, please?

Mr. Bruce Taylor: Sure. Yes. From what I understand, it's two increases over 18 months.

Mr. John Yakabuski: Yes.

Mr. Bruce Taylor: The larger of the increases occurs first. I would suggest swapping that and doing the larger increase second, to give people more time to adapt to it.

I would say, in general, I think it's a commitment that we should get there, and we should get there relatively soon, and then increase it from there. How do we do that? There are different ways to discuss that. I would be open to changing the timing or the rate, but I would want it soon and at least to the living-wage quantity.

Mr. John Yakabuski: The presenters who have been here registering concerns, Mr. Taylor, have certainly indicated that they don't have an opposition to the rate. It is the implementation time.

You've raised an interesting proposition, where you flip-flop the increases, having, say, a one-dollar increase in 2018 and then the remainder of it in 2019, which

would certainly have some effect on the immediate concerns. The immediate concern for some of these companies is that on January 1, 2018, their costs for anyone affected go up, I believe, 21% or something like that—20% or 21%.

They're not in a position—and with all due respect, because of the uniqueness of your business and, obviously, the quality of the work you provide, you're able to ensure that your revenues are keeping pace with your expenditures, which allows you to offer a living wage—and congratulations for that. But in a retail sector where margins are extremely tight, particularly in the small retail, that is going to be tough for them.

I certainly appreciate your suggestions on that, and they will certainly be part of the committee discussion as we go forward.

Mr. Bruce Taylor: Sure.

Mr. John Yakabuski: Thank you very much for your input. Continued success with your very innovative and obviously very successful company, bringing savings to other companies that are all looking for savings, particularly when it comes to the skyrocketing electricity prices we've had in Ontario.

The Acting Chair (Mrs. Cristina Martins): Thank you, Mr. Yakabuski.

Mr. John Yakabuski: Thank you.

The Acting Chair (Mrs. Cristina Martins): We're now going to turn over the questions to Ms. Forster, please.

Ms. Cindy Forster: Good afternoon, Mr. Taylor. Cindy Forster. I'm the MPP for the Welland riding down in the Niagara area. We're glad to have you here on the phone participating today.

You got cut off before you finished your presentation, so if you'd like to take a couple of my minutes to finish it, please feel free.

Mr. Bruce Taylor: I appreciate that.

I got my friend a job at a company where they basically cut out plywood, and it was for furniture, that kind of thing. He loved it. He did fabulously for one month. At the end of the month, they wanted to pay him, and he never went back again, because if he got paid, then he would lose his disability. Although the pay was much higher than he was getting on disability, it was guaranteed if he was on disability. His only experience with work in the past is, "It works out well for a while, and I might get laid off or fired."

We need to look at our whole system also, so that we design it so that people can have progress out of poverty and out of decades and generations of being on the welfare state, because it's not good for themselves. We have an industry around, "How do we keep people there?" We need it more to be, "How do we get them out?"

In this legislation, if you had some kind of—let's say you hire somebody on long-term disability. Maybe they pay part of their wages for the first year or two, or whatever. You're still getting up to whatever it is, but you're helping them out, and it's still less than you're paying them on disability anyway.

Ms. Cindy Forster: Is that the only point you wanted to make?

Mr. Bruce Taylor: On that topic, yes.

Ms. Cindy Forster: Do you have other points you want to make?

Mr. Bruce Taylor: One of the points that was made in the last presentation was to the effect that if we raise it to \$15 an hour, how does that affect the rest of our people? We've got to raise everybody up.

1500

In 2008, when the Canadian dollar went to par and the federal government changed and other things, we had our worst year ever. We were in the position of having to lay somebody off. Instead of that, we got everybody together and said, "Okay, we're either going to lay somebody off or we're going to lay everybody off one day a week." Our team decided to lay everybody off one day a week instead. We rode it out for nine months, and then we had enough work for everybody to go back to full. Nobody left—not one single person.

If it is a case of, "We're going to raise the bottom," meet with your staff. Say, "Look, we're going to do this. This is a legislated requirement. It's also the right thing to do. We're not going to immediately increase everybody else at the same time because of the hit we're taking on our profitability right now, but eventually they're both going to rise for everybody. Let's not make all the change at once." If you're doing that, then it doesn't affect your whole workforce at the same time.

Ms. Cindy Forster: So, really, it's about discussion with your team.

Mr. Bruce Taylor: Yes.

Ms. Cindy Forster: Do you have any other points?

Mr. Bruce Taylor: Just the benefits that I see. You have much more focused, dedicated, experienced staff, which improves your top level because you keep these qualified teams. You have less turnover so you have less retraining, so there's less internal cost. You're not using your best people to retrain people in the same position that retrained somebody last month. The quality of your product actually improves if you have lower turnover, and the work environment improves because people aren't constantly thinking about some other job that they're going to go to next.

Ms. Cindy Forster: Any opinion on the two-tier wage piece where servers, bartenders and students are being paid less than every other minimum wage worker?

Mr. Bruce Taylor: Sure. I just briefly skimmed that part, so I see that there are different ones for hunting guides and whatnot. I'm probably not qualified to answer on that. I would like to see that, in general, everybody gets at least a living wage. Maybe there are different ways to calculate it from your tips or whatever else, but in general, I would like to see everybody making enough so that they're not in poverty working full-time.

Ms. Cindy Forster: Thank you very much for your comments and for having a fair and equitable workplace.

Mr. Bruce Taylor: Well, thank you.

The Acting Chair (Mrs. Cristina Martins): Thank you very much, Ms. Forster. We're now going to turn it over to Mr. Milczyn.

Mr. Peter Z. Milczyn: Hi, Mr. Taylor. It's Peter Milczyn, MPP for Etobicoke–Lakeshore. I'm also the parliamentary assistant to the Minister of Labour.

It was a very interesting presentation you made this afternoon. I guess we would hold you out, maybe, as one of those model employers that gets it that the living wage is not just about the money in the pocket of the employee, although that's important, but it's about the atmosphere that you create in the place of employment, the mutual respect, the team that you build so that people support each other better. That's very important.

On the issue of the minimum wage, I would imagine your business wouldn't necessarily be impacted terribly by the increase in the minimum wage, would it?

Mr. Bruce Taylor: Correct, because we already addressed that maybe 10 years ago. For the last 10 years, everybody's been making more than a living wage. When we did change, the places it changed were our cleaner, some office support kinds of folks and interns.

Mr. Peter Z. Milczyn: Did you see changes in employee retention, in productivity and the quality of work or any of the other metrics that would be important?

Mr. Bruce Taylor: I guess the biggest change would be on the interns. As far as the cleaners and administrative support, in my sector, the average turnover is 10% to 15%. I have 15 people. I would expect to have to retrain one or two people per year. Our turnover is under 1%. When I go to conferences, other presidents talk about spending up to a third of their time on recruiting replacement people. I spend almost nothing, because people stay. So there's some good productivity improvements on that.

I would say we haven't changed our cleaner ever, or our administrative support. They just don't turn over because they don't need to. On the interns, we probably take less interns than our competitors, and that's because we don't have unpaid interns. If you're doing unpaid interns, you can take as many as you want because you're just getting free labour.

Mr. Peter Z. Milczyn: Well, that's actually illegal in Ontario, to have unpaid interns.

Mr. Bruce Taylor: Is it?

Mr. Peter Z. Milczyn: Yes, it is.

Mr. Bruce Taylor: Okay. But it's still the practice in some places.

Mr. Peter Z. Milczyn: But that raises the whole issue about the types of places of employment that we want to create, where people's labour is valued and they get remunerated appropriately. We were going down the road, with interns, that a lot of companies that were actually quite profitable and it just became the way of doing business: "We'll hire some more interns, but we won't pay them anything because that's the way everybody else is doing things."

That is the opposite of where Bill 148 is leading, which is to provide a living wage, provide stable and

predictable conditions of employment and to ensure that people, whether they're full-time or part-time, are paid equal remuneration for the same work. That's what I think all Ontarians would like to see.

Mr. Bruce Taylor: Sure. Yes. Our interns, at least 80% of them, are now working full-time for us in paid positions. You might have fewer of them, but you keep them.

Mr. Peter Z. Milczyn: Thank you very much for your presentation today and for being a great model for others to follow.

Mr. Bruce Taylor: I appreciate it. Thank you.

The Acting Chair (Mrs. Cristina Martins): Thank you very much, Mr. Taylor. Just as a reminder, you have until Friday, July 21 at 5:30 to submit a written submission to the Clerk of the Committee.

Mr. Bruce Taylor: Thank you.

NIPISSING UNIVERSITY FACULTY ASSOCIATION

The Acting Chair (Mrs. Cristina Martins): We're going to ask, then, that the next presenter please step up. We have Nipissing University Faculty Association: Amanda Burk, Rhiannon Don and Angela Fera.

Welcome and thank you for being here today. As you probably are well aware—if you've been here a little while, you know how this works—each witness will have up to five minutes for their presentation, followed by up to 15 minutes of questioning from the committee. You may now begin.

Ms. Amanda Burk: That's great. Thank you for this opportunity to speak today. I'm Amanda Burk. I am a faculty member at Nipissing University. I'm also the president of the faculty association at Nipissing University. I'm here today with my colleague Rhiannon Don, who is our contract academic staff bargaining unit officer and our executive assistant, Angela Fera.

The Nipissing University Faculty Association represents 170 full-time faculty and 300 part-time faculty. Today I am here to speak to Bill 148 to suggest amendments specifically with our contract faculty in mind.

Our contract faculty are nearly double the number of full-time faculty. Nipissing University employs over 250 part-time faculty per term, and sadly many of these individuals are precariously employed. This is the situation at Nipissing, but it is also the case across all Ontario universities.

While I now hold a full-time tenured position, I myself worked as a precariously employed contract faculty member for six years at a variety of institutions. The reality of contract faculty is that many are employed on a per-course basis, they are paid by stipend, have no access to benefits and have no guarantee of employment beyond the term in which they are teaching.

More than a few of my contract colleagues teach at more than one institution in an attempt to cobble together some kind of livable income. So they're teaching here in

North Bay, but will also be driving to Toronto, Sudbury and some as far as Kingston every week to teach courses at other institutions just to try to make a liveable wage.

In recent years, universities in Ontario have increased their reliance on contract faculty. Although not always visible from the outside, they have created a system where there's a clear distinction between those faculty with good jobs and those without.

Universities are public institutions, and I believe they should be held to good labour practices. Bill 148 has the potential to improve contract faculty's conditions of work by setting out fair and equitable minimum standards which have been difficult to achieve for contract faculty in collective bargaining.

There are three areas of Bill 148 that I'd like to touch on and propose some amendments on that will definitely improve the working conditions of our contractual faculty, but many other workers as well: equal pay for work of equal value; more secure and stable work; and reasonable notice of work.

1510

The language in the section on equal pay for equal work needs to be strengthened. It needs to be strengthened to say "equal pay for work of equal value." Historically, the language, though substantially the same, has been interpreted narrowly, enabling employers to manipulate minor job duties to maintain unequal pay. Minimum standards that require equal pay for work of equal value, regardless of a worker's classification, could help contract faculty, especially those working on a per-course basis, obtain fair compensation.

Currently, there are also many exemptions in this section. While differential pay for merit and seniority is certainly acceptable, an amendment needs to be made to limit the exceptions. So (c), which is piece work, and "any other factor," which is (d) in that same category, should be removed. These broad exemptions will compromise the effectiveness of the standard. Removing these exemptions would also better align this with the Pay Equity Act as well.

The Changing Workplaces final report, on page 180, acknowledges the concerns of contract faculty, but says that "there are simply too many objective criteria involved ... which could justify differential treatment." I can assure you that there are not too many objective criteria involved that would justify differential treatment. Contract faculty do the same teaching work as full-time faculty. They do the same course prep, teach the same course materials, teach the same number of hours per course, and perform other similar duties as they relate to teaching. If there is any doubt about this, we can certainly ask any student. Most students would be completely unable to identify which faculty of their courses are contractual or full-time.

The simplest way to explain the pay gap that exists between full-time and part-time is this: Full-time faculty members, for their positions, perform 40% teaching, 40% research and 20% service. That's 40% teaching, and on average, they make \$100,000. As contractual faculty

perform the same amount of teaching, they should be entitled to 40% of the \$100,000 payment for their work.

Currently, at Nipissing, a per-course stipend is \$6,500, but if it were to reflect equal pay for work of equal value, it should be \$8,000.

Moving on to speak about more secure and stable work, a provision needs to be added to the bill that would prevent the use of sequential or discontinuous contracts to prevent the achievement of workplace rights. It should be a requirement that after an employee has been employed on a number of fixed-term contracts, their employment is continuous for all purposes. In 2016—

Interruption.

The Acting Chair (Mrs. Cristina Martins): Thank you, Ms. Burk. That's the time that we have right now.

Mr. John Yakabuski: I guessed that the time was up.

The Acting Chair (Mrs. Cristina Martins): The time was up. It was up. Sorry.

Ms. Forster.

Ms. Cindy Forster: If you would like to finish your presentation, go ahead.

Ms. Amanda Burk: Sure. I'm almost there.

In 2016, a research report produced by OISE surveyed contractual faculty in Ontario universities. They found that over 15% had been working on contract, as contract faculty, for more than 15 years. Discontinuous contracts or gaps in service too often allow employers to sidestep obligations such as fair pay, pensions and benefits.

If an individual has been teaching on contract for a number of years, teaching the same or similar courses, there is a demonstrated need for that position.

My last amendment is related to reasonable notice of work. It has become increasingly common for contract faculty to be notified that they'll be teaching a course right before the beginning of term. Workers in other sectors are also experiencing a growing trend towards just-in-time scheduling.

In the university sector, two weeks' advance notice would still not be adequate for faculty, who require time to develop and prepare a course. However, it would be an improvement.

The amendment here would be to have complementary reasonable scheduling provisions put in place that would provide employees with at least two weeks' notice of work.

Thank you.

The Acting Chair (Mrs. Cristina Martins): Thank you, Ms. Burk.

Ms. Forster.

Ms. Cindy Forster: Do you have questions, John? No?

Do people who are in these long-standing contracts get any health and welfare benefits? Are they eligible to enrol in the pension plan, those kinds of pieces?

Ms. Rhiannon Don: After they've taught a course three times, they're eligible for a 2% matching RRSP, and that's it.

Ms. Cindy Forster: And that's it—no health and welfare benefits. So you can be there for 15 years, basic-

ally teaching full course loads, and you're not entitled to any health and welfare benefits, or any pension plan, or any of this? It is shocking to hear that, and to not know up until a week or two before the school year starts what you're going to be teaching or if you're even going to be teaching.

Ms. Amanda Burk: There are definite implications to that. There are concerns—health concerns for these individuals. It's very stressful to not know whether you're going to have employment, of course, but also to not know what courses you might be teaching, how best to prepare. Sometimes there's not even time to order textbooks. There's a timeliness to it that needs to be set, so at least a minimum standard of two weeks would be better than nothing.

Ms. Cindy Forster: What's the ratio of full-time to part-time in your university?

Ms. Amanda Burk: In our university, we have 300 that are part-time and 170 that are full-time, so it's about double. Roughly, it's double.

Angela is prompting me here that they are also responsible for teaching 50% of the course offerings at the university, and I would say that that would be a fairly standard ratio across all Ontario. This is not just Nipissing; this is all Ontario universities.

Ms. Cindy Forster: So when you actually talk about the 40% teaching, you're also prepping, you're also marking, you're also assisting students, answering emails, doing all of that, and that's all included in this \$6,500 per course?

Ms. Amanda Burk: That's correct, yes.

Ms. Cindy Forster: How many hours? What would you estimate are your real hourly wages?

Ms. Amanda Burk: That's a good question. She's going to do my math for me here.

Ms. Cindy Forster: Less than a new minimum wage, probably.

Ms. Amanda Burk: Yes. I think, in the end, it would be surprising if a contract faculty member is making more than \$20,000 a year. It's so minimal, the wages that they're receiving to produce high-calibre course offerings for the students. I think that the impact of this is far greater than—certainly it's on the individual employees, those contract faculty, but it plays out in many ways. There's an impact to full-time faculty in terms of the additional workload that full-time faculty, in terms of service and committee work they can take on, but also there's a huge implication for students.

Ms. Cindy Forster: I have heard from the students when they've done their lobby days at Queen's Park about where the part-time people are juggling two jobs at two different universities, or a college and a university, and they say that they don't have good access because the part-time people are trying to actually make a living, and so it's difficult for students as well. Thank you very much.

The Acting Chair (Mrs. Cristina Martins): We're going to turn it over now to Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you for coming in this afternoon and sharing your concerns. We had a similar presentation yesterday in Thunder Bay from one of the associations up there.

The equal pay for work of equal value provision that's currently in Bill 148: You believe that is not going to be strong enough to protect the people that you're speaking about?

Ms. Amanda Burk: Yes, absolutely. I think that the language being "same work" allows for too many potential exemptions from that. If it is of "similar value," then we are closer to being able to justify—I do think that in many cases the work of our contract faculty is very clearly comparable to the work of our full-time faculty. They don't have expectations in terms of research and they don't have expectations in terms of service in the same way, but purely as it pertains to teaching, their responsibilities are the same.

Mr. Peter Z. Milczyn: It's the same work as far as the first-year economics class, or whatever it might be.

Ms. Amanda Burk: Right, absolutely. The course material needs to be taught. Whether that's by a contractual member or by a full-time member, it will be taught, and yet our contractual members are not compensated nearly as well as they should be.

1520

Mr. Peter Z. Milczyn: I'm going to jump to number 3, reasonable notice of work. I'm just wondering, what is the issue at a university or a community college in being able to do that kind of scheduling? Do they wait well into the summer to figure out the students that they have? Is that what causes the delay in allocating staff?

Ms. Angela Fera: I would say it's kind of a trickle-down. They wait to hire the full-time faculty. Typically, they should be advertising for full-time faculty, you would think, in January or February, to get a full-time employee with a PhD to come to northern Ontario to teach. They don't do that. They wait and they wait and they wait. Whether they wait for the budget year, I'm not sure. But programs still need to be run. So they wait, and the employer tries to get away with maybe not hiring a full-time person. But with those decisions, they wait until the summer to do that because they find that these part-time people—they don't give them the regard that they need to be able to come in and prepare for a course. They're just sort of throwaway kind of fill-in. I think that lack of regard plays into this whole process of waiting till the last minute to hire these people.

Mr. Peter Z. Milczyn: On the sequential contracts, I thought there was already some case law established, maybe in other sectors, as to who constitutes an independent contractor versus who in fact is actually an employee. I was just curious: That has never been tested in the post-secondary education sector?

Ms. Angela Fera: Not that I'm aware of.

Mr. Peter Z. Milczyn: Just a final question. Overall, Bill 148, the provisions around the minimum wage, scheduling for employees once they're hired, some of the other provisions around how unionization drives can

occur, vacation entitlements, paid leave days, unpaid leave days: Do you have opinions on those? Would any of those benefit the people you're representing here?

Ms. Angela Fera: Absolutely. Again, as contract people, they get none of those benefits. I don't think even those leaves of any kind they're entitled to.

Mr. Peter Z. Milczyn: Thank you.

The Acting Chair (Mrs. Cristina Martins): Thank you very much, Mr. Milczyn, and thank you as well.

We're now going to bring it over to Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Amanda. It's nice to see you today. First of all, congratulations on attaining your tenure. I'm very pleased for you.

When you announced that there were 170 full-time faculty and 300 part-time faculty, I know my colleague Mr. Yakabuski said that was shocking, and he asked, how many students are there if there's that many faculty? When I was at Nipissing, I recall, between Nipissing and Canadore, there were 7,000 students. Do we know how many students there are at Nipissing today?

Ms. Angela Fera: I believe there are about 5,000-plus.

Mr. Victor Fedeli: At Nipissing alone now?

Ms. Angela Fera: Yes, 5,000-plus.

Mr. Victor Fedeli: Wow. For many people who have not been to North Bay before, it's nice to be able to share with everybody that we have a university with 5,000 students here and quite a substantial faculty.

Ms. Angela Fera: Since your time, we've added graduate programs, both at the master's level and at the PhD level as well. So it has expanded in terms of its offerings. It's not simply an undergraduate institution anymore.

Mr. Victor Fedeli: Beautiful. Since my time, yes.

Ms. Angela Fera: Sorry.

Mr. Victor Fedeli: It's the colour of the hair, Angela, I know.

Ms. Angela Fera: Sorry.

Mr. Victor Fedeli: Full disclosure: I was one of those contract faculty. I taught fourth-year marketing at Nipissing University in 2011, before I became an MPP.

Mr. John Yakabuski: You were still the mayor, too.

Mr. Victor Fedeli: I was.

We had a really interesting presentation yesterday from Dr. Laurie Forbes as well. We couldn't believe how many years she was there—and I think I've got this right from yesterday—as a part-time, contract, whatever you want to call it. We were shocked; I have to tell you that. I know it was only 24 hours ago, but I think it was 28 years or something along that line. It was quite an interesting statistic.

One thing about these hearings: We're here to listen, and we learn so much. These are things that we don't get to talk about very often. So you talked about three things: equal pay for work of equal value; secure and stable employment; and reasonable notice. Is there anything you want to add to those three? I've made notes myself about all three. Is there anything you can enhance on those, considering many of us are hearing this for the first

time? You didn't get to talk a lot about the sequential aspect of it. Maybe that's an area you can expand on for us.

Ms. Amanda Burk: I think that it's the sequential rehiring that kind of perpetuates it. When you hear that people have been teaching for 15 years, 28 years, which seems very long—those kinds of very long, unstable contracts—I can't imagine living year to year, not knowing if, next term, I have work or not, and what that might mean to plan financially for.

Often I think faculty, even when they're working contract to contract, are trying to balance those finances and spread eight months of work across 12 months of living, and that's a really challenging thing.

I think if we could better monitor those sequential contracts and the way in which those are being dealt with at the university level—as well as maybe putting in a clause that may deal with the fact that if you were let go and someone is rehired in the same role, that that can't happen. There is a demonstrated need, time and time again, when faculty are hired and rehired into courses, but are never given that recognition. Universities need to be held accountable, to say that if you are employing and re-employing someone over and over again, make it permanent. There's a need. You have consistent students; you're offering the courses. How can this not be a better practice?

Mr. Victor Fedeli: We heard from Lakehead, and now we're hearing from you. Had I not heard that yesterday, my question would have been this: Is this consistent amongst all universities in Ontario or Canada? Give us that perspective, please.

Ms. Amanda Burk: Yes, I think it is. I think that in some ways, at Nipissing, we're lucky. We're still small, and I think Nipissing is perhaps not the worst offender in employing contractual faculty on these perpetual contracts.

Mr. Victor Fedeli: There's high praise.

Ms. Amanda Burk: But I do think that it is a problem across all universities, to a large extent.

Mr. Victor Fedeli: Thanks very much.

The Acting Chair (Mrs. Cristina Martins): Thank you very much. That concludes the time for your presentation today. I will just remind you that you have until Friday, July 21 at 5:30, should there be anything that you want to submit in written form to the Clerk of the Committee.

NORTH BAY AND DISTRICT LABOUR COUNCIL

The Acting Chair (Ms. Soo Wong): The next witness is the North Bay and District Labour Council. I believe Mr. Henri Giroux, the president, is joining us.

Good afternoon, and welcome, sir. As you've probably heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will be coming from the government side. You may begin at any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Henri Giroux: Hello, everyone. Thank you for being here. It's nice to see you guys coming to the north to do some consultation like this.

My name is Henri Giroux, and I'm the North Bay and District Labour Council president.

Although we applaud the government's proposed labour law change, like the minimum wage adjustment, Bill 148 does not go far enough.

I want to tell you a story about Samantha. I was trying to bring Samantha here today, to speak on her own, but she was intimidated to come here, number 1. Number 2, she didn't know what her employer was going to say at the end, because this is televised, and she knew cameras were going to be here. So she couldn't come here, but she told me her story, and she said that I could share her story. It's not the only story out there. There are many, many more stories.

Samantha works part-time in two places. She doesn't have her driver's licence, but she's lucky enough to have two jobs at the mall. She works so many hours in one place, and then maybe gets half an hour in between, and then goes to work at the other place.

Samantha has a 24-month-old baby. She feels that because her minimum wage is not high enough, she needs to work. Sometimes she has to try to look for another job, because there are not enough hours, between the two jobs. She feels very, very sad that she's not able to spend enough time with her child. Her child is in daycare, if she can, and then after that, she tries to get her mom or her parents to take care of the baby while she's working.

1530

Samantha is really happy that this \$15 is coming, and it's not coming fast enough for Samantha. She would like to see it coming faster than January 1, 2019.

I'm also here to talk about replacement workers. We had one this morning talk about it, and I want to talk to you about what's missing in the law right now with replacement workers.

Every year, 1,000 workers across Ontario settle union contracts with their employers with no work stoppage; 97% of contracts are settled. There are only a very few that aren't settled. We want Bill 148 here—we want them to stop using replacement workers. The law should not undermine workers who are fighting for decent work and exercising their constitutional right to withdraw their work.

We know that in Quebec and in British Columbia—there are some stats out there that there are way fewer strikes there because they have the anti-scab labour law. What the use of scabs does is it just prolongs the labour dispute. There's no reason for the employer to come back to the table because if they're using the scabs, the work is getting done.

As we know—and I touch on this area because of, as Mr. Fedeli would know and Mr. Vanthof would know, the long strikes that we had here in this area. We had a strike in the small community of Bonfield: 10 months on strike because the employer refused to come to the table

unless you accepted all of the concessions that were on the table. This is a very small community where everybody knows each other. It's not a big community. I mean, as a matter of fact, I believe that some of them—a sister was working for the township and that sister was a worker on strike. That's how close it was.

It's a very, very close town, and it created a big mess up in this little town of Bonfield. I would like to know how much that little town of Bonfield spent on replacement workers and how much they spent on their cameras when they had security guards there—money that they find no problem, but when it comes to sitting down and negotiating a good collective agreement, they have a hard time doing that. It would be interesting to find out how much that cost in the end compared to putting all these people out of work for 10 months.

Then we also had the children's aid here in North Bay that was on strike—

The Acting Chair (Ms. Soo Wong): Wrap up. Can you please wrap up?

Mr. Henri Giroux: Oh, sorry. Yes. North Bay-Parry Sound was on strike. Again, five months off on strike—sorry, they were locked out by their employer for five months: no repercussions, using scab labour. We know that those people that they were using—again, some of them are probably unqualified because we understand that these people who work for the children's aid have to have a bond with their patients, and we know that scab labourers don't have that kind of bond, which is the last—

The Acting Chair (Ms. Soo Wong): Okay, I asked you to stop. It's going to stop right now.

Mr. Henri Giroux: Sorry.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Mr. Milczyn to begin this round of questioning. Thank you.

Mr. Peter Z. Milczyn: Thank you, Mr. Giroux. Is there anything else you wanted to add before we get into questions?

Mr. Henri Giroux: Well, I wanted to give you a personal story, if that's okay with—

Mr. Peter Z. Milczyn: Okay. I only have five minutes, so I'll give you a minute or so of my time.

Mr. Henri Giroux: I'm just going to take two minutes. I know this young lady who is a teenager. It took her months and months to have a good relationship with the worker, because sometimes it takes a while. She had that good relationship after a year of working with this young girl, then they ended up going on strike, and then who knocks on the door but a caseworker who is completely unqualified who is saying, "Oh, I'm your caseworker now." This young girl was saying, "What am I doing? I already told the story to this other person for a year." Now she had to start all over again and tell her story. We believe that's not acceptable, and we also believe that replacement workers should be totally out of bounds and ban them completely.

Mr. Peter Z. Milczyn: Thank you. I think you only took a minute, so that's okay.

Mr. Henri Giroux: Okay, that's good.

Mr. Peter Z. Milczyn: Thank you for coming today and sharing some individual stories with us. It's important to be able to relate the work that we do to how it impacts actual individual people, so thank you for that.

I was wondering, as you look at Bill 148 and the various provisions in it—the minimum wage, the protections around how work is to be scheduled, the equal pay for work of equal value, the provisions around how workers from temp agencies have to be remunerated the same way as if they were working directly for the employer—what are your views on all of these provisions in Bill 148?

Mr. Henri Giroux: To talk about the part-time versus full-time or students, we have a union at my workplace. We just hired 20 summer students for this summer and they are going to make the same kind of money as I'm making this summer. They will get paid the same as I'm getting paid. If they are PSWs, they'll get paid the same pay as a PSW. We fought with the employer. We said, "If you're going to hire your summer students, they should get paid the same money." They won't get the benefits but they'll get 14% in lieu of benefits just like our part-time people have. And our part-time people are getting the same money as full-time people. Everybody's equal; that's the way it should be. It should be equal for everybody, especially if you do the same kind of work. Why should I be cooking—that's what I do, I cook—and somebody else beside me cooking is making less money than me? We're doing the same work. I believe that's fundamental, that we need to have, for sure, equal pay for equal work.

Mr. Peter Z. Milczyn: So you're satisfied with the provisions in Bill 148 then?

Mr. Henri Giroux: I'm semi-satisfied. There are other issues in there that unions will submit in the future, when you go to other places. But we only had five minutes. We only have a certain time to speak about one, so we kind of focus on some of it, but there are other issues where other people will be talking about it. And some this morning did talk about it.

Mr. Peter Z. Milczyn: You mentioned a couple of young people that you know of. Other people in this community that you know of—how do you think they're going to be impacted by Bill 148?

Mr. Henri Giroux: I actually think the minimum wage is going to be a good thing. I believe that it's about time that we have the minimum wage.

I was trying to do a calculation there. We had a freezing of minimum wage for seven or eight years—I think it was 12 years. I wonder, if we added 1% for each of those 12 years, every year from then until now, how much the minimum wage should be now. It wouldn't be \$11.40; it would probably be way more than that, right? Then there wouldn't be such a big argument about \$15 an hour.

I talked to some businesses that told me that I'm crazy, that they can't afford it, they're going to go bankrupt, but I also talked to businesses that said, "We're already paying \$15 an hour."

The Acting Chair (Ms. Soo Wong): Sir, I need you to stop this part of the questioning. I'm going to turn to Mr. Yakabuski.

Mr. John Yakabuski: Thank you, Mr. Giroux, for joining us this afternoon, and not only making your position known, but also lending an illustration with personal stories as well, because they're always helpful for people to understand how real people are impacted by whatever decisions are made by government or government agencies. Thank you for that.

You spoke about an individual—I don't know if that's her real name or not, but Samantha—who works two jobs at the mall. You've indicated your support for, as quickly as possible, the \$15-an-hour minimum wage. I'm going to ask a hypothetical question: If, hypothetically, Samantha was one of those people who was going to lose one of those part-time jobs as a result of a move under the current prescribed timetable by the government towards \$15 an hour, if you had to make a choice of extending that implementation period and her maintaining both those jobs or losing one of those jobs, what do you think the choice should be?

Mr. Henri Giroux: The thing is that Samantha is tired. She's tired of living in poverty. She's tired of not seeing her daughter, whom she would want to see.

1540

Mr. John Yakabuski: I have no doubt.

Mr. Henri Giroux: She's tired of paying bill after bill, and money that is not coming.

I actually believe that at the end of the day—we just had a raise to \$11.40. Everybody was saying, "Oh, yes, everything is going to go up." Prices go up, no matter what. They go up. They raise them even between or after.

I remember buying hot chocolate at Tim Hortons for \$1.80, and now it's \$2.10. The minimum wage hasn't gone that much higher, but they just automatically say, "The sugar is going up, and this is going up, so we have to raise it." They're always going to raise it.

I also strongly believe that 53.3% of the people living here will benefit from this—

Mr. John Yakabuski: So 53.3% in North Bay?

Mr. Henri Giroux: It's 53.3% of people working in North Bay and surrounding—that was a stat that was done by the Ontario Federation of Labour—will benefit from this, in this area. They'll have extra money in their pocket, and I can guarantee you that they're not going to send that money offshore. They're going to spend that money here. They're going to spend that money right in this community, and they're going to make sure that the community thrives on that.

They won't be able to afford to save some money. They might go out one more night. Instead of one night, they might go out two nights now. They might go to the movies more often, because that's what we do when we have a little bit of extra money. We can't afford to put some money away; we can't afford that. We spend it in the community. If they want to go out and buy a brand new car—if they have an old clunker there, maybe it's time to get rid of the old clunker and buy a brand new car, because they would be able to afford it.

I strongly, strongly believe that the businesses will, maybe at the beginning, probably for a couple of months, two months, whatever—but after that, I think the businesses are going to work. Like I said, in this area, I've talked to a lot of businesses, and they're already paying the \$15 an hour. It's not a problem for them to pay the \$15 an hour.

Mr. John Yakabuski: On the issue of replacement workers, there were a couple of other presenters this morning. One of them had worked in the mining industry, or he was a representative of one of the unions. It was Mr. West. He was very adamant that the allowance of replacement workers basically ensures no incentive for the employer to settle a strike. Is that the number one reason—a strike, lockout or whatever work stoppage—why you would be opposed to replacement workers, so that we can get people back on the job?

Mr. Henri Giroux: That's right. The children's aid workers that were on lockout for five months—

Mr. John Yakabuski: I met with them.

Mr. Henri Giroux: They have to do the work. If they didn't have those replacement workers—I think they had 20 at one time, or 25, replacement workers. If they didn't have those replacement workers, who would have done the work? The CAO would have had to come back to the table a lot earlier than she did. Again, she had to be forced to go to binding arbitration.

The Acting Chair (Ms. Soo Wong): I'm sorry to interrupt. I'm going to have to turn to Ms. Forster for this round of questioning.

Ms. Forster.

Ms. Cindy Forster: Thank you, Henri, for being here again. Good to see you again.

I'm just going to turn to a couple of the issues that you didn't address but that are part of the bill: the issue of withholding card-based union certification for most workers in the province and only allowing it to happen in specific sectors. What is your comment on that?

Mr. Henri Giroux: I think card-check should be done for all sectors; it shouldn't be specific sectors.

I'll tell you a story on that one also. We tried to organize a small home outside of North Bay. What happened was, these are employees that have no clue what a union is about and have no clue what's going on, but they know they need help because of health and safety, because of the way they're treated.

These employees came to us and said, "We would like to join the union. How do we do it?" So we got them to sign cards. But the problem with signing cards—it's good to have that, which we had that before. Then, after you have 50% plus one, you can go to the Labour Relations Act and say, "Okay, now we've got the cards."

But now you have to go through this voting process. The problem with the voting process—and this needs to be changed. That and the banning have to be changed. What happened was that the voting was going to take place on the Wednesday. On Saturday, Sunday and Monday, the employer was pissed at them because they wanted to join a union, and he called them in the

auditorium every day and said to them, "If you want an effing union, get the hell out and go work somewhere else where they have a union. We're not going to have a union here." Every day, every day—they went through that for three days. The employees got so scared because they didn't want to lose their jobs.

He was trying to find out who the rat was, who came to the union and said, "I want a union here." He was trying to find out, because that person would have been fired, terminated, right there and then.

What happened was that when we had the vote—because even though it's a hidden vote, whatever, and you don't know, you still had to walk in front of your employer. This mad man who was standing there, telling them for three days how bad it's going to be: They had to walk in front of him. So what did they do? They went against the card. They went against joining the union. But then they realized they did a wrong thing, and two years later they signed with a union, because they thought, "This guy's not going to change."

That's why we tried to tell them, "The protection is there. We can protect you. But you've got to do it again." We had a hard time, but they finally did it again two years later because they couldn't work with that employer. That employer is still there. He hates the union, but he has no choice now. But at least now we have control on some of the issues that regulate there.

That's a good story, I think. That's a story of why we need card check, why we need to change the way the system is. It shouldn't be the employer's responsibility to see if there is going to be a union or not. It should be up to the employees to decide if they want a union or not. If you have a workplace that is treating the employees properly and is paying their employees properly, those people are not going to come to us, because they have it good. We have some places in North Bay that we approach and they go, "Why? I'm making the same money as the guy is making over there. I'm making the same benefits as the guy." Why is he making the same? It's because this employer doesn't want a union; they are going to make sure they pay these people the same.

But even though you might not believe it, we do have a lot of bad employers out there.

Ms. Cindy Forster: Well, my experience has been that most people don't join a union because of wages and benefits; they join because they feel disrespected. Right?

Mr. Henri Giroux: That's the reason why they approached us. It was the disrespect. It was the way that they were treating them. A lot lower wages was one of them for sure, because if they do the same work as I do as a cook, why shouldn't they be getting almost the same? If they're cooking in the same kind of place as I am, why shouldn't they be at least close?

Ms. Cindy Forster: There's also a proposal in Bill 148 to increase vacation to three weeks, but the kicker is that you have to be with the same employer for five years. In today's precarious, unstable economy—

Mr. Henri Giroux: Well, let me give you a story on that, okay? I'll give you a story on that.

The Acting Chair (Ms. Soo Wong): You've got 30 seconds.

Mr. Henri Giroux: Thirty seconds. I have a union, and we have part-time people. Part-time people are not entitled to vacation like I am. I have seven weeks' holidays because I've been there for a long time. Our part-time people? I have a girl who works beside me. She's been there part-time for 25 years. She gets two weeks' holidays. That's it. She said, "Well, how come I can't have any more holidays?" The employer says, "Because the Employment Standards Act says you're only entitled to two weeks, so we're only giving you two weeks."

They follow the bottom line. They follow the bottom line when they have to, and then they try to go over if it's of benefit for them. That's not just my employer; that's all across. Even though we have a union, it doesn't matter. The part-time are still getting less. It's a good thing to have more vacation.

The Acting Chair (Ms. Soo Wong): Okay. I'm going to say thank you for your presentation. You have until next Friday, July 21, at 5:30 p.m. to do a written submission. Thank you for being here.

NORTH BAY CUPE COUNCIL

The Acting Chair (Ms. Soo Wong): The next presenter is the North Bay district CUPE council: Amanda Farrow.

Just to let everybody know, the Clerk is trying to get the air conditioner restarted. It will be noisy again; you know how noisy that was earlier. The staff is trying to reactivate the air conditioner, because I understand it's quite brutal out there. So the staff is trying to get air conditioning.

Good afternoon and welcome. Please identify yourself for the purpose of the Hansard. You have five minutes for the presentation. This round of questioning will begin with the official opposition party.

Ms. Amanda Farrow-Giroux: Good afternoon. Thank you all for taking the time and sitting throughout the afternoon today. My name is Amanda Farrow-Giroux. I'm representative to the North Bay CUPE Council.

CUPE is Ontario's community union, with more than 260,000 members providing quality public services that we all rely on in every part of the province every day. CUPE Ontario members are proud to work in social services, health care, municipalities, school boards and universities as well as airlines.

1550

I would like to discuss with you the need for legislation in regard to seven paid personal emergency days as well as sick days, as we'll call them.

Paid emergency leave days are actually good for businesses. Sick days for illness and emergencies help businesses reduce their rate of turnover. Statistics show that when businesses respond to the needs of working families, workers are more committed and workplaces stay healthier. Paid emergency leave, or sick days, with better wages result in higher levels of employee productivity as well as customer satisfaction.

I am a registered practical nurse who has been in a long-term-care facility for the past 15 years. Fortunately, I have full-time status, which gives me access to paid sick days, but my fellow counterparts who are part-time do not have access to these sick days.

You don't have to imagine what that means. They are above-minimum-wage jobs. We do have benefits for some but, as I said, not those who are part-time. So what does that mean? It means that we have predominantly a workforce of women who cannot afford to stay at home sick. So, they come to work ill, in an environment with seniors, many of whom are already frail and fragile. And then what happens? The spread of illness like flu, or influenza, occurs, resulting in outbreaks and even death. In 2015, during the outbreak season, we had over 10 seniors who passed away in one single local nursing home, and other homes have experienced the same numbers.

How does this compare to a non-union employer or, even worse, a bad boss? In an environment where there is no job protection, employees are fearful of reprisal. My daughter as well as my daughter-in-law work full-time jobs at minimum wage here in North Bay, and cannot afford to call in sick when they are ill. They both have second part-time jobs, to try and make ends meet, consistently falling short. Fortunately for them, they have a family to rely on when their fridge is empty. In our amalgamated family, we have eight kids. Our fridge is often empty. But so many do not have that assistance.

Having said that, the fear of termination lingers overhead. My daughter-in-law worked for a large box company here in North Bay, where she was reprimanded as well as bullied and intimidated when she was ill, struggling with uncontrolled asthma. She was punished by her employer by having her hours decreased to an average of 12 hours a week, which then forced her to quit, because she couldn't make ends meet.

The number of days allocated for personal illness is unreasonable and inadequate. No one is immune from getting sick. Taking time off when sick is known to speed up recovery and deter further illness as well as reduce overall health care costs. People should not be forced into a position where they must either compromise their own health and the welfare of others, or risk losing wages. Workers not only require the right to take time off sick but, as well, leave must also be paid, to make it a viable option.

I urge you to consider this proposal. Thank you.

The Acting Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Yakabuski to begin this round of questioning.

Mr. John Yakabuski: Thank you very much, Amanda, for joining us this afternoon.

Ms. Amanda Farrow-Giroux: Thank you.

Mr. John Yakabuski: Your proposal was also made by someone else this morning; I can't recall exactly which presenter.

Ms. Amanda Farrow-Giroux: I think there were a few who touched base on the same, yes.

Mr. John Yakabuski: Specifically on the paid leave, the seven days of sick leave, there was at least one that made that proposal.

Ms. Amanda Farrow-Giroux: Yes.

Mr. John Yakabuski: I hadn't heard that before today. It didn't come up yesterday in Thunder Bay, to be honest with you. It's interesting, but I am definitely concerned about having it across the board for all employers. It can be part of a collective agreement if you're in a unionized facility, negotiating what employees would have as a sick leave plan. But given all of the other changes that are being made with respect to the Employment Standards Act and the Labour Relations Act, and how they affect privately run small business and how they might impact them, it's something that I certainly would have misgivings about extending at this time—not that I have any authority to extend it or not. But it is an interesting proposition, and I'm sure that the committee will review it, as they do all proposals that are made.

I did ask the other person, too, are they going to draft a proposed amendment to the legislation and forward it to the committee? Would you or your group of groups be doing that?

Ms. Amanda Farrow-Giroux: Yes.

Mr. John Yakabuski: Okay.

Ms. Amanda Farrow-Giroux: May I respond to your comment?

Mr. John Yakabuski: Absolutely.

Ms. Amanda Farrow-Giroux: As I appreciate your concerns in regard to small business having the capability of paying for sick leave, I think we also need to acknowledge that some of those business groups that spoke today, who are good bosses that do not fall into the bad boss basket, don't have an issue with acknowledging that if people are sick, they should be paid to stay at home.

I think if you looked at the overall turnover of what can happen—I use the example of within the health care field. People get sick. You're exposed to sickness. It happens. What the further problem is—if you're going to spread that illness to your co-workers because you can't afford to be off sick, then you run into a regiment of other problems where you're now working short and now you're into overtime cost. I think, overall, it would actually save the employer money, if you looked at it in the big basket.

Mr. John Yakabuski: I appreciate that. I was in business myself, and I can proudly say that when my employees were sick, they didn't get docked.

But that was a relationship—we were a small business; we didn't have a pile of employees. It was a family thing. In my estimation, we had one employee who worked for us for over 30 years. He came home from the war with my father. They knew each other. He worked for us until he retired. We had another employee who worked for us for over 40 years—obviously, not just me, but my parents before me. We ran a business that had a family—as one lady said, she had a bigger dysfunctional family; ours was a smaller dysfunctional family. But that's the way we treated our employees.

That's a relationship that can be established between a business, an employer, and their employees. But to legislate it is another thing. I never had a problem dealing with that, but if it was legislated, I might have. I'm not in business anymore, so I can't speak from the same perspective.

As you said, those good employers out there, they probably do accept those circumstances and deal with those circumstances in the best way, because they value their employees and they want their employees to be productive and happy, and they want them to stay, because keeping an employee is much better than having to train a new one, I would subscribe.

I do appreciate your position and look forward to reviewing that amendment when you present it.

Ms. Amanda Farrow-Giroux: I appreciate you being a good boss. You're actually a bigger boss, as a member of Parliament, so I certainly would hope that you would be able to reflect some of those opinions to your counterparts as well. Thank you.

Mr. John Yakabuski: Thank you very much.

The Acting Chair (Ms. Soo Wong): Okay, I need to stop you there.

I'm going to turn to Mr. Vanthof for this round of questioning.

Mr. John Vanthof: Thanks, Amanda, for coming to make your presentation and for focusing on the seven-day emergency medical sick leave. I think you have given the committee lots of food for thought, specifically with your example. I have a bit more personal example: My mom just moved into long-term care, and I can see where you would have a big issue with that. Coming to work sick makes the problem worse.

I think this is very worthy of discussion, because the reason why we make rules and regulations usually isn't for the percentage of people who don't need rules and regulations; it's for the percentage of people who live to break them or who need regulation.

I appreciate that you've come and, particularly, that you brought up the point that if people don't feel pressured to come to work sick, the overall productivity of the workplace could very well increase.

Ms. Amanda Farrow-Giroux: Exactly.

Mr. John Vanthof: I don't have a lot of questions because I think you've summed it up very well—and that you have given the committee and you will have given the Legislature food for thought for having a really good debate on this issue.

Ms. Amanda Farrow-Giroux: I think the only thing that I would like to add then, Mr. Vanthof, is—the myth that people believe that if they have sick days, it's abused. In many ways, of course, people make the justification that it's in a unionized setting, which doesn't always exist, as we've heard to this side, for good bosses, as examples.

1600

But having said that, I do work in a unionized setting. I do have many sick days, and I also have many that are still sitting in a pot because I haven't had to use them.

Thank you, Mr. Vanthof.

Mr. John Vanthof: Thank you.

The Acting Chair (Ms. Soo Wong): I'm going to turn to the government side. Mr. Milczyn?

Mr. Peter Z. Milczyn: Good afternoon. Thanks for coming out and sharing your perspective. It's very useful to the committee when we actually do get people with various perspectives bringing their unique situations to us, because it's difficult to craft legislation that can be one-size-fits-all. Obviously, it's not going to be ideal for every particular situation.

On the issue of paid and unpaid leave that's in Bill 148, we've also brought in a provision that we would no longer require—that no employer would have to require—doctors' notes for that. If somebody wants to believe that people are going to abuse the system, so be it. But certainly, for a lot of people, if you're not feeling well, the notion of having to drag yourself out to the doctor or, God forbid, to the emergency ward, just so you could see somebody who could give you a piece of paper to confirm that, yes, indeed, you're sick—I think that's also going to be of benefit to yourself and to other employees. Do you think that's a positive step?

Ms. Amanda Farrow-Giroux: I would definitely like to comment on that. It's my understanding that it's an exceeding of two days. Is that correct?

Mr. Peter Z. Milczyn: Yes.

Ms. Amanda Farrow-Giroux: In many ways, you may not require two days of absence, or it could be an extension of that. Looking at a proposal of only two days of being paid, it still wouldn't cover a prolonged illness if you required that. So, absolutely. I don't know how many times I've heard of people who have been to a physician, and the wasted dollars that we have certainly spent in going there.

I appreciate the efforts in reviewing Bill 148. There are just some aspects, of course, that we think don't go far enough. I'm sure you've heard that today.

Mr. Peter Z. Milczyn: I understand your position. I just wanted to make sure that you were aware that that provision was in there—and what your view was on that.

Ms. Amanda Farrow-Giroux: I am. Thank you.

Mr. Peter Z. Milczyn: Bill 148 as a whole—the package of the minimum wage increase; the better control over employees' work schedules; the equal pay for work of equal value; the requirement, which could perhaps come up in your sector as well, that hiring workers from temp agencies just to pay them less than full-time employees is banned under this bill—what is your view on those other provisions in the bill?

Ms. Amanda Farrow-Giroux: Some of the issues that you're discussing—within my specific workplace, because we're unionized, we don't have those issues. Everybody has equal pay, so that isn't an issue. We don't have temp workers, so that's not an issue as well. Certainly, our scheduling is actually posted six weeks in advance.

But some of the issues that do exist, of course—if we want to go back to the minimum wage part, I can talk briefly about how I still have all these small children I

would like to move out of my basement at some point in my life. I love them dearly, but my fridge is empty.

Having said that, we want to support them in finding—I don't even want to call it a minimum wage. They need a living wage. They're struggling. They come from a labour family. We certainly support them in trying to support themselves, but it's really quite difficult. Any efforts that we can make for the next generation—I'm going to be okay. It's the next generation that I'm quite worried about.

Mr. Peter Z. Milczyn: Thank you very much for your presentation.

Ms. Amanda Farrow-Giroux: Thank you.

The Acting Chair (Ms. Soo Wong): Before you leave: You have until next Friday to make any written submissions—Friday, July 21, at 5:30. Thank you for being here.

Ms. Amanda Farrow-Giroux: Thank you.

UNIFOR LOCAL 103

The Acting Chair (Ms. Soo Wong): The next group before us is Unifor Local 103.

Welcome, and good afternoon. As you've probably heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will begin with the third party. You may begin any time. Please identify yourself for the purpose of Hansard. Thank you.

Ms. Jane Krajc: Thank you to the committee for allowing me to speak today. I'm Jane Krajc, vice-president, Unifor Local 103, representing Ontario Northland employees in North Bay and throughout northeastern Ontario, as well as Brink's and Dyno Nobel workers. I presently work as a member of the clerical staff at Ontario Northland.

I applaud the government for taking a leadership role in creating decent work. All Ontarians will benefit from these bold and significant changes to our painfully outdated laws. I'm pleased that the government has recognized that maintaining the status quo is a disservice to our province.

While the minimum wage was not included in the original review, we support the government's decision to increase it to \$15 an hour. Unifor has been deeply involved in the process to overhaul our employment laws. Unifor has made presentations at all of the 2015 public hearings for the Changing Workplaces Review, attended lobby meetings and rallies, conducted town halls and told our members' stories in the media. Unifor Local 103 supports Bill 148, but we are also asking for further improvements to the law, so that no one falls through the cracks.

Unifor will be making a written submission to the committee to put forward recommendations to the government with amendments to the current legislation. This will reflect consensus priorities of the Ontario Federation of Labour, highlighting areas that are significant to Unifor and our members. We believe the bill needs to be

strengthened in four broad areas: extending card-based certification to all workers, stronger successor rights to stop abuses of contract flipping, protection for women through domestic violence leave, and extending the concept of broader-based bargaining.

Today I speak to you as a member of the Unifor national committee for workers with disabilities, and as a worker with a disability myself. I would like to emphasize the importance of the union acting as an advocate to protect the rights of disabled workers, promoting accommodations that recognize the abilities of workers versus their disabilities, emphasizing the valuable contribution that workers with disabilities can make in their workplaces. The union's goal is to create inclusive workplaces, removing barriers for not only workers with disabilities, but for everyone. The union also recognizes that there is still work to be done, and that is why I am here today.

Across the country, 3.7 million Canadians of working age have a disability, but despite these large numbers, workers with disabilities have dramatically lower employment. Nationally, this translates to 49%. For workers with severe disabilities, it drops to 26%.

In my early twenties, I was forced to go on sick leave due to severe depression and anxiety. As the breadwinner of my family, supporting my husband at university, and as a new mother, the impact on my family was devastating, emotionally and financially. Shame overwhelmed me, because at that time mental illness was not understood or accepted.

When the time came and my doctor authorized my return to work, I submitted the necessary paperwork to human resources. I was alarmed when they advised that I was required to attend a meeting regarding my innocent absenteeism and that there would be further discussion regarding my return to work. Vulnerable and in a fragile mental state, I did not have the strength or knowledge to stand up for myself. I was ready to accept any consequences, because at that time I thought the company was right. I had missed a lot of time and I felt guilty. I believed that it was my fault.

Thankfully, the union had been notified of this meeting. The union offered me support and advised me of my rights. They recognized that as a disabled worker, it was not my fault, and they would be my voice. They came to the table not only to protect my job and my rights, but to bring focus to my abilities, working collaboratively with the company to accommodate me so that I could make a meaningful contribution to the workplace. The union made a difference for me.

Today, I thank the union and the company, both of whom fully support me in the workplace. The union has continued to support all workers with disabilities, being a voice for those that have difficulty speaking for themselves, as well as providing education and awareness to generate understanding and acceptance.

I would therefore ask that your amendments to the law include access to card-based certification for all workers in all sectors. The freedom to form a union without fear of intimidation or reprisal is the only fair option. Further,

I would ask that your amendments include the provision that employers provide employee lists to unions to ensure that employees of that company have an opportunity to make an informed choice.

Thank you for your time and consideration today. I look forward to your questions about Unifor's position on why we think that card-based certification for all sectors is fair, and to further explain why there is a need to have employers provide employee lists to unions.

The Acting Chair (Ms. Soo Wong): Thank you. I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Thanks so much, Jane, for being here, and thanks for your great presentation. It's always difficult to talk about mental health issues. For so long, we haven't done a great job investing in mental health programs and services for the people who live in this province. There aren't enough supports in place, unfortunately.

1610

I think about 70% of the workforce is not unionized. You're here as a union activist, to make sure that workers who are not protected by a union have better minimum standards, so I would take it it's your position that, of course, if you join a union, that's the first step to better prosperity and working conditions.

Ms. Jane Krajc: Yes. I think we have to provide an easier process, so that people only have to speak once to say that they want to join a union. We have hospital patient advocates. We need to get rid of the perception that unions are combative with companies.

Certainly, my union worked with the company. Legislation was new, and the disability that I had was new in the workplace. They did come together and they helped me. I think we have to offer that opportunity to everyone and lift the floor.

Ms. Cindy Forster: You also talked about workers with disabilities, and the need for appropriate accommodation, which isn't really falling under this bill but is something that you believe should be addressed under WSIB.

Ms. Jane Krajc: The problem is that we say "equal treatment," but equal treatment doesn't necessarily give people with disabilities the same opportunities. We need fair treatment that offers people equal opportunities. Each situation needs a unique resolve, so that they get to the same level as their other colleagues, and then they have an equal opportunity.

Ms. Cindy Forster: The Ontario association for people with disabilities would agree with you. They say that if you remove barriers for people with disabilities, then you remove the barriers for everyone. Right?

Ms. Jane Krajc: Yes. Absolutely.

Ms. Cindy Forster: So it makes for a better workplace.

You also talked about domestic violence leave. In the government's proposed legislation, they're suggesting that there would be two emergency leave days, which include domestic violence leave, sick leave, bereavement leave and any other reason that you need to be off. Your position is that there should be a separate category?

Ms. Jane Krajc: There should be an additional 10 days, because we all get sick and we all have other emergencies.

But women and men who face domestic violence—we need to help them to get out of those situations. Financially and emotionally, they're not prepared for that. If we provide them with this time, they know that they are secure in their employment, and they feel supported. I believe that's something that we have to do.

Ms. Cindy Forster: In a unionized environment, you might have the opportunity to have those days in some contractual language in your collective agreement, maybe even under "sick days."

Ms. Jane Krajc: There are requirements under our sick day leave, so I would say not necessarily, but we're working towards it.

Ms. Cindy Forster: Right. You're working towards it.

Ms. Jane Krajc: We are working towards it.

Ms. Cindy Forster: But in a non-union environment, you wouldn't have any access to anything.

Ms. Jane Krajc: No.

Ms. Cindy Forster: Okay. Well, thank you very much.

The Acting Chair (Ms. Soo Wong): Thank you. I'm going to turn to the government side. Mr. Potts.

Mr. Arthur Potts: Thank you so very much for being here and sharing a very personal story with us. I think it's very important that people show the emotions that are attached to the positions they have here, so I appreciate you coming out and doing that.

I am very much appreciative of the support you got, both with the employer and with the union, in moving forward.

If I could pick up on the comments of Ms. Forster—it's not exclusively in a unionized environment that you would get that support. Many progressive employers would also provide the same kind of support in all the aspects of personal leaves and such. I think we heard Mr. Yakabuski talk about the support he did in his own company and such. So I just wanted to highlight that.

I also appreciate your support for the general direction of the bill and the very progressive direction it's taking around minimum wages particularly, but also on shift changes and providing no reprisals for the kinds of leaves of absence that are being proposed. Yes, it would be maybe another step forward to talk about more paid leave, but at least it's a step in the right direction to provide people with this kind of time off without reprisal from the employer.

Do you want to maybe comment on that? We'd all love to see more paid leave, in a sense. There is an aspect of affordability. How would you respond? Is it the right direction to be going, in any event?

Ms. Jane Krajc: Absolutely, it's the right direction to be going in.

If I can address one of the things that you said—and I appreciate that you were a great employer in offering compassion to those workers that you had. The problem

is that some employers are not educated with respect to the legislation that we have with human rights and workers with disabilities. The union does provide education and awareness about that.

There has always been some concern about undue hardship. It seems to be subjective by some employers, and sometimes we have to step in, in order to, as I said, lift the floor.

If we provide union support to people and we give them the right to have card-based certification, they won't experience the intimidation. There's usually a week after we get the file, the application with the OLRB, to go forth with a vote. During that time, often there's intimidation. There are also often incentives offered to employees. So it gets swayed.

With respect to the contact information being provided for employees, that's important, because I believe that people need to make an informed choice about whether or not they want a union. Being able to contact all of the employees off the property will ensure that they can ask the questions and find out what the union can do for them.

Mr. Arthur Potts: Right. You also talked about successor rights, and I want to just focus a bit on that. There is a piece in this legislation which makes it very clear that, for instance, in a building with a cleaning contract, if you decide to change your contractor, the terms and conditions attached to that project will remain in place as a way of both protecting the bargaining unit and protecting the gains that were made in that bargaining unit at that building, so that it's not always driving down to the lowest cost.

Could you comment? Are you appreciative of that direction that we're taking?

Ms. Jane Krajc: Yes. I have an aunt who works as an employee in a cafeteria in a university. Every couple of years, the company that she works for has to bid a contract. What happens is that their wages sometimes are reduced. They never know what their rights are, because they change. So they can't really plan for their future. They're always in a precarious situation, wondering whether their financial status is going to be changed, whether they're going to have the same benefits.

Mr. Arthur Potts: I was also interested in the issues around sick leave provisions. I made the trip to North Bay, and I wasn't feeling so well when I first came up, but I'm feeling better now.

Ms. Jane Krajc: Oh, good.

Mr. Arthur Potts: But I wouldn't have made it yesterday to Thunder Bay, quite clearly.

Ms. Jane Krajc: That's a long trip. It's almost a different time zone.

Mr. Arthur Potts: I want you to know that our employer is sensitive to those matters as well.

It's good to have you here. Thank you.

The Acting Chair (Ms. Soo Wong): I need to stop you, Mr. Potts.

I'm going to turn to Mr. Yakabuski for this round of questioning. Thank you.

Mr. John Yakabuski: Thank you, Jane, for joining us today. I was just catching the first part of your testimony when I was walking back into the room. I want to thank you for coming to this committee and for the courage to talk about depression and mental illness.

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While I think we've come a long way, we still have a long way to go in dealing with that. I've certainly seen it in my own family. In fact, two of my brothers took their own lives, dealing with depression, so I've seen the effect of that. I appreciate you coming in to talk about it, because I think the more we talk about it, the better chance we have of really dealing with it as a society, not locking it away and treating these people as being less, and making sure that we have the proper supports in place so that they can become productive people and proud of themselves, and have the self-confidence and self-respect that they all should have. So thank you for doing that.

I have mixed feelings about the air conditioning. I'm glad that it's on, because it's going to get cooler in here, but it is harder to communicate.

I do appreciate your thoughts on card-based certification. We're hearing that a fair bit today. We heard it yesterday as well, in Thunder Bay, and I suspect we're going to hear more about it as we travel further throughout the province. So I thank you for bringing that issue to the committee. It's certainly going to be duly considered as part of our standard procedure for whatever testimony or deputations we have before the committee, and it will be part of our report. Thank you very much.

Again, thank you for joining us, and the very, very best to you.

Ms. Jane Krajc: Thank you. I apologize for my nervousness.

The Acting Chair (Ms. Soo Wong): Oh, no, no. Don't apologize. There's no need to apologize.

Like Mr. Yakabuski, I want to say thank you very much for your presentation. I believe I can speak on behalf of the committee, so thank you for your courage.

You have until next Friday for your written submission, whether personally or on behalf of Unifor—Friday, July 21, at 5:30.

Thank you again.

Ms. Jane Krajc: Thank you, everyone.

TIMMINS AND DISTRICT LABOUR COUNCIL

The Acting Chair (Ms. Soo Wong): The next group before us is Timmins and District Labour Council.

Thank you, and good afternoon. Welcome. As you probably heard, you have five minutes for your presentation, sir, followed by 15 minutes of questioning. This round of questioning will be coming from the government side. Before you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. J.P. Desilets: Hi, my name is J.P. Desilets. I'm from the Timmins and District Labour Council, as their president. I'm also the president of OSSTF District 1.

What I'd like to do today is basically try to condense a personal narrative into about five minutes. I find that my personal experience in this field is somewhat interesting. I was very fortunate to be involved in a union setting as a university student for about five years, while I was attending university, and that was a great experience, followed by the real world—we all know what that can be—and then in my current capacity as a union president with OSSTF.

To begin with, I worked at the Malette Kraft pulp and paper mill in Smooth Rock Falls, which unfortunately no longer exists. It was a very progressive environment, and in that unionized environment, there were people who took me under their wing, basically in a mentoring role, as a young guy, saying to me, "Hey, you're going to encounter people who are going to rattle your tree. You don't need to respond, and you don't need to get bent out of shape right away. There's a certain way to deal with these sorts of situations, and that's what we're going to be here to do."

I was somewhat skeptical at first, but as my career turned into years at that particular pulp mill, lo and behold, they were actually correct, and things that arose in the workplace weren't that big a deal. As I consulted with the people who had offered me that type of advice, surely there was a way to mediate somewhat of a settlement, I'll say, to issues that arose in the workplace.

Now fast-forward to, as I say, when I graduated from university and I left the confines of comfortable Smooth Rock Falls, Ontario, and went into the big city. I worked for a large retailer. That large retailer—I was somewhat shocked, when I first went in there, at their particular corporate culture and what they called "calisthenics," to warm us up. I wasn't completely sold on it. But at any rate, their practices were entirely different than what I had seen in the unionized environment and had experienced as a student.

One particular moment in time that truly changed things for me was when I was working on the night crew. We basically unloaded trucks. Because I was in the city, there were an awful lot of people that were new to the country and really trying to do whatever it takes to get ahead in the world. In this particular instance, in unloading the transport trucks with hand trucks, there was basically a contest put together saying that whoever could do it the fastest would get a free breakfast at McDonald's.

I kind of took stock of the situation and I thought, "Really?" My initial response to that—again, having come up through a unionized environment—was, "Hey, I'm not wearing the right personal protective equipment, and I'm not going to jeopardize my own health and safety for this, because there is way too much weight flying back and forth here just for the sake of an Egg McMuffin for breakfast." So I calmly stated to my supervisor, as I'd been instructed in my previous unionized

setting, “I’m going to exercise my right to refuse unsafe work, and I’d appreciate it if you could reassign me.”

That was fine until the morning came, and then I was informed that my services were no longer needed. I thought, “Excuse me?” They said that was it. I said, “I’m not quite clear on this. Is this to do with my right to refuse unsafe work? Do you not understand progressive discipline, in the sense that I just put together the right to refuse unsafe work and that’s your response?” And they said, “Yes, it is.” So I was summarily dismissed from that. I just couldn’t believe it.

The thing that I really want to get across to people is that when you’re young—in that particular moment in time, I had to sit there and think. I had my whole work reputation going forward. As much as I was tempted to go to the Ministry of Labour with that, I had to think of the repercussions not only for my work reputation, but also, at the time, the implications for applying for unemployment insurance. So I took my lumps as they were, at that particular moment.

Again, fast-forwarding to what I do now—sorry, I was checking the time. Basically, why I want to speak to the importance of moving on with the card-based certification and the guaranteed access to a first contract through arbitration is that what I do now is have that conversation, and that’s what unions do really well. There doesn’t need to be conflict in the workplace. But in the instances that I’ve found where there isn’t a union in place to handle that kind of conflict, it’s hit-and-miss. I think the stability that could be achieved across the province by using the card-based system to bring in unions, and then furthering that by arbitration for the first contract—I know some of you here can relate to what I’m saying, because you just went through—

The Acting Chair (Ms. Soo Wong): I’m sorry, sir. I need to interrupt. Sorry.

Mr. J.P. Desilets: Sure.

The Acting Chair (Ms. Soo Wong): I’m going to turn to the government side and Mr. Milczyn to begin this round of questioning. Thank you.

Mr. Peter Z. Milczyn: Thank you for coming in this afternoon and making your presentation. I appreciate the personal story because it’s really important to hear those, to put it in a perspective of how legislation actually impacts individual people in their life and in their workplace.

Just on the issue of card-based certification, what is in the bill is extending that to the most vulnerable workers—those who are in dispersed workplaces, where there isn’t a single factory or office or building where they all come to, where it’s easier for them to talk to each other but it’s also easier for them to find out what the possibility is of unionization. We thought that was important.

We also, in the bill, have placed the requirement to provide employee lists to a union when they’re in the process of trying to organize.

I take your comments; I understand your concern. But is the requirement for the provision of employee lists a

progressive step forward? Do you think that’s going to be helpful to the work that you do?

Mr. J.P. Desilets: Most definitely. And to piggyback onto your answer, I can appreciate the government’s view that those are the four most vulnerable sectors, but I would argue that there are a number of other vulnerable sectors out there as well.

Mr. Peter Z. Milczyn: Some of the other provisions in Bill 148—obviously, the minimum wage; the provisions around ensuring employees’ rights around proper scheduling of their work; the equal pay for work of equal value; the protections around successor rights and around the hiring of people from temp agencies, to skirt some of the requirements for full-time employees—do you see all of those as positive and as things that your union was advocating for?

Mr. J.P. Desilets: Yes. A fair number of what you mentioned in your list is something that is achieved through a union setting. I mean, it’s just the way it is. The other side of it—by all means. The spirit of the bill, to make it a fair workplace—we are completely in favour of that.

Mr. Peter Z. Milczyn: We also understand not every workplace is going to be unionized, for a variety of reasons. Now employees in Ontario are going to enjoy some of the same benefits that unionized employees have. So that was important as well: to have more of a level playing field for employees, regardless of whether they’re in a union or not.

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Mr. J.P. Desilets: Again, I agree.

Mr. Peter Z. Milczyn: In terms of some of the comments we heard around the minimum wage earlier today and certainly yesterday, in your experience—and I appreciate maybe in a unionized environment the minimum wage isn’t as much of an issue, but from the people that you do talk to in the community, what do you think is going to be the impact of the increased minimum wage? Is it dramatic? Is it marginal? What do you suspect?

Mr. J.P. Desilets: Again, from the segment of the population you’re referring to, it’s going to be dramatic—because when you think about the potential spending power that they’ll enjoy through a raise in the minimum wage, in a lot of cases you’re just not going to be able to put that into words.

Mr. Peter Z. Milczyn: So you believe they’ll actually be spending the money in the local economy and creating more opportunities that way.

Mr. J.P. Desilets: Yes, because when you look at the overall sense of it, these people aren’t all that upwardly mobile to take trips and whatnot, so the disposable income will go right back into the communities that they live in.

Mr. Peter Z. Milczyn: Thank you very much.

The Acting Chair (Ms. Soo Wong): Thank you very much. I’m going to turn to Mr. Yakabuski for this round of questioning.

Mr. John Yakabuski: Thank you, J.P., for joining us today. I appreciate your personal story on your own ex-

perience in two different types of employment that were drastically different in your earlier life. I would hope that something like that wouldn't be happening today, but we don't know.

Our youngest son is a carpenter apprentice, soon to be going into his last year. If he was here he'd tell you that he gets tired of hearing from me about the importance of working safely—because you're no good to anybody if you're injured on the job. You're not good to yourself; you're not good to the employer because you're not available for work. And who knows what the lasting repercussions could be. I have that conversation with him so many times because I know he's a bear to work. He's a strapping young man and he likes to go at it. I always tell him, "Lucas, you just always have to make sure that your number one priority—yes, you have to get the job done, but you have to work safely."

So I appreciate you coming to us with the importance of safety in one job and in another job how it was about, "Get these things unloaded," and your personal safety wasn't important. I would hope that that retailer—I'm surmising it was a few years ago—has changed its practices, because that's not acceptable, where you would jeopardize the health of your own employees, like you said, for an Egg McMuffin in the morning.

On the card-based certification, I appreciate your thoughts on that. You are among a growing number of presenters here who have made that submission to us, and we take that into consideration. Thank you for joining us today. If you have any response, there is time. Please go ahead.

Mr. J.P. Desilets: All I can say is that I appreciate your comments because that is one of the focal points that a union does focus on: that it's important to go home intact at the end of the day.

Mr. John Yakubuski: That's right. He's with the 27 in Toronto. Thank you.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Ms. Forster for the next round of questioning.

Ms. Cindy Forster: Thank you, J.P., for being here. Were you able to get through your presentation? Did you have something else that you wanted to say there, right at the end?

Mr. J.P. Desilets: Well, one story that I'd like to interject just in favour of the \$15 minimum wage is that—and I wasn't able to put it in there—once upon a time I was the face of the working poor. So what I wanted to say is that during that time I worked for the retailer, in order to go and get into the workforce and coming from the north down to the south, what it looked like was myself living with five other people in a basement apartment. That's because where minimum wage is at at the moment, you just can't put together first and last months' rent. When you think about it, I went from sharing a room in a university residence, which I thought was somewhat of a hardship, but going and sharing a basement apartment with five other guys is a totally different hardship.

Ms. Cindy Forster: Good. Thanks.

MPP Milczyn asked you your thoughts on the minimum wage and you said that it's going to be dramatic, that the impact on spending and the local economy is going to be good.

This morning the Minister of Labour, Kevin Flynn, was on AM980 radio talking about Bill 148, and his comments were that the minimum wage is up for debate, but that the minimum wage is not set in stone. What do you make of those remarks, in light of the fact that this was announced at the end of May?

Mr. J.P. Desilets: My honest impression? I don't want to hear political manoeuvring when it comes to the livelihood and welfare of the citizens of Ontario.

Ms. Cindy Forster: Okay. What about the three-week vacation piece that will only apply to workers who have been employed with the same employer for five years? I know in a unionized setting the vacation is better, but, in fact, in many non-unionized workplaces, all employees get are two weeks. In your experience in this area of the province, are people in precarious jobs likely to remain in a job for five years?

Mr. J.P. Desilets: No. It's just simply not a realistic provision of the bill.

Ms. Cindy Forster: Any comment on the two-tier difference in wages that actually exempts students and servers and bartenders from the \$15 minimum wage?

Mr. J.P. Desilets: Again in progressive environments, it just doesn't happen. As I had mentioned, at the kraft pulp mill that I worked in in Smooth Rock Falls, I did the same work as the person beside me, regardless of how long they'd been with the company. Despite the fact that I was a student, I was paid at the same rate. So I don't see the need for an exemption.

Ms. Cindy Forster: Okay. Great. Thank you very much.

The Acting Chair (Ms. Soo Wong): Thank you very much for your presentation. If you have any written submission, you have until next Friday at 5:30. Thank you.

RESORTS OF ONTARIO

The Acting Chair (Ms. Soo Wong): The next presentation is from Resorts of Ontario. Welcome. Good afternoon. There is a list of names here, but I'm going to let you guys introduce yourselves.

As you've heard, you have five minutes for your presentation, followed by 15 minutes of questioning. This round of questioning will begin with the official opposition. When you begin, can you please identify yourself for the purposes of Hansard? You may begin anytime.

Mr. Jerry Feltis: Thank you. First of all, thank you very much for letting us speak today.

Just quickly, I am Jerry Feltis. I am the treasurer of Resorts of Ontario, and speaking on behalf of the Resorts of Ontario trade association today. To my right is Dianne Hounsome; she's the president of Resorts of Ontario and owner/operator of Bayview Wildwood Resort. To my left is Mark Downing, who is the chairman of the board, as

well as the owner/operator of Fern Resort; and Grace Sammut, our executive director of Resorts of Ontario.

Resorts of Ontario is a provincial trade association instituted in 1942 to represent, serve and promote the resort sector of Ontario's tourism industry. We are a member-based association, comprised primarily of family-owned and -operated small and medium-sized businesses. These 200 SMEs and an additional 100 affiliates are located throughout rural Ontario, often the primary employer in these local communities, generating significant socio-economic benefit to the province of Ontario. We are tremendously concerned and challenged by the announcement of the Fair Workplaces, Better Jobs Act. The impact of this act and the Changing Workplaces Review will devastate our industry.

In 2010 the resort sector contributed \$492 million in provincial tax revenues, representing 3.6% of the province's GDP. With labour costs representing close to 40% of the resort business cost, the proposed impractical increase of the minimum wage to \$14 an hour by January 2018 will crush the resort sector. The short implementation time period gives business no time to react or to compensate for these dramatic increases. The health of the tourism and hospitality industry is so dependent on many factors, including seasonality, weather, contracts, suppliers, global economic factors and disposable income. The viability of our business is at stake.

The tourism industry is one of the fastest-growing industries in Ontario and a pillar of Ontario's economy. The unplanned, soaring increase of the minimum wage poses a severe threat and a ripple effect across Ontario. Business sustainability requires good planning and strategic management. We urge the government to heed these concerns, which will cripple the widespread business community, impact employment levels, affect our youth and our economy. As a labour-intensive industry, these costs represent the highest costs of operations, and without the opportunity to plan, our industry will be dealt a severe blow. We offer solutions to support the government's goal of keeping Ontario strong and working.

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The resort sector has a tremendously positive impact on Ontario's economy, contributing significantly to local communities. We are the largest employer of youth, via summer employment, who also receive a gratuity over and above their minimum wage. This gratuity is not considered part of their wage and realistically should be.

Resorts of Ontario's member stakeholders have always provided healthy workplace environments for our hospitality and tourism employees. Our staff are pivotal in ensuring safe and happy destinations for vacations for our domestic and international visitors.

We implore consultation with Ontario businesses to implement smaller increases in a more reasonable time frame. Businesses in tourism and hospitality have put their operations in motion with structured rates, signed agreements and contracts, all confirmed for the next few years, before this radical announcement. Business has had no chance to respond to these exorbitant, unplanned increases.

We have been grappling with regulatory burden and barriers to business; soaring costs of doing business through labour, energy and marketing; disruptive technology, generating an unlevel playing field, such as Airbnb and other OTAs; as well as access to capital challenge, hindering continued investment; and cannot sustain the proposed changes in Bill 148 with absolutely no notice.

Three years ago, the Premier's own Minimum Wage Advisory Panel conducted extensive research and concluded: "In the Canadian context, researchers ... found an adverse employment effect of raising minimum wages especially for young workers." Typically, it suggested, that youth employment would drop 3% to 6% if the minimum wage was raised by 10%.

Our recommendations and solutions:

Minimum wage: Implement a five-year plan to increase minimum wage to \$14 an hour. This would be a yearly increase of 4.5%, which is higher than the original increase laid out by the Ontario government.

The Acting Chair (Ms. Soo Wong): Mr. Feltis, can you please wrap up? Thank you.

Mr. Jerry Feltis: Absolutely.

Student wage: Review the student wage to consider inclusion of gratuity, as well as maybe creating an entry-level position for the first three to six months.

Scheduling: Recognize the hospitality industry requires flexibility based on weather and seasonality.

Labour relations: At a minimum, remove this change to legislation as it compromises the privacy and CASL legislation.

The Acting Chair (Ms. Soo Wong): I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Do you want to finish your wording before we jump into questions?

Mr. Jerry Feltis: Really, the scheduling exemption was the biggest one. So recognize that the hospitality industry requires flexibility, and exempt businesses in this industry from scheduling proposals set out in the Changing Workplaces Review, as we're so dependent on seasonality and weather.

Mr. Victor Fedeli: Thank you very much. Inside of the words "crush" and "radical" and "exorbitant," I also heard some solutions, so that was great. Thank you all for coming and for your presentation.

I heard three things, I think. Are you suggesting that it be spread over five years?

Mr. Jerry Feltis: Correct.

Mr. Victor Fedeli: So you're not opposed to the minimum wage increase; it's the timing? It's the same kind of thing we've heard from the chambers and others.

Mr. Jerry Feltis: Our industry just needs time to plan for it.

Mr. Victor Fedeli: You mentioned entry level at a different rate. Does that mean another category?

Mr. Jerry Feltis: With the seasonality of our business, we hire many first-time employees entering the workforce. There is a significant amount of training required for those individuals—legislated training as

well, with health and safety. On average, 40 hours goes just to training before they ever hit the floor and become productive. We're just asking for consideration of that first three months or six months in that position, if you're a first-time employee of that property—that perhaps there's an opportunity to lower that rate for that time frame.

Mr. Victor Fedeli: So you consider that to be an amendment that should be brought forward to this, that there be an entry-level category?

Mr. Jerry Feltis: Correct.

Mr. Victor Fedeli: The last one I wrote: There was another type of exemption—I never got to finish writing your last one.

Mr. Jerry Feltis: The scheduling exemption for our industry is so dependent on weather. I'll use an example from two Saturdays ago. I operate three golf courses. We had over 600 people scheduled for the shift. As of 72 hours prior, the weather was calling for beautiful weather. I had 15 people, between all three courses, actually go through the golf course.

Mr. Victor Fedeli: Wow.

Mr. Jerry Feltis: There were some cancellations in some shifts, based on weather.

Mr. Victor Fedeli: Yes. We heard earlier a comment, and I'd like to repeat it. I want to ask you, then, what will happen on January 1 if this goes through? Go down the line, if you will, from various employers. What will happen in your place?

Mr. Jerry Feltis: I will start, but I will also ask my colleagues here to speak to this.

I can absolutely say there will be a reduction in employment. We will change the structure of our business and not be as full-service.

Ms. Dianne Hounsome: Just to also say, along with that—I am one of the few full-service resorts left. There are not very many of us, simply because of the situation that we've been dealing with. Minimum wage is the thing that's going to kill us, but prior to that, there has been a lot that has been against full-service resorts. I will absolutely have to change my business model, and I will absolutely hire fewer people. We are the ones that provide youths with their first jobs. Sadly, that is going to be reduced drastically.

Mr. Mark Downing: I'm a full-service resort as well. I go from 60 to 70 employees in the off-season to over 200 employees during the high season. It's the people who make the experience.

In fiscal last year, my wages were 48% of my sales. There's no way I can make that up. There's no way that I can make that up in rates. People will just go elsewhere. Quite frankly, there's a very good chance that we'll turn our property into real estate and those 200 employees—

Mr. Victor Fedeli: Wow.

Mr. Mark Downing: Our property has been up and running—this is our 128th summer. That will not be there.

Mr. Victor Fedeli: Thank you very much. You are about to get cut off. I wanted to say it's important to hear these first-person, real-life examples of the implications.

The Acting Chair (Ms. Soo Wong): Okay. I'm going to stop you. I'm going to turn to Ms. Forster for the next round of questioning.

Ms. Cindy Forster: Mr. Vanthof.

The Acting Chair (Ms. Soo Wong): Oh, Mr. Vanthof. I'm sorry.

Mr. John Vanthof: Thank you very much for coming and for offering your perspective, particularly on the scheduling part. Before this job, I was a farmer by trade. I think that if anyone can appreciate the dependency on weather—

Interjection.

Mr. John Vanthof: Yes, when it doesn't shine. We had employees as well. When we had small square bales, we had 20 people ready to go, but if it rained for a week, we couldn't—so I appreciate that. I think that's something that we have to discuss to see how specific sectors are. Every sector is different. A one-size-fits-all—and that's why we're having these committee hearings.

On the minimum wage, if I heard you correctly, it's not that you're theoretically opposed. It's the initial shock of how you incorporate this, and can you incorporate this. Is that fair?

Ms. Dianne Hounsome: Yes. Just as an example, I'm actually unionized. I have been since the Rae government. I've had one grievance since then. That tells you I'm a fair employer.

I just went into a three-year contract with my employees. Some 80% of my staff are paid \$12 and under, plus gratuity. They get a healthy gratuity on top. What am I supposed to do with that? Now, unplanned, I'm headed into this massive increase. How do I go back now and deal with that in my contract? It's not just the minimum wage. Everything else now is all pushed up. So that is a very difficult challenge.

We've booked groups two years in advance, at a certain rate. How are we now supposed to backtrack and say, "Well, I just had a 20% increase"? What am I going to do with that?

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Mr. Jerry Feltis: It's 30%.

Ms. Dianne Hounsome: Well, 30% by the time I hit \$15, yes.

Mr. John Vanthof: Just as a point of interest: For your sector, like golf courses and full-service lodges and everything in between—I'm just coming to this realization—gratuity would be a pretty big part of your industry. Would it be equivalent to the restaurant industry, would you say?

Mr. Jerry Feltis: Absolutely, it's equivalent to the restaurant industry. A large percentage of the employees in resorts are food-and-beverage staff, at least the minimum wage workers. Our housekeeping teams are a lot closer to the wage that you're suggesting. Unfortunately, given the separation factor that we need to go to in order to make that job now look attractive to go and do that hard work, we will have to increase that wage even further.

So it's not just the wages of the people who are currently making minimum wage; it's the wages where

we're already paying a premium in those hard-to-fill positions that we'll also have to increase to ensure that they don't go work a Walmart that's closer, because every resort is in a very rural location. It takes people the ability to drive there. The closest town to one of the resorts that I operate is 26 kilometres away. I need to pay a premium in order to get them to drive to me instead of staying in that town. Now that premium is going to increase again, based on that.

Mr. John Vanthof: Thanks very much for giving us your perspective. It was worthwhile.

Mr. Jerry Feltis: Thank you.

The Acting Chair (Ms. Soo Wong): Okay, I'm going to turn to the government side. Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you for coming in this afternoon and sharing your concerns with us. It's a series of concerns we haven't heard yet, which is great. That's why we travel around the province, so we do get perspectives of various types—not just one or two perspectives, but we get into the weeds, if you like, on issues that affect various businesses.

One point that you raised is the issue of scheduling and weather. In section 12 of the bill, there is actually an exception for fires, lightning and storms. Having read it just one more time a moment ago, I suppose you might want to ask for an amendment for language that's clearer. You don't want to end up in a fight over what is a "storm" as opposed to "inclement weather."

But conceptually, there is something in the legislation that would say that if there's a weather event that doesn't allow for the work to go ahead, that cancellation provision doesn't apply. That's already in there.

Ms. Dianne Hounsome: May I speak to that, just quickly?

Mr. Peter Z. Milczyn: We're here for that.

Ms. Dianne Hounsome: Okay. What that doesn't allow for—we have become an industry that is also very dependent on last-minute bookings. We'll project ahead, but if the weather all of a sudden decides that it's not going to be a great weekend coming up, then all of those last-minute bookings do not come forward.

I put my people on a schedule a week ahead. Now I'm stuck. I have to schedule with the anticipation of our clients, and we are not going to be able to fulfill that.

Mr. Peter Z. Milczyn: Fair enough. That's why I'm saying that you might want to look at that provision in section 12 of the bill, where the intent is there. If you want to suggest language that you think would be more helpful to you, we're certainly open to hearing that. That's what I'm trying to say.

Mr. Jerry Feltis: We appreciate that recommendation.

Mr. Peter Z. Milczyn: You said in your presentation—and I may have misheard you—that you want a five-year implementation to \$14 an hour.

Mr. Jerry Feltis: That's correct.

Mr. Peter Z. Milczyn: To \$14, not \$15. Okay.

You wanted a special category for a new employee—

Mr. Jerry Feltis: As a potential recommendation.

Mr. Peter Z. Milczyn:—regardless of whether they're a student or not a student—something for that. Okay.

Mr. Jerry Feltis: Many of my first-time employees—first job ever—are now 21 or 22. With the generation that's coming through today, it's no longer an 18-year-old who has had three or four summer jobs already. At 21 or 22, it's their first job ever.

Mr. Peter Z. Milczyn: Another thing that you mentioned in your presentation that caught my attention was that your employees get whatever salary they get, and then they get a gratuity. Could you explain that? Because we had this issue raised by a restaurant chain owner earlier today, about gratuities and whether they're calculated in income or reported as income to Revenue Canada.

Mr. Jerry Feltis: I cannot speak to whether my employees claim their tips or not, but I can say—

Mr. Peter Z. Milczyn: You don't report them, though.

Mr. Jerry Feltis: No. They are cash gratuities at the table, and I would venture to say there is not one server on my team that makes under \$18 to \$20 an hour, and that would be on the low side.

Ms. Dianne Hounsome: I'm just going to speak to that. I'm in a different situation in that my staff do get a certain amount of money per hour, directly on their paycheque. It's on there. It's not considered wage earnings, but it is reported right on their paycheque. I know Ontario doesn't classify it as earnings, but I can tell you they're getting \$1.30 an hour in gratuity over and above their wage.

Mr. Peter Z. Milczyn: And would they be generally at minimum wage or something more—

Ms. Dianne Hounsome: Some are; some aren't. Everybody gets it. Some are at minimum wage and some are not.

The Acting Chair (Ms. Soo Wong): I need to stop you here. Thank you for your presentation. You have until next Friday, July 21, at 5:30 for your written submission.

NORTH BAY DAYCARE AND LEARNING CENTRE

The Acting Chair (Ms. Soo Wong): The last presenter is the North Bay Daycare Centre. Welcome. Please have a seat. I see the Clerk is coming around with the handout.

Ms. Beryl Johansen, welcome. Good afternoon. As you've probably heard, you'll have five minutes for your presentation, followed by 15 minutes of questioning, and this round of questioning will begin with the third party. When you begin, could you please identify yourself for the purposes of Hansard.

Ms. Beryl Johansen: Hi. My name is Beryl Johansen. I'm the owner of the North Bay Daycare Centre. The North Bay Daycare and Learning Centre is the first licensed and subsidized child care centre in North Bay,

operating now for 45 years. We're a family-run business, which my mother started in 1973, and I purchased it in 1988.

I really believe that a wage hike to \$14 or \$15 would be a disaster to the economy. Every business in Ontario will have to increase their fees on goods and services, causing prices to soar.

For example, with child care, our daily child care rate runs between \$18 to \$40 a day, so the average rate for child care in the North Bay and Nipissing area is \$30 a day. The child care rate has not increased in our community for several years because the majority of the families in North Bay cannot afford child care. Our local DSSAB decides the child care rate according to their budget, and they are not moving right now on increasing the rates.

As of January 2018, the Ministry of Education has also cut our operating grant that we have received. You'll see in the package that we have been receiving it since 1988. That helps us pay our staff. We will be losing over \$50,000 a year with this new proposal with the Ministry of Education.

For the past several years, the provincial government has been setting goals to expand access to licensed child care in Ontario and make licensed child care more affordable. Bill 148 contradicts this goal. A \$3.50 wage increase multiplied by our 15 staff right now would cost us \$2,100 a week and \$109,000 per year. Our audited income statements show a very small profit, on which we have to pay income tax after that. We cannot afford this wage hike, and child care in Ontario cannot afford the wage hike.

If the provincial government would like to help low-income families, then they can cut taxes for low-income families. This wage hike would destroy small business in Ontario and cause a disaster in the economy.

1700

The package that I put together for you has that, as of January 1, our funding is cut from thousands of dollars a month to zero.

The next letter is from ADCO, which represents about 600 to 800 licensed child cares in Ontario. That is Andrea Hannen, Association of Day Care Operators of Ontario.

Every licensed child care in Ontario already receives a \$2 wage subsidy, which would give the staff in any licensed child care in Ontario a \$2-an-hour increase. Everybody is eligible for that. If we hire somebody at \$12 an hour, automatically they're making \$14 an hour.

That's all.

The Acting Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Forster for this round of questioning.

Ms. Cindy Forster: Thanks for being here. I see this letter from the District of Nipissing Social Services Administration Board, and it says that you're no longer getting some operating allocation. How long did you get that allocation? How many years were you getting it?

Ms. Beryl Johansen: Since 1988.

Ms. Cindy Forster: Since 1988?

Ms. Beryl Johansen: Yes.

Ms. Cindy Forster: Was that provincial funding coming through?

Ms. Beryl Johansen: Yes.

Ms. Cindy Forster: So it was a flow through the Nipissing social services board. How much notice did you have that that was being—

Ms. Beryl Johansen: Just recently. Our notice was in June, so we have six months' notice.

Ms. Cindy Forster: You have six months' notice.

Ms. Beryl Johansen: Yes.

Ms. Cindy Forster: How much money was that?

Ms. Beryl Johansen: We receive over \$4,000 a month.

Ms. Cindy Forster: It's \$4,000 a month.

Ms. Beryl Johansen: Plus we received annual grants for the children's play space funding—that would purchase toys and equipment for the children—and also health and safety. That could be an extra \$10,000 to \$20,000 a year.

Ms. Cindy Forster: Right. What reason did they give for discontinuing that funding after 20 years?

Ms. Beryl Johansen: The Ministry of Education—

Ms. Cindy Forster: After 30 years.

Ms. Beryl Johansen: Yes.

Ms. Cindy Forster: It's 30 years since 1988.

Ms. Beryl Johansen: The Ministry of Education has just started what's called a private child care threshold. They're encouraging all the DSSABs to only keep a threshold for the private sector and the non-profit sector. So now it's the DSSAB's own—what's the word?

Ms. Cindy Forster: Policy?

Ms. Beryl Johansen: —policy if they want to cut our operating funding.

Some child cares in Ontario have no problems at all, but Nipissing is experiencing problems in this area.

Ms. Cindy Forster: Do you think that some of this money is being clawed back to fund new child care spaces that have been announced in the province, in the budget?

Ms. Beryl Johansen: I'm not sure what they're doing with our funding.

Ms. Cindy Forster: Okay. At the moment, what do your daycare employees make?

Ms. Beryl Johansen: How many?

Ms. Cindy Forster: What do they make? What do they earn?

Ms. Beryl Johansen: What do they make? We have really strict regulations from the Ontario Ministry of Education, and the DSSAB has a quality assurance program, so we have to follow all these rules and regulations. Most of our staff start at \$12 an hour and then, every three years, they'll make an extra three weeks of holidays. They have to have 10 days of sick leave.

We have a really high-quality program. If you don't have a high-quality program and offer your staff all these benefits, then you will not receive a fee subsidy.

Ms. Cindy Forster: Nor will you retain the staff.

Ms. Beryl Johansen: Right.

Ms. Cindy Forster: That \$2 subsidy that you talked about—is that in addition to the \$12 or is that included in the \$12?

Ms. Beryl Johansen: Yes. The \$2 an hour comes straight from the provincial government.

Ms. Cindy Forster: So they're actually getting \$14, then?

Ms. Beryl Johansen: Right away, when they start.

Ms. Cindy Forster: Right away, when they start?

Ms. Beryl Johansen: Yes.

Ms. Cindy Forster: So you're not that far away, actually, from \$15.

Ms. Beryl Johansen: No, and without the \$2-an-hour raise, then the staff would still be making \$12 an hour.

Ms. Cindy Forster: Right. So is that subsidy going?

Ms. Beryl Johansen: No, the subsidy is staying.

Ms. Cindy Forster: The subsidy is staying.

Ms. Beryl Johansen: As long as the Liberal government is in power.

Ms. Cindy Forster: Maybe. Okay, thank you so much.

The Acting Chair (Ms. Soo Wong): I'll turn to the government side, Mr. Milczyn, for this round of questioning.

Mr. Peter Z. Milczyn: On that note, thank you for coming out this afternoon. I'm reading the letter that you showed us. In preparation for your presentation today, we did a little bit of background research. It raises a question you might not be able to answer. For 2017, the Nipissing district received a 10.2% increase in child care funding, bringing it up to almost \$8.4 million. So you're saying, and you have a letter saying, that you're going to get a reduction in some funding that you're receiving, even though the district actually got a significant increase in funding. That's certainly something that I'm curious about that I will look into.

On the issue that we're talking about here, the minimum wage, if your staff are all at \$14 an hour or more now, I'm a little bit at a loss to understand what you're saying the big impact would be of the change to minimum wage.

Ms. Beryl Johansen: The \$2 an hour comes from the provincial government. It's a grant. So our daycare, or all child care centres in the area, offer \$12 an hour to start. If we have this wage hike that we have to pay our staff all of a sudden—an extra \$3.50 an hour, right now, from \$12 to \$15—that would be a \$3 hike.

Mr. Peter Z. Milczyn: So what you need is clarity on whether your employees would be deemed to be making \$14 an hour today.

Ms. Beryl Johansen: That's a \$2 hike.

Mr. Peter Z. Milczyn: Well, it sounds to me like they're making \$14 an hour.

Ms. Beryl Johansen: But not out of—

Mr. Peter Z. Milczyn: It doesn't all come from you.

Ms. Beryl Johansen: No.

Mr. Peter Z. Milczyn: But their total remuneration is \$14. So we need to get you clarification about how that would be viewed in relation to a change in minimum

wage—because in my mind that means there would be no extra money for you to have to come up with next January 1. January 2019 is another matter.

Ms. Beryl Johansen: No, I think the provincial government's \$2 an hour hike is only for early childhood educators, so we still would have to put—

Mr. Peter Z. Milczyn: Oh, you still have other employees that are not included in that.

Ms. Beryl Johansen: Yes, and we still would have to, for a new employee that came in, instead of paying them \$12 an hour, pay them \$14 an hour or \$15 an hour out of our own pocket.

Mr. Peter Z. Milczyn: Okay. That wasn't clear from your presentation originally. It just sounded like everybody starts at \$12 and then there's another \$2. It sounded like everybody was okay. How many employees do you have? How many are ECE—

Ms. Beryl Johansen: The majority of our staff would make \$12 an hour to start. There are a few that make \$11.50. But, again, if they start at \$12 an hour, with the new wage hike, we would have to start them at \$14 an hour. We would have to put out that extra \$2 or \$3 an hour.

Mr. Peter Z. Milczyn: How many of your staff receive the subsidy, and how many do not?

Ms. Beryl Johansen: About 90% receive the wage subsidy.

Mr. Peter Z. Milczyn: About 90%.

Ms. Beryl Johansen: About 90%.

Mr. Peter Z. Milczyn: Okay.

Ms. Beryl Johansen: The people that are not eligible are cleaners, cooks, anybody that does not work with the children directly.

Mr. Peter Z. Milczyn: Okay. And how many people would that be?

Ms. Beryl Johansen: That would be about four.

Mr. Peter Z. Milczyn: Some of the other provisions in Bill 148 related to scheduling, equal pay for work of equal value—do you have concerns with those provisions?

Ms. Beryl Johansen: No, because we have a really high-quality program. We have to abide by regulations in order to keep our fee subsidy, so we already keep most of those rules.

Mr. Peter Z. Milczyn: All right. Well, we need to get some more clarity about that \$2 subsidy and whether that would be included or not.

Ms. Beryl Johansen: I don't believe it is.

Mr. Peter Z. Milczyn: We have to double-check.

The Acting Chair (Ms. Soo Wong): I need to interject. I'm going to turn to Mr. Fedeli for this last round of questions.

Mr. Victor Fedeli: Thank you very much. Beryl, thanks for being here. I know you've gone through quite a massive change in your business over the last month and a half, I guess. I too received a copy of your DSSAB letter some time ago. The draft letter that I got said you wouldn't be getting your operating funding any longer as well.

1710

Can you just elaborate on that for a second so that I can get a better understanding of that?

Ms. Beryl Johansen: I'm of the understanding that when the Ministry of Education just started the private child care threshold—they want all DSSABs to have a frozen budget for private child care. So there's no increase for private child care. If you read the provincial guidelines also with the Ministry of Education, it says right in the guidelines that they want all DSSABs just to maintain the funding and not increase funding to private child care.

Mr. Victor Fedeli: They want to fund the non-profit daycare in Ontario; that is what we understand from my meetings with DSSAB over this.

Ms. Beryl Johansen: We don't fully understand why our funding is being cut, but we know that it is being cut.

Mr. Victor Fedeli: Yes. They explained that to me, that it was this threshold that they need to meet, some new threshold that has been imposed on them that they need to meet. So the way for them to do it, from what they've explained to me, is to terminate the operating grants to for-profit businesses, and you were one.

Ms. Beryl Johansen: Yes. There's about five private operators in North Bay, and just three are receiving the operating grant, because it was grandfathered from 1988.

Mr. Victor Fedeli: But no longer, after January.

Ms. Beryl Johansen: Right.

Mr. Victor Fedeli: And that's about \$50,000 a year, \$48,000 a year, that particular hit?

Ms. Beryl Johansen: Yes, plus any extra funding like health and safety and children's play space funding will be obsolete.

Mr. Victor Fedeli: Okay. So Mr. Milczyn is right: We'll take some time and try to dig into this issue for you to understand whether you're being categorized as \$12 an hour going to \$15, or whether it's \$12 plus the subsidy you receive as your new base going to \$15 in the future. We'll do some digging for you on that, Beryl.

Ms. Beryl Johansen: Okay.

Mr. Victor Fedeli: Do you have any other thoughts that you wanted to offer?

Ms. Beryl Johansen: No.

Mr. Victor Fedeli: What happens—do I have some time?

The Acting Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: What happens in January if none of this gets resolved?

Ms. Beryl Johansen: What happens to our funding, you mean?

Mr. Victor Fedeli: No. What are you going to do?

Ms. Beryl Johansen: Well, I'm hoping that the Ontario government will consider everybody's thoughts

on the wage hike and not introduce a wage hike. That's my hope because, like I said in my letter, it would cost us \$109,000 a year.

Mr. Victor Fedeli: And how do you plan to make that up, then, if this goes through on January 1?

Ms. Beryl Johansen: The only thing that we can do is introduce a raise in fees across the board, and the DSSAB has to approve that.

Mr. Victor Fedeli: So you can't arbitrarily set your fee increase; it has to be approved by the DSSAB in town.

What happens with DSSAB should they decide not to allow the approval?

Ms. Beryl Johansen: I'm really concerned—really concerned.

Mr. Victor Fedeli: I'll meet with DSSAB as well, Beryl, and talk to them about what their intentions are come January 1. I think it's important for you as a business. You can't wait until November or something, if this bill gets passed then, and try to negotiate with DSSAB for only a few days.

Ms. Beryl Johansen: Exactly, because it's not just Nipissing; it's right across Ontario. If you read the letter from Andrea Hannen of the Association of Day Care Operators of Ontario, she addresses child care in the whole of Ontario.

Mr. Victor Fedeli: I'm sure their MPPs will be jumping in to figure out how to resolve this for each and every one of you. Thanks.

The Acting Chair (Ms. Soo Wong): Thank you very much for your presentation and also your written submission.

Before I adjourn the committee, I want to wish a very big happy birthday to our colleague MPP Dhillon, and I also heard there is another birthday tomorrow, I believe. MPP Fedeli, isn't it?

Mr. Victor Fedeli: Mine's August.

The Acting Chair (Ms. Soo Wong): Oh, I'm sorry. Anyway, we will be adjourning the committee until tomorrow.

Interjection.

The Acting Chair (Ms. Soo Wong): Oh, Mr. Dhillon has a point of order. Mr. Dhillon?

Mr. Vic Dhillon: Thank you very much for making my birthday so special, to everybody who wished me one and those who didn't.

The Acting Chair (Ms. Soo Wong): We could sing you Happy Birthday if you want, too.

Singing of Happy Birthday.

The Acting Chair (Ms. Soo Wong): We will be adjourning the committee until Wednesday, July 12, at 9:30 in Ottawa. Thank you. Have a safe travel to Ottawa.

The committee adjourned at 1715.

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