

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-24

**Journal  
des débats  
(Hansard)**

F-24

**Standing Committee on  
Finance and Economic Affairs**

Fair Workplaces,  
Better Jobs Act, 2017

2<sup>nd</sup> Session  
41<sup>st</sup> Parliament

Wednesday 12 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<sup>e</sup> session  
41<sup>e</sup> législature

Mercredi 12 juillet 2017

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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 AFFAIRS**

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

Wednesday 12 July 2017

Mercredi 12 juillet 2017

*The committee met at 0933 in the Courtyard by Marriott Ottawa Downtown, Ottawa.*

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

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

Consideration of the following bill:

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

**The Vice-Chair (Ms. Ann Hoggarth):** Good morning. We are meeting here this morning for public hearings on Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts.

Each witness will receive up to five minutes for their presentation, followed by up to 15 minutes of questioning from the committee.

Just a reminder: This meeting is an extension of the Legislature. The same decorum is required here. Please, no clapping or cheering. Thank you.

Are there any questions before we begin?

**OTTAWA CUPE DISTRICT COUNCIL**

**The Vice-Chair (Ms. Ann Hoggarth):** At this point, I'd like to call the first presenter, Ottawa CUPE District Council. Good morning. Could you please state your name for the official record and begin your presentation.

**Ms. Nicole Picton:** Hello, all. My name is Nicole Picton, and I am here in my capacity as secretary-treasurer of the Ottawa CUPE District Council and a proud member of CUPE 1281.

While we understand that efforts have been made to improve Ontario's employment and labour laws, we believe more can be done. In particular, more can be done surrounding the paid personal emergency leave. Under the current legislation, workers whose employer regularly employs 50 or more employees are entitled to 10 days of unpaid personal emergency leave. The government has proposed legislation that requires 50 employees—so that all workers can take personal emergency leave, and introduces two days of paid leave as a part of the 10 days

total available annually. CUPE believes that seven of these personal emergency leave days should be paid.

The current extension of the personal emergency leave days stands to impact almost two million workers. An extension to seven paid personal emergency leave days would effectively raise the minimum standards of sick leave across the province to both unionized and non-unionized workplaces and address the trends we've seen in the province, like a tax on collectively bargained sick leave provisions and the minority of workers who are actually covered by employer sick leave benefits.

Non-unionized workers have been mobilizing around paid leave because of the real impacts that it has on their health and that of their families and communities. The need for more extensive paid leave has also garnered widespread support from the medical community because of the documented benefits it would have for public health outcomes and the costs of public health care delivery.

We have the opportunity to improve the lives of workers in this province and their families and communities while simultaneously improving public health outcomes and reducing the costs of public health care delivery. However, two personal emergency leave days are simply not enough for workers and their families or to demonstrate a clear commitment to minimum labour standards in all unionized and non-unionized workplaces.

We hope you will support seven paid personal emergency leave days as a more reasonable minimum standard for working people in this province. Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. This first round of questioning will be from the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good morning and thank you for coming out to present today. We really do appreciate it.

In your remarks, you touched on the paid and unpaid leave days. The provision in the bill which will eliminate the requirement for doctors' notes to be able to access these days—we felt that was very important to do because if somebody is ill and they have to drag themselves out to the doctor, the walk-in clinic or, God forbid, the emergency department, we don't think that's a good use of our medical resources, but we also thought it put an onerous burden on individuals, who often had to pay for those sick notes, as well. Do you think that's a positive step forward, eliminating the need for doctors' notes?

**Ms. Nicole Picton:** Yes, I think that's definitely a good step forward. Oftentimes people who need to access sick days are in precarious situations and are probably unable to pay for a sick note or get themselves to the doctor, like you were mentioning.

**Mr. Peter Z. Milczyn:** Bill 148 touches on a number of other things. It touches on, obviously, the increase in the minimum wage and new rules around how employers must schedule employees and give notice to employees about changes to their schedules. It requires equal pay for work of equal value in the same workplace or between part-time and full-time employees. It also will crack down on those companies that choose to use temp agency workers as a way of getting around hiring their own full-time staff and paying them the same rate. Are these provisions that are contained in Bill 148 the types of things that your union was hoping to see in changes to our Employment Standards Act?

**Ms. Nicole Picton:** I think that significant changes have been made, and we do agree with a lot of the changes. I think, however, that one affects the other. For example, increasing the minimum wage is a good step in the right direction, but as well, I think if you don't have enough sick days, having a higher wage kind of counteracts that, if you're worried about missing one day of work.

**Mr. Peter Z. Milczyn:** With the group of workers that you're familiar with and that you work with, how many of them might be affected by the change in the minimum wage, roughly?

**Ms. Nicole Picton:** I'm unionized with CUPE 1281, but this is going to affect about two million workers in Ontario as a whole, and I think it's our responsibility to represent the people who are the most precarious in this province.

0940

**Mr. Peter Z. Milczyn:** We've heard a lot about what the economic impact of this will be. Businesses certainly have concerns about the economic impact on them. What do you think would be the direct economic impact on people receiving the minimum wage and on local economies?

**Ms. Nicole Picton:** Great question. I think that businesses would also be able to benefit from this, because when an employee is sick and has to present themselves at work, there is a great possibility that they would be infecting other staff members, and then, in turn, other people at work have to take more sick days off. I think it would also lessen the burden on the Ontario health care system as well.

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

**The Vice-Chair (Ms. Ann Hoggarth):** We're going to move to the third party.

**Ms. Lisa MacLeod:** Second party. The official opposition.

**The Vice-Chair (Ms. Ann Hoggarth):** Oh, sorry, the official opposition.

**Ms. Lisa MacLeod:** I'll split my time with Mr. Yakabuski, but I do have a quick question.

Thank you for your presentation. Obviously, in the official opposition we recognize the need for a higher wage in Ontario, given the results of the higher taxes and the energy prices that have skyrocketed in recent years under the Liberals. But I do have a quick concern, as I've spoken with many people not only with the city of Ottawa but also with our local businesses, that a 32% increase in the minimum wage will hollow out our retail and our service sector in the province of Ontario. Does that concern you at all?

**Ms. Nicole Picton:** I think that it's actually a 17% increase, and it's just going to be rising with inflation. What we're looking at is supporting workers, and that's what this is going to do.

I also think increasing the minimum wage adds into the economy, because when people earn more, they also spend more, and that contributes back to Ontario as a whole.

**Ms. Lisa MacLeod:** Are you not concerned at all with the increase in automation that will likely occur, whether that's at Tim Hortons or McDonald's or even at some of our arenas in the city of Ottawa?

**Ms. Nicole Picton:** I think a lot of research has been done, and that is fearmongering that we're presenting to Ontarians.

**Ms. Lisa MacLeod:** Okay. So the cases that have happened in the United States with a rapid increase are fearmongering, despite the fact that it's reality?

But I wanted to point out that the government had previously suggested that we should tie the increase in the minimum wage to inflation and that it would depoliticize this process, and yet they have decided, within this process, that they would politicize it. Are you concerned about that at all?

**Ms. Nicole Picton:** Politicizing the minimum wage?

**Ms. Lisa MacLeod:** They decided they would depoliticize it by tying it to inflation, and Kathleen Wynne herself said she was not interested in hiking it previously if it were not tied to inflation and that she would actually take herself out of it, but she has now inserted herself into this.

**Ms. Nicole Picton:** I just wanted it to be clear: I'm here to present on paid emergency leave days, not things surrounding the minimum wage.

**Ms. Lisa MacLeod:** Oh, okay.

**Ms. Nicole Picton:** But I think that it should be increased to \$15, if that's the answer you're looking for.

**Ms. Lisa MacLeod:** Just overnight, despite whether or not it's going to hollow out the service sector or the retail sector?

**Ms. Nicole Picton:** I don't think the recommendation was made for overnight, but over time there can be an increase.

**Ms. Lisa MacLeod:** So you think it would be better if it was gradual.

**Ms. Nicole Picton:** The increase is currently going to be gradual.

**Ms. Lisa MacLeod:** No, it won't be gradual.

**Ms. Nicole Picton:** If it was going to be overnight, the \$15 minimum wage would already be in place.

**Ms. Lisa MacLeod:** For example, I recently met with a local business owner who has met with several of the Liberals. This is a very ethical, fair-trade type of individual who is trying to expand inside the city of Ottawa. When I asked her to come to Nepean, do you know what she said to me? She said, "This minimum wage increase is going to cost me a million dollars. Lisa, I'm not going to be going to Barrhaven. I may actually have to close some of my locations downtown." I just leave that with you.

Mr. Yakabuski, I know, had a few questions.

**The Vice-Chair (Ms. Ann Hoggarth):** MPP Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Nicole, for joining us this morning.

On your position, and we've been hearing—I suspect it's a concerted effort to bring this issue to the committee. The seven days of paid leave that you'd like to see inserted into the bill, as opposed to the two that are in the bill—correct? You'd like an additional five.

With the impacts that we're hearing across the province for small business, because this would apply to everybody, have you considered the cumulative impact of not only the rapid change—we'll not call it "overnight," but it is a rapid change; it's not very gradual, but a rapid change—to the minimum wage, but all of the other changes with respect to the Employment Standards Act?

Adding another potential five days for every employee—I know you say you're here for workers and I understand it. We're all here for workers. But if a business cannot provide a job for a worker because they've been priced out of business, then that's not going to help workers either. Have you thought about and considered the total impact that would have on business, and the potential negative impact that that could actually have on workers if businesses are forced to reduce their number of employees?

**Ms. Nicole Picton:** I don't think that it's calling for a reduction in employees. It's just calling for an increase in a higher amount of days so that workers would be able to keep the same level of productivity even if they were required to take an additional sick day off.

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

**Ms. Cindy Forster:** Thank you, Nicole, for being here today and thank you for the work you do on behalf of two million workers in the province that don't have a voice.

Now, your presentation really was to deal with the piece of the bill for paid emergency leave and the fact that there are real impacts to workplaces and to communities when people don't look after their health when they're sick, and the fact that when people have the flu or they have a cold and they're going to work in a restaurant or the retail sector or anywhere else, that actually can lead to more sick time for other employees and for the employer.

You didn't address the issue of a separate leave for sexual and domestic abuse issues, which was raised, actually, in Thunder Bay and it was raised in North Bay this week. Do you have any comment on that issue? We know that often women find it very difficult to actually get out of domestic abuse situations, but there is nothing in Bill 148 that specifically addresses that issue in terms of any paid leave. Many times, it will be women with children who are trying to get out of this violent situation. Certainly what we heard in both of those communities over the last two days is that there is a need to have some paid emergency leave around those issues specifically.

**Ms. Nicole Picton:** Yes, we did have a recommendation on that, which was to add an additional 10 days for folks who experience sexual violence.

**Ms. Cindy Forster:** Have you had a lot of experience in your work with CUPE around these kinds of issues?

**Ms. Nicole Picton:** I think we need to focus on the people that this potentially may affect, and I think that giving an additional 10 days would be a good recommendation for that.

**Ms. Cindy Forster:** Another issue that is in the bill, Bill 148, is the movement from two weeks' vacation to three weeks' vacation, but only if you have been with the same employer for five years. Now, we know that in Ontario the move is for contract, temporary, part-time workers. We certainly heard over the last two days that it is unlikely that many employees would actually benefit with this move from two weeks to three weeks because there is no expectation by today's younger workers or by part-time workers that they're going to have stable employment. Can you comment on that?

**Ms. Nicole Picton:** That is a good point. I don't think that I personally have done enough research to be able to comment on that.

**Ms. Cindy Forster:** Okay, all right. Thank you very much.

**Ms. Nicole Picton:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. If you are interested in submitting a written submission, you have to have it to the Clerk by 5:30 on Friday, July 21. Thank you.

**Ms. Nicole Picton:** Thank you so much.

#### CALABOGIE PEAKS RESORT

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenter: Calabogie Peaks Resort. Good morning. Could you give your name for the record, please? Then you may begin your five-minute presentation.

**0950**

**Mr. Paul Murphy:** Thank you. My name is Paul Murphy. I am the president and the owner of Calabogie Peaks Resort.

I have a sad message for you today. I have a handout for everybody here, so you can follow along as I speak. The sad message is that Bill 148 is going to require me to fire, terminate or lay off 15% of our workforce. This is a harsh, harsh reality that hasn't been exposed in this dis-

cussion that I can see to date, so I'm here to tell you about it, and I welcome your questions.

In addition to that, we'll have to reduce hours, freeze wages, stop growth and probably eliminate our tips and our tip pool—very, very bad results.

Who am I and what is my company? On the second page: Our company has over 40 years of history in Ontario. I have been involved with the company for 35 years. I'm credible. I've operated a private business for a long time. There's no BS in what I have to say. This is reality, and you're getting it from the employer's perspective.

By the way, we have a team of people who really enjoy working at our company and are very happy.

We have a \$2.6-million payroll. We are a premier destination tourism business in the Ottawa Valley, and we absolutely sustain the economy of hundreds of people in Greater Madawaska township. The consequences to all of us, if our business cannot succeed with this increase, are disastrous.

Let's think about where we are. Renfrew county is 20% below Ontario's average income. The unemployment rate is much higher than Ontario's. This is not the GTA, where I work; this is not the GTA, where my team works.

Bill 148 is going to increase wages across the board. This idea that it's a minimum wage increase is baloney. Everybody at my company is going to want a raise. Do you think anybody who is making a little more than minimum wage is going to be saying, "Oh, that's wonderful; they got a minimum wage increase"? They're going to be in my office saying, "I want my \$3.60, Paul. I've been here a long time." So let's not kid ourselves. You have just pushed the wage curve in Ontario up dramatically.

Let's look at my business, on the next page: a \$2.6-million payroll. Some 90% of our employees are going to be looking for a \$3.60 increase. And our salary team? They'll be in my office as well, looking for an increase. Thank you very much for putting this liability on my back.

If I could afford to pay for it, I'd be delighted to pay for it, but look at the reality of my business on the next page. I have \$5 million of revenue. I have \$2.6 million of wages. You see the rest of the costs. If everything works out well and the weather is good, the business walks away with \$500,000 of cash. But that's not mine. I have to reinvest \$350,000 in my business to keep it alive—building fixes, chairlift fixes—and then I've got to pay some debt. No owner works without debt. I get nothing at the end of the day; I'm just at break-even right now.

Let's look at what Bill 148 does to Calabogie Peaks.

I show you the same numbers on the next page. You've delivered me a \$461,000 loss because of the increase you put on wages. So it's wonderful—it's great for everybody—but where am I going to get that \$461,000?

I read in the press that the government thinks that it's going to increase the economy generally because people are going to have more money. I've quoted the Premier

on the next page, the idea that "money goes back into the economy and that's a good thing for business." Well, I wish that were the case, but let me show you the reality in eastern Ontario.

Go to the next page. These are ski ticket prices in eastern Ontario and western Quebec. I don't compete with Ontario ski places; I compete with Quebec. That's the reality of being in eastern Ontario. The Quebec operators' ticket prices are in red; Calabogie's is in blue. I'm already at the top of the heap on ticket prices, trying to make a break-even business go. Your wage increase, if I put it on our ticket prices, is going to take our ticket price to \$55. Do you think anybody is going to want to ski at Calabogie? No. Ontarians are going to want to go and ski in Quebec, because it's cheaper. So you've just driven an entire economy out of Ontario and into Quebec. Congratulations.

Why am I so frustrated and so upset? Take a look at the next page. The two single greatest costs that affect my ability to survive in business are fixed by the Ontario government—wages and power—and both of them are crippling me. And if you don't think this is real, take a look at the next page because I'm showing you what it would be like if my business was located in the province of Quebec and not in the province of Ontario.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. The first round of questioning will be to MPP Yakabuski.

**Mr. John Yakabuski:** Thank you, Paul, for joining us this morning and for that absolutely excellent presentation about life in the real world—not the theoretical world, the real world. I've known you for a long time. I've skied at your resort. I know what a wonderful facility it is; the highest peaks in eastern Ontario.

**Mr. Paul Murphy:** That's right.

**Mr. John Yakabuski:** As a facility, it takes second place to no one.

**Mr. Paul Murphy:** No, it wouldn't.

**Mr. John Yakabuski:** But it is in a situation where you have to compete with people who are working in a different world. I see the realities of your competitors in Quebec.

Paul, Calabogie is a hamlet. What happens to Calabogie—this ski hill in the past has gone through ups and downs like every other business and you've stayed the course. What happens to Calabogie if there is no Calabogie Peaks?

**Mr. Paul Murphy:** Calabogie gets wiped out. The entire economy of our community is destroyed. It's that serious. We're the largest employer in our township. Every business in our community basically lives because we're alive. Would they continue? Sure, they might, and some of them might operate mom-and-pop businesses, but it would be a death spiral.

What would happen is that tourism businesses would shut down, real estate prices would start to sink in the area, the township's tax roll would careen down. It's a perfect death spiral that would come out of it. It would take years to build your way out of it.

Could another operator come in and take over a bankrupt Calabogie Peaks? Sure, they could, but can they operate it better than me? I'm not telling you I'm the best, but I'm pretty efficient at what I do for a living. There's no missing \$400,000 in my P&L. If it was there, we would have had it.

John, I think it ends up being a disaster for all. The unemployment ranks and the cost to the province of Ontario will far, far exceed what we're talking about today.

**Mr. John Yakabuski:** What do you think this does—I mean, you look at the power rates. We've talked about it in the past, about the price of electricity, the increases that have been brought on by this government, what they've done to your business and every other business. What do you think this bill does? You and I are roughly the same age. I know that at some point you're going to want to look at slowing down, maybe selling the resort. What do you think this does to the value of the resort if your profit and loss goes from at least breaking even to one where you're losing hundreds of thousands of dollars every year?

**Mr. Paul Murphy:** It kills the resalability of the resort. Typically, ski businesses trade for six to eight times cash flow. It's just a well-known number. So by taking \$460,000 of cash flow away from the operator, the government has confiscated just short of \$5 million of value in this business—just taken it away.

Now, I don't have that value in my pocket, but, John, to answer your question, if we went to go and sell the business, that's the impact of what's happening here today.

**Mr. John Yakabuski:** And those jobs are gone. You talked about, Paul, and I appreciate it, the impact of not only the—I know a good percentage of your people are not making the minimum wage; they're making more than minimum wage. In the real world, you know they're going to be asking for more. You touched on it.

**Mr. Paul Murphy:** Oh, there's no question about it. This is the reality of life. Can you imagine if you were working at my business at 13 bucks an hour; would you be happy that somebody else got more money than you? Or if you're at \$16 an hour, would you be happy if everybody else is at \$15 and say, "Oh, no, I'm just happy to be here"? No. You're going to say, "Hey, Paul, I've worked for you for five, six, seven years. I earned my way up the rank. I want my increase too." Of course, they're going to say that. Everybody knows that's going to happen.

**Mr. John Yakabuski:** Why did they not do an economic impact analysis? You would never have been consulted, I'm quite certain of that, but why would the government make a move like this without an economic impact analysis?

**Mr. Paul Murphy:** I am absolutely flabbergasted. This came out of the blue. Somebody called me one day and said, "Have you seen this?" I said, "They've been talking \$15 for years." And then I went, "Oh, my God."

I have no idea where it came from. I knew there was a labour study under way. We watch the labour laws care-

fully because we have to. All of a sudden, Minister Flynn comes out with this bomb. I and a number of operators have been in absolute panic since then. I don't have the money to fund this increase. I don't know where you think I'm going to get it.

Now, you may find other businesses in the province that have a nice, fat margin and can afford to pay it. That's fine. But I'm going to tell you today, that's not the case in Calabogie.

**1000**

**Mr. John Yakabuski:** Paul, is this a situation where the government, because of their increases—they've raised the prices on everything: power, taxes, licences for the lower-wage people—they want to raise the standard of living of those people, but they want small business to pay for it? They've imposed all of the increases, but they want small business to absorb the—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up. To the third party: MPP Forster.

**Ms. Cindy Forster:** Thank you very much for being here today. How many employees do you employ?

**Mr. Paul Murphy:** It's on the second page there. We have about 60 in the non-winter season, and that goes up to about 150 in the December-to-April period. Many of them don't work a full week.

**Ms. Cindy Forster:** Are the majority of them at minimum wage at this point?

**Mr. Paul Murphy:** No. What I show here on one of the pages is that about 30% are at minimum wage and about 60% are at hourly rates modestly above minimum wage.

**Ms. Cindy Forster:** Above minimum wage.

This is the third day of this travelling show. We've heard from a lot of businesses already in Thunder Bay and in North Bay. We haven't had anybody say that they were totally opposed to a minimum wage increase. You're not saying that you're opposed to the minimum wage increase in any form?

**Mr. Paul Murphy:** What I'm saying is I want to pay people as much money as we all do, but money costs money. I'm telling you that I don't have it and I don't have any pricing power to increase my prices, so I don't know how to do it. I'm telling you that. There's no hidden agenda in my P&L. I don't have any resources.

Wouldn't we all love to make \$1,000 more a week? Sure, but where is it going to come from? I can't answer the question. I'm wondering if the government can help me with that.

**Ms. Cindy Forster:** So are there things that you think the government could do to assist your business?

**Mr. Paul Murphy:** Yes, there are. I've made some suggestions on the second-to-last slide.

**Ms. Cindy Forster:** Do you want to expand on those?

**Mr. Paul Murphy:** Sure. First of all, slow down: Ontario is racing towards some kind of—I don't know—event here, that it shouldn't be. No other jurisdiction in North America has tried to introduce this kind of steep wage at this pace. Why does Ontario think we're so smart that we can pull it off? So, I say, slow down.

Second, give me and other businesses a chance to absorb this and plan and work with you. We, small and medium businesses, employ most Ontarians. You should be talking to us. We have a huge impact. I would ask you for a cost-benefit analysis. Take the issues that I've raised and say, "Hey, look, can this really work?" It's wonderful for all of the folks in the world to say, "Let's increase wages," but money costs money. So where is it coming from? And then let's take the cost-benefit analysis and figure out a way to introduce a wage increase in a manner that doesn't threaten our economy, doesn't threaten me as a business owner and gives you a chance, through experts, to watch and see what's happening.

The minister is quoted as saying that everything seems to be okay coming out of Washington state; that's not true. The literature out of Washington state says there's a real, serious problem. There is no clear answer that this is working well.

Finally, I would invite your help. My books are open to your inspection at any time. If I can't pay and my business is threatened to be closed, are you willing to help people like myself in poor areas of the province that don't have pricing power—are you prepared to help me continue to pay the higher wage and follow the law? Or do you want me just to go away and die?

**Ms. Cindy Forster:** Now, the government has said that they broadly consulted over the last year and a half on the Changing Workplaces Review, but of course the minimum wage piece was introduced just in early May. Was there any consultation with the resort association with respect to minimum wage or any other part of Changing Workplaces?

**Mr. Paul Murphy:** We are members of Resorts of Ontario and ORHMA, the hospitality and restaurant and hotel association. ORHMA I think says it well, which is: This is an ambush. ORHMA had told all of its members that minimum wage had been depoliticized and a compromise had been agreed to, which was that it would be increased by inflation every year. I got this email from ORHMA shortly after the announcement was made by Minister Flynn that we had been nothing short of ambushed. There was no discussion of minimum wage increase in any of the labour analysis being done around the Employment Standards Act. This was just dropped on everybody like a bomb, and the bomb's ripples are still trickling through our business. We frankly don't know what to do. I don't know where to find the money to make this happen.

**Ms. Cindy Forster:** Thank you very much.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. To the government: MPP Fraser.

**Mr. John Fraser:** Thank you very much for being here today, Mr. Murphy. I do know of your resort. It's a great resort. I'm usually there every year. I've got some friends who have a place up there. I want to thank you for taking the time to do your presentation and to provide us with this handout.

I want to ask you a few questions about your business so I better understand it, especially with regard to your

request for support. You have about a \$2.6-million payroll.

**Mr. Paul Murphy:** That's right.

**Mr. John Fraser:** Okay. That's it. So EHT—you're exempt from the first \$450,000 of payroll, right? You have an exemption—

**Mr. Paul Murphy:** You know, I don't know the answer to that question. I'm sorry.

**Mr. John Fraser:** That's one of the things—talking to businesses, the employer health tax is one of the things, when you look at a business that's not small—you're small, but medium with a \$2.6-million payroll.

**Mr. Paul Murphy:** Yes. What I do know, John, is that payroll taxes in our business today, including vacation pay, are 16%. So for every dollar we pay an employee, we're paying the government or the employee, through vacation, 16 additional cents.

**Mr. John Fraser:** I'm just going to hit you with a bunch of questions so I can understand it.

Those 30% that are minimum wage: Are they generally seasonal workers? In other words, are they wintertime? You go up in the winter—

**Mr. Paul Murphy:** Many are seasonal. Some are both winter and summer, because we hire a lot of students and young people. Then, for example, our ski instructors and many of our front-line staff are paid slightly over minimum.

Our banquet servers and our restaurant servers are paid minimum, but they have the benefit, of course, of tips and tip pools, which take their income up to, in many cases, \$15 or \$16 an hour.

**Mr. John Fraser:** So are they paid as liquor servers or minimum wage—

**Mr. Paul Murphy:** They're paid as liquor servers—yes, that's right—minimum wage, and then we know from tips we distribute and that they earn at the bar that they're coming in at around \$15 or \$16 an hour.

**Mr. John Fraser:** Training as a component of your business—because I know you have ski instructors, so there's some training that's involved there, obviously, and with lifties, because I believe lifties have to be certified in Ontario.

**Mr. Paul Murphy:** Not technically certified. They have to be trained.

**Mr. John Fraser:** Trained.

**Mr. Paul Murphy:** Yes.

**Mr. John Fraser:** Do you receive any support right now for that through the Ontario government?

**Mr. Paul Murphy:** We had a gentleman from the government come in last winter and do a free WHMIS training, which is for chemical substances in the workplace. We've had some training programs for our hotel staff to assist them to train on a new piece of software. But not for the general winter start-up, no.

**Mr. John Fraser:** Not for the lifties or the people who are instructing or anything like that.

**Mr. Paul Murphy:** No, no. We pay for that ourselves. We train them for a whole week.

**Mr. John Fraser:** Okay. One other question with respect to support: I know that in the past, one of the ways that the government has helped resorts in Ontario with a variety of things is through capital improvements. One of the challenges around if you've got to put a new lift in is that it's a few million bucks. I know that in the past that support has been there. Is that one of the things, when you talk about, "We need more support"—take a look at the poorest regions, those kinds of investments in tourism and building that infrastructure?

**Mr. Paul Murphy:** John, we've had some support from the province of Ontario over the 40-year history of the company. I'm guessing that about 2% of our total capital has come in through the government in either matching funds or some other project. We're very grateful for that, but I don't want to mislead anybody to think that that's made us what we are today. It's a hard-fought battle here.

**Mr. John Fraser:** That's not what I was suggesting.

**Mr. Paul Murphy:** That's fine. I just want to be careful in that.

The problem is that with the environment we're in right now, there's no appetite to do any investment. If you came to me and said, "Hey, I've got this wonderful idea," I'm going to say, "Why am I doing that?" Right now, I'm looking at about a half-million-dollar loss. I don't have any pricing power. I'm wondering how I'm going to stay alive. I don't have an answer to the question.

This is kind of a really sad situation for us to be in. I don't know why someone didn't think about this a little earlier. Maybe this doesn't matter. Maybe little areas like Calabogie—you know, there are not a lot of voters, and so we're done.

1010

**Mr. John Fraser:** They do matter, and that's why I'm asking these questions.

The last question I want to ask is about your hydro, just in terms of the changes that have come. Have you done any numbers with regard to the changes coming—well, that just came this past week on July 1?

**Mr. Paul Murphy:** Yes. Hydro for us has gone up in just huge increments. We're now paying just short of about half a million dollars in hydro costs—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Thank you for your presentation. If you have a further written submission, would you please have it to the Clerk of the Committee by 5:30 p.m. on Friday, July 21.

**Mr. Paul Murphy:** Thank you very much.

OTTAWA AND DISTRICT  
LABOUR COUNCIL

**The Vice-Chair (Ms. Ann Hoggarth):** Our next presenter will be Ottawa and District Labour Council. Please state your name for the official record. You may begin your presentation when you've done that.

**Mr. Sean McKenny:** You're pushing a bit, huh? That's fine. My name is Sean McKenny, and I'm president of the Ottawa and District Labour Council.

Good morning. I would first like to thank the committee for the opportunity to present here this morning. The Ottawa and District Labour Council, if you're not aware, has been the voice of working people since 1872. The labour council currently represents 90 union locals and has a combined membership of over 50,000 working men and women in the city of Ottawa.

Rare is it that change to legislation or policy, as it affects workers through employment standards, labour relations and that which is similar, does not emit or evoke significant yet opposing viewpoints from business and from labour. Points of view candidly differ, one emanating from ensuring fairness, freedoms and equality in our communities, the other focused on creating significant profit.

To be clear, and to be concise, I do not believe profit to be bad nor wrong. If an employer or if a business does not profit or does not make gains, the likelihood of success is minimized, the growth stagnant and the opportunities for an increase to market share practically non-existent.

You would be hard-pressed to find any worker or representative of workers in this province or elsewhere who does not fundamentally and vehemently believe that without their employer's success and without the success of the business, their success is minimized and their opportunities of being employed or seeking advancement are greatly reduced. That, for sure—and to be sure—is understood by workers.

You've already heard, and you'll hear today in our amazing city, and you'll hear as you visit other communities in the coming weeks, from businesses and from employers supportive of many of the proposed changes contained in Bill 148, including increasing the minimum wage to \$15 an hour. At the same time, it's doubtful that you'll be subjected to presentation or comment from those representing workers or from workers themselves that the proposed changes, in principle, are not good for workers or not good for their families.

I had the pleasure of meeting with an MPP just over a week ago at his office in the west end of our city to talk about Bill 148. He was very clear—very clear—that he believes the bill to be a poison that will harm business. He thinks the bill will create undue harm and, in some instances, cause a business to close its doors. He knows this to be so because those businesses, those employers, told him so. Fair enough. It's not surprising, coming from the man. But what was mind-boggling, quite frankly, was that when I asked him how many workers he had recently spoken with regarding the proposed changes, he answered, "Workers? I didn't speak with any." "They are your constituents, sir," I said. "As are their families."

It's not unlike at least one of this committee's members—and with all respect—who is on record as saying that he believes the minimum wage—forget about a \$15-an-hour minimum wage, but any minimum wage—is

“compulsory unemployment,” a “job killer.” So he has publicly stated.

**Ms. Lisa MacLeod:** Point of order, Chair.

**The Vice-Chair (Ms. Ann Hoggarth):** Point of order.

**Mr. Sean McKenny:** I come out of the construction sector and have spent many years—

**The Vice-Chair (Ms. Ann Hoggarth):** Sorry, there’s a point of order. Yes, MPP MacLeod?

**Ms. Lisa MacLeod:** I believe he is impugning one of our colleagues. I’m just not sure who it is, and I’m not sure that that’s parliamentary. He’s quoting a member of this committee and attacking a member of this committee. I don’t care what party it is from; it’s not right.

**The Vice-Chair (Ms. Ann Hoggarth):** Sir, if you would continue with your presentation. However, if you are giving examples, please try to make it so that people are not identified.

**Mr. Sean McKenny:** I appreciate that. To be fair, I do have with me the comment in print from the individual.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir.

**Mr. Sean McKenny:** Okay. I come out of the construction sector and have spent many years working both union and non-union jobs to put food on the table for my family. I receive calls on a weekly basis from individuals, primarily non-union, rife with complaints about having been shortchanged on a paycheque, or working conditions being intolerable to most.

I get it. We do not live in a perfect world. Legislation and policy are created and crafted for the betterment of all. That’s the intention, yet to some of those elected to help govern and to a relative few who own a business, they vehemently and fundamentally believe in right-to-work: “My land is your land, so get off it. My business is my business; be thankful you have a job.” That, to all of you—certainly to me—is very sad.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir, for your presentation.

**Mr. Sean McKenny:** Okay, but we held up for about 30 seconds for—

**The Vice-Chair (Ms. Ann Hoggarth):** Sir, I stopped the clock and I allowed you 15 extra seconds. Okay?

**Mr. Sean McKenny:** Okay.

**The Vice-Chair (Ms. Ann Hoggarth):** Third party: MPP Forster?

**Ms. Cindy Forster:** Hello, Sean.

**Mr. Sean McKenny:** Hi.

**Ms. Cindy Forster:** I’m glad that you’re here. You can use a minute of my time, if you like, to finish your presentation.

**Mr. Sean McKenny:** Okay. Could I do that?

**Ms. Cindy Forster:** You go right ahead.

**Mr. Sean McKenny:** Thank you.

Bill 148 is certainly a starting point to many of the changes that have occurred and continue to occur in workplaces in the province over the last number of years. Our hope is that over the coming months and the not-too-distant future, further changes will occur to both employment standards and the Labour Relations Act—again, not

for the betterment of one, but rather the betterment of all, inclusive of business, as the current proposed bill attempts to help create.

Issues in areas such as ensuring that there exist no exemptions to the minimum wage, including students and those who serve liquor: Surely, the work of those in that group and their contributions should not be seen nor paid as though they were second-class or not as important. Likewise, an extension of card-based certification for all sectors within the province will ensure fairness.

In closing, Bill 148 is a step forward, for sure. To be sure, it’s not perfect. There is more work to be done. It will help workers, it will help employers and businesses alike, and it will help and benefit communities across this great province of ours, including all those here in the city of Ottawa. Thank you.

**Ms. Cindy Forster:** Well, thank you very much. You know, I agree with you that certainly the two million minimum-paid workers in this province, as well as those who are paid above the minimum wage, contribute every day to the success of business in the province of Ontario and across this country. If it wasn’t for those workers, businesses wouldn’t be as successful as they are.

Now, if you want to get into a little bit of the specifics of Bill 148, we had a number of presentations over the last three days with respect to unionizing leading to a higher wage and better working conditions for workers in the province of Ontario. The government is proposing that only certain sectors have card-check certification. Can you comment on the labour council’s stance on that?

**Mr. Sean McKenny:** Well, again, I think it’s all of those within organized labour in the province of Ontario and elsewhere, for sure. There are certain sectors where it is applicable, and that’s great, but it is our belief and our feeling that in order to be fair, in order to be thorough, to ensure that everybody is treated the same, everybody is treated fairly, that it should be applied right across the board, right to all sectors.

**1020**

**Ms. Cindy Forster:** The government is also proposing that workers would have to be with the same employer for five years to move from the two-week to a three-week vacation under the Employment Standards Act. Do you have any comment on that, being that we live with a very precarious, unstable working life for many here in the province? Can you speak to what you think the impact of that five-year requirement will be for workers?

**Mr. Sean McKenny:** You know, again, I think that there exist certain areas within the bill, for sure, that need to be tightened up, that hopefully, through some of the comments that are heard by the committee, by the sitting government, that they enact and listen to those changes, and that’s one of those areas.

You’re correct. It’s not like it was 10 years ago, 20 years ago or 30 years ago. Things are a lot different. If the workers on any project, whether unionized or non-unionized, are treated with dignity and respect, they’re going to want to stay at work. The employer is going to

benefit from that. Certainly the workers will, because they will have more opportunity to spend time with their family outside of the workplace. Again, I think that's a positive thing. Look, hey, I'm of the view that all workers should be entitled to a rest time, to a vacation time, to a certain number of weeks from the get-go.

**Ms. Cindy Forster:** Thank you. How much time do I have left?

**The Vice-Chair (Ms. Ann Hoggarth):** About 20 seconds.

**Ms. Cindy Forster:** Okay. Mr. MacLaren, actually, would like to ask a question, and I'd be happy to give him my short period of time.

**The Vice-Chair (Ms. Ann Hoggarth):** I think that we would have to have the consent of the committee. This would be the decision of the caucuses because the time is divided equally among the caucuses, so we would have to have the consent of everyone around the table.

**Interjection:** How much time is left?

**The Vice-Chair (Ms. Ann Hoggarth):** There's 12 seconds.

Since we heard a no, we'll move on.

**Ms. Cindy Forster:** Sorry, Jack.

**The Vice-Chair (Ms. Ann Hoggarth):** Ms. Forster, if you want to continue with your 12 seconds, or—

**Ms. Cindy Forster:** It's fine. Thank you for your presentation.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you.

**Mr. Sean McKenny:** Can I give him time? No, I'm kidding.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll now move to the government.

**Mr. Peter Z. Milczyn:** Good morning, Mr. McKenny. Thank you for coming out this morning and sharing your comments with us. I was wondering, did the Ottawa and District Labour Council participate in the Changing Workplaces Review consultations?

**Mr. Sean McKenny:** You bet we did. It's important to us. Not only did we participate as an organization, but we encouraged the participation of the 90 affiliated union locals and we know that a number of them did that.

**Mr. Peter Z. Milczyn:** It was the most extensive and exhaustive review—

**Mr. Sean McKenny:** Absolutely.

**Mr. Peter Z. Milczyn:** —of labour laws that we've had in a generation. I was wondering, with what you saw and heard during the consultation phase and what you see in Bill 148, how closely do you see Bill 148 mirroring what was discussed during the consultation phase?

**Mr. Sean McKenny:** I wasn't privy to all of the presentations nor all of the documents that were received by the two individuals during that whole consultation phase. Certainly I'm of the view that there was attention paid by those folks in respect to making and putting forth those recommendations. That people were excluded from the whole of the process I struggle with, because I'm not sure how they could have been excluded from a process that was in your face often, whether through emails, whether

through advertisements and the like, if that answers your question.

**Mr. Peter Z. Milczyn:** No, I was just sort of wondering more whether what is in Bill 148—in your view, does it represent, as far as you know, what was said during the consultation phase?

**Mr. Sean McKenny:** Look, man, there's stuff in there that needs to be in there if we're to move forward. I said during my presentation that there are good points in there.

Certainly the use of replacement workers, as far as we're concerned, should be there, should be contained in that. The hope is that on a go-forward basis, if not this go-round then in the very not-too-distant future, there could be some attention paid to that. We understand that piece really, really well. We understand how it would help—help by ensuring that an employer and the workers at a workplace, through their representative, do reach an agreement and are able to negotiate and bargain an agreement that will be prosperous for that business and, certainly, help the workers.

It's issues such as that that to us, again—we know that comment has been made by many. It's not contained in the bill. It's unfortunate. On one hand, I guess you could throw out there that we can't get everything that we ask for; I get that. But the hope is that, again, on a go-forward basis, if not this go-round then in the not-too-distant future, provisions ensuring that replacement workers are not to be used by a business or by an employer are contained in the act.

**Mr. Peter Z. Milczyn:** You mentioned the card-based certification in your comments. What is in Bill 148 was a conscious decision to look at those most vulnerable workers who are in what you would call dispersed workplaces where it's not everybody going into a factory or going into an office building, with individuals working in the community on different sites and so on, to maximize the potential for them to be able to join a union if they wish to. It might not be exactly what you were looking for, but do you think that's a fair compromise at this point?

**Mr. Sean McKenny:** I'm not so sure I'd use the word "compromise." Do I think it's fair? Not really. Do I think it's a positive step forward? I do, and I certainly look forward to the day when all workers in the province can be treated fairly, up to and including the opportunity and the right of those individuals to join a union if they so choose.

**Mr. Peter Z. Milczyn:** Thank you very much for your presentation this morning.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll now hear from the official opposition. MPP Hillier?

**Mr. Randy Hillier:** Thank you for your presentation today, Sean. My first question is, have you any concerns regarding Bill 148 being a greater motivation or a greater incentive for businesses to rely ever more on technology and automation that will displace low-income workers,

with this rapid rise that is indicated in Bill 148? Have you had any concerns about the loss of employment?

**Mr. Sean McKenny:** I'm not sure I understand the question entirely. If you're talking about whether or not the bill will create situations where individuals are working from home—I'm not really sure.

**Mr. Randy Hillier:** We've heard, for example, McDonald's is looking at moving to automated cashiers.

**Mr. Sean McKenny:** Right.

**Mr. Randy Hillier:** Are you concerned about that loss of employment for people at lower income that is going to be affected by Bill 148?

**Mr. Sean McKenny:** I'm not sure how a business moving towards some form of automation or technology is going to be the result of this bill. I think that's upon us. My understanding is that the whole bill and the steps that the government went through to solicit opinions were based on the fact that workplaces are changing. If this bill weren't there, and it certainly wasn't there when McDonald's started to adopt this strategy—

**Mr. Randy Hillier:** No, but as head of the district labour council, I'm sure you're aware of all the studies. There is a raft of different studies: Baker, Benjamin, Stanger from 1990; Yuen from 2003; Campolieti in 2006. We have Rybczynski and Van de Waal. All of these studies have shown that employment levels are impacted and there can be upwards of a 6% loss of employment for every 10% increase in minimum wage. With this, we are looking, of course, at a greater than 30%, so we could be seeing as much as a 20% impact on low-income workers. I'm sure you're aware of those studies—they're not just opinions but studies—that say not only does it have an impact on low-income workers and their employment opportunities and loss of employment opportunities; those same studies show that they can have a negative effect of up to 6% increases in people living under the low-income cut-off for every 10% increase in minimum wage. Is the labour council saying that's a fair trade-off, that we can accept higher unemployment levels for greater numbers of people because others are getting more money?

1030

**Mr. Sean McKenny:** You and I have been around long enough that we both know that the number of statistics and data that you're going to be able to present showing one thing, I'm going to be able to produce, and others can produce, to show something entirely different.

**Mr. Randy Hillier:** Which ones do you have?

**Mr. Sean McKenny:** You know full well that there are as many statistics—you want me to rhyme them off—

**Mr. Randy Hillier:** Just any one; just pick one.

**Mr. Sean McKenny:** Others. I'll allow that as "others." I'll allow that to the economists, including the 50 who stepped forth a very short period of time ago saying that this is going to be beneficial to our community. This is going to help. This is going to create work. It's going to create employment. It's going to treat workers with fairness and with dignity so they don't have to—and single women don't have to—hold three and four jobs. That's the purpose of this.

**Mr. Randy Hillier:** So you have no concerns about the losses in employment opportunities? I just want to be clear.

**Mr. Sean McKenny:** As I said before, when business, labour and government work closely together, each aware of the concerns of others, we have a prosperous economy; we have a prosperous community. That's where we need to head.

**Mr. Randy Hillier:** Did you hear the previous presenter about how this will impact his business and his workers—the loss of employment, and that he just doesn't have the money and he doesn't have the ability to raise prices to do it. Did you hear that presentation?

**Mr. Sean McKenny:** In 2004, I was elected as president to the labour council. Every time there's a possible increase to the minimum wage, business steps forward and says, "We're going to have to lay people off." Businesses have not shut as a result. I contend, and I would argue and submit, that this is not going to be the result in this instance either.

**Mr. Randy Hillier:** You should come out to Lanark county and a few other places and I'll show you a number of businesses that have closed up.

**Mr. Sean McKenny:** I'll take you up on that offer. We'll have a game of golf and have a beer.

**Mr. Randy Hillier:** We were supposed to do that last summer.

**Mr. Sean McKenny:** We were supposed to do that.

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** There is only five seconds.

*Interjection:* Okay.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir, for your presentation.

**Mr. Sean McKenny:** You're welcome.

**The Vice-Chair (Ms. Ann Hoggarth):** If you have a further written submission, you need to give it to the Clerk by 5:30 on Friday, July 21. Thank you.

**Mr. Sean McKenny:** Cool. Thank you.

PUBLIC SERVICE ALLIANCE OF CANADA,  
NATIONAL CAPITAL REGION

**The Vice-Chair (Ms. Ann Hoggarth):** I call forward the next presenter: the Public Service Alliance of Canada, National Capital Region. Sir, if you would please give your name for the official record, and begin your presentation. Thank you.

**Mr. Greg McGillis:** I'm Greg McGillis. I am the regional executive vice-president of the Public Service Alliance of Canada of the National Capital Region. Thank you very much for letting me come here today to speak on behalf of our group and of others.

PSAC represents almost 9,000 members in Ontario who are covered by the Ontario Labour Relations Act. They are in bargaining units at a number of universities, including Queen's, Carleton, Western Ontario and OISE; at various locations in the Ontario Lottery and Gaming Corp., including in Ottawa here; working for the town of

Moosonee; and providing services at Amethyst Women's Addiction Centre, among many, many others.

We are pleased to see that Bill 148 proposes to permit card-based certification, or card-check, in three more sectors: the temporary agency industry, the building services sector, and the home care and community services industry. But why stop there? Collective bargaining has been recognized by the Supreme Court of Canada as a fundamental right. It follows that workers must have an appropriate mechanism to organize in order to exercise that right.

In 2014, a Conservative-sponsored bill was passed that removed card-based certification from three pieces of federal labour legislation: the Canada Labour Code, the Public Service Labour Relations and Employment Board Act, and the Parliamentary Employment and Staff Relations Act.

Since then, legislation introduced by the Liberal government has restored card-check in both federal public and private sectors. At the time the repeal legislation was introduced, the government made public a study, which had been available to the previous government, showing a direct relation between mandatory votes for certification and declining rates of unionization. In the time between a union filing for certification and the conduct of a vote, employers have plenty of opportunity to influence their employees both subtly and overtly. These can include both promises of better conditions or wages, none of which are binding, or the implementation of harsher work rules and outright threats.

Having taken the step of expanding card-check certification to some sectors, we believe there is no sound reason for not expanding it to all sectors. We acknowledge the government's changes in Bill 148 that improve union access to workplace information, but believe unions should also be entitled to receive information related to job classifications and the employer's organizational structure. Unions are unduly hampered when filing applications without this critical information partly because Bill 148 also insists that a union's application for certification be exactly the same as its initial application.

Once organized, employers can use delay tactics when negotiating a first agreement to try to determine worker support for their union. Bill 148 does not address this, and it should. If the union has, in good faith, made all reasonable efforts to achieve a first agreement through mediation without success, it should have access to automatic arbitration to achieve that first critical contract.

Workers should be able to keep their agreements and their right to bargain. Bill 148 extends successorship rights to workers employed by subcontractors but only in the building services. Since both private and public sector employees are already bound by successorship rights legislation, those rights should be extended to all workers in subcontracted services.

Allowing employers to use replacement workers in the event of a strike gives them a significant advantage in the bargaining process. We are disappointed that the government has not included a prohibition on the use of replace-

ment workers in Bill 148 and we recommend that it be included.

Moving to some of the proposed changes to the Employment Standards Act: Bill 148 extends just-cause protection for unionized workers in a number of situations; however, we believe all workers, unionized or not, have a right to be protected against unfair terminations.

Regarding the minimum wage, allowing lower rates for liquor servers disproportionately affects women. It is contradictory for the government to propose amending the equal-pay-for-equal-work provisions while maintaining these exemptions. There should be no minimum wage exemptions for liquor servers or students.

On the subject of equal pay, we are very pleased to see that the employers will be required to pay part-time, temporary, seasonal, casual and temporary agency workers the same rate of pay as full-time employees unless it can be justified. However, the grounds for differential pay, as proposed in the bill, seriously undermine this intent. We recommend that Bill 148 require employers to show the differential pay is both objective and does not discriminate on the basis of sex, as is already the case in Ontario's Pay Equity Act.

We are also concerned that using the terms "the same or substantially the same" work provides a huge opening—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. The government will open this round of questioning. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good morning, Mr. McGillis. Thank you for coming out this morning. I was just wondering whether your organization participated in the Changing Workplaces Review.

**Mr. Greg McGillis:** Yes, we participate, and, I should say, my colleague, who is the REVP in Ontario—that organization also participated. The two largest regional players, in terms of PSAC, representing close to 100,000 members, participated in that process, yes.

**Mr. Peter Z. Milczyn:** I heard your commentary this morning, so I understand some of your concerns, but I was just wondering whether you feel that, generally speaking, the types of issues that were raised through the Changing Workplaces Review were reflected in Bill 148?

**Mr. Greg McGillis:** I think the issues, for sure. It's a start and it's an effort, and I see where the calculus was made, partly, to make those political decisions. Would I like it to have gone further? Yes. In fact, from my own experience, just in doing some basic organizing and with my own kids, I see that there are cracks in the way that the Employment Standards Act works and the way that card-check and other things work. This is an effort to improve those things. Actually, some of it's trying to fix what was done previously, as we mentioned in the presentation.

**1040**

I think it's a good start, and I applaud the government for taking this step. It definitely also is, at the same time, something that opens up the debate on where this should end up at some point. We really would like to see further

improvements. I think that in the current bill there could be some improvements, but it's important for us to flag those issues that maybe are for other legislation down the line.

**Mr. Peter Z. Milczyn:** Also part of this suite of changes is that we're proposing strengthened enforcement of the laws, including the hiring of up to about 170 additional officers to go out and do proactive inspections, as well as, obviously, to respond to complaints. Is that something that your organization also wanted to see?

**Mr. Greg McGillis:** Of course, yes. One of the major problems that I've seen is that with the Employment Standards Act, most of the regime relating to people's employment is currently either unenforced or unenforceable, so I applaud the government for that too, absolutely.

**Mr. Peter Z. Milczyn:** Thank you, Madam Chair, how much time do I have left?

**The Vice-Chair (Ms. Ann Hoggarth):** Two and a half minutes.

**Mr. Peter Z. Milczyn:** If Mr. MacLaren wishes to ask this witness any questions, I'd be happy to yield the floor to him.

**The Vice-Chair (Ms. Ann Hoggarth):** Mr. MacLaren, would you like to do so?

**Mr. Jack MacLaren:** Yes. Thank you, Peter. That's very good of you.

Mr. McGillis, my party is concerned about small and medium-sized business. As Mr. Sean McKenny said, businesses do need to make a profit to survive, which we all understand. That's obvious. We've also heard Paul Murphy of Calabogie Peaks tell us he's going to have great difficulty. There's not much doubt that in Renfrew county there's a need for what he does, and this is going to cause some hardship.

I get many calls in my office. Tim Hortons has called me and said it's going to be a problem for them. Managers from Moxie's and Baton Rouge restaurants here in Ottawa and others have spoken to me as well. I did have a meeting with Sean McKenny in my office, which he spoke about a bit earlier. It wasn't quite as dark and gloomy as he said. You know, I don't have horns coming out of my head.

**Mr. Greg McGillis:** Okay. Glad to hear it.

**Mr. Jack MacLaren:** We had a reasonable conversation. He just didn't tell you the good part of it.

However, this bill is absolutely too much, too fast, is what I'm told by constituents. What consideration could we give, in your mind—and I hope you would consider compromising on this bill—to allow businesses to be able to cope?

**Mr. Greg McGillis:** While I'm not going to pretend to be an expert on these specific businesses and their needs, it's something I've always taken an interest in. I used to manage in the private sector. I had to meet payrolls. It's not entirely unfamiliar, and I have an abiding interest in these kinds of issues.

I do think that it's worth considering, absolutely worth considering. My only reservation is that—

**The Vice-Chair (Ms. Ann Hoggarth):** Time is up.

**Mr. Greg McGillis:** Oh, sorry. Okay.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move to the official opposition. MPP McNaughton.

**Mr. Monte McNaughton:** Thank you for presenting today. I just have a couple of questions.

First, one of the concerns I have with the legislation is that it's going to result in higher consumer prices, and the unintended consequence of this legislation is that it may hurt those it's trying to help. People on lower incomes, I think, and people on fixed incomes or ODSP are going to be impacted because of higher consumer prices.

For example, we had the presentation from Calabogie Peaks today where the prices are going to have to go up for a ski pass because of this. Of course, in Quebec they are much, much lower. As a result, 15% of his workers are going to have to be laid off.

But one thing I wanted to focus on: There's been a lot of media in the last couple of weeks about child care prices. In one story that I recall—I think it was in the Toronto Star—a family was paying \$1,400 per month for child care. Because of this, because of the wage increase, that child care space is going to go up 20% per month. That's a \$280-per-month increase. I wondered what your response would be to the unintended consequence of this legislation that is going to drive up the cost of child care for families today who are (1) struggling to find spaces and (2) struggling to pay that monthly expense for child care.

**Mr. Greg McGillis:** How much time do I have?

**The Vice-Chair (Ms. Ann Hoggarth):** Oh, three minutes.

**Mr. Greg McGillis:** Oh, okay. All right.

Can I just comment briefly on my previous question? The issue I do have that time and time again we keep coming back to—and in a way, it relates to this question—is that the economy is a complicated thing. I don't know the specific instance. I heard today of Calabogie Peaks. That's a very complex example. I would love to get into the details of that. I don't have the figures. I heard what the gentleman said, but already, just based on what I heard, I was—

**Mr. Monte McNaughton:** I'm sorry, do you mind? I really do want to hear your opinion on the child care specifically, because I think that's going to put families in a tough position.

**Mr. Greg McGillis:** Yes. In fact, we do care about child care. We've been advocating for subsidies for child care. To be honest, child care right now is very expensive for people.

A lot of the claims, though, that are made by various sectors turn out not to pan out, and that's the first thing. A lot of the assumptions, when you actually play them out and you look at what actually happens, in fact don't work out in the actual economy. That's what economists have been saying; it's not just me. You've probably seen the news about economists basically coming down and saying, "Look, this is not going to be a job killer." This is going to have some effect on prices, but we're in a low-

inflation stage right now, so part of the situation is that inflation will always be with us—

**Mr. Monte McNaughton:** But it does only make sense that prices are going to have to go up. I come from a small family business. Prices have to go up because costs are going up.

**Mr. Greg McGillis:** Well, let me just do a quick—

**Mr. Monte McNaughton:** And child care is a prime example because some workers are making \$13 or \$14 an hour. That wage is going to go up. There are pretty fine margins, I understand, in that business. The result is going to be that families, especially those lower-income families, are going to struggle to have a child in daycare.

**Mr. Greg McGillis:** Sorry, I don't mean to interrupt. Because I only have a little bit of time, I'm going to try to get to it.

It's a good example. I'm not sure that I believe the figure of 20%. I don't want to say what I think it would be because I haven't got the numbers in front of me. I would love to see that, but I would probably challenge it. Just on the back of an envelope, I could do a calculation based on \$13 an hour for 40 or 50 hours a week, whatever. If you look at the number of things, the cost should not amount to 20%. I don't know where that cost would come from.

**Mr. Monte McNaughton:** I think it's because the wages are going to go up, in this one particular case, 32%. That's the increase, so it's going to—

**Mr. Greg McGillis:** Yes. I'd be interested to see it. You're giving me an example. I don't know where—

**Mr. Monte McNaughton:** There are lots of stories on it. I would just urge you to advocate on that issue in particular. It probably fits with a lot of your members. Child care is an important issue across the province.

**Mr. Greg McGillis:** I couldn't agree more, and actually, we have been advocating, as you're probably aware, on child care issues, specifically on government sponsoring, supporting and subsidizing child care spaces.

**Mr. Monte McNaughton:** Thanks.

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

**Ms. Cindy Forster:** Thank you for being here today. One of the big issues coming out of Bill 148 is around scheduling practices, having schedules up a couple of weeks in advance so people have a work life/home life balance, around the fact that part-time workers are paid differently than full-time workers, or that they don't have the same access to perhaps scheduling or benefits, or if they're cancelled at the last minute, they're just out of luck. Maybe they could have picked up a shift at their second or third job in the current work situation. Many people would love to have a full-time job as opposed to having to juggle these jobs.

I've done a lot of work over the last year with some of your members around the OLG issues. I understand that you're in negotiations at the moment with Woodbine and that the bargaining unit has now rejected the OLG offer. Many of your workers there are part-time. I think one of the big issues is not only around scheduling but around

the whole pension issue, the move from a defined benefit plan to a contribution plan. How will Bill 148 assist your workers, if at all?

**1050**

**Mr. Greg McGillis:** Those workers in this particular regime—of course, you realize we represent both federal and provincial workers. So the ones certainly affected—I would make the case that all of our workers are concerned about this. The view that you can race to the bottom—we're getting worse and worse—and that there's any way of improving our economy while people are earning \$12 an hour I don't think is a good theory.

For sure, things like scheduling are extremely important to our members, and issues like defined contribution. I think what I'm hoping is that this bill is starting the turnaround a little bit, the understanding that paying and treating people badly, and creating a regime that basically makes it more attractive for employers to manage people badly and to treat them badly, makes it almost unlivable for them to do the work.

I know so many people—it's a truism. Every second person I talk to who is working in Ontario in this particular regime is telling me about issues that either their own family or they themselves are experiencing with scheduling. As I say, I see it in my own family. I have five kids. They're all currently working, and none of them is working a straight-up shift, and they often get their schedules the day before.

**Ms. Cindy Forster:** Right. The OLG is an arm's-length agency of the provincial government. The government has introduced Bill 148—a fairer workplace, I think it's called. How can the government stand by and allow the OLG to strip workers—400 workers in your case, plus hundreds more at Woodbine and across the province—by moving them from a defined benefit plan that would provide them with some security when they retire, to a defined contribution plan?

**Mr. Greg McGillis:** I don't think it's fair, and I don't think it's reasonable. In fact, I suspect that OLG can likely afford it and the government can afford it, and they don't have to do this. I think it's reprehensible. It's one of the things that angers workers more than anything else. When I talk to people—if you want to touch the very heart of how people feel about their employment, go to the question of their pensions, or their lack of pensions, or even those half-pensions that consist of defined contributions. It's not a good thing.

I think OLG and other employers across the province who are pushing these kinds of measures are emblematic of the sickness of our time and how we view employment. It's not a good situation.

As I say, Ontario used to be a leader, and I think it could be a leader again. In those days, we were a very wealthy, very successful economy. We weren't afraid of paying people and treating them well. I think this would be a good opportunity to think about that.

**Ms. Cindy Forster:** Thank you for your comments.

**Mr. Greg McGillis:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much for your presentation. If you have a further written submission, if you could have it to the Clerk by 5:30 p.m. on July 21.

**Mr. Greg McGillis:** Thank you very much.

#### EPICURIA FINE FOOD AND CATERING

**The Vice-Chair (Ms. Ann Hoggarth):** Our next presenter is Epicuria Fine Food and Catering. If you would please identify yourself for the record, and then you may start your five-minute presentation.

**Ms. Tracey Black:** My name is Tracey Black. Good morning, and thank you for inviting me to contribute today. I own an Ottawa catering and retail prepared food company. My company was founded 27 years ago and currently employs 32 people, including full-time, part-time and elect-to-work employees. We are a generous community supporter, and pride ourselves on providing good food-service jobs.

I had the pleasure of touring Minister Flynn through my operations in May, to discuss the Ontario Changing Workplaces Review. We shared many values when discussing fair employment, and he listened to some of the challenges we were experiencing in our industry. I was pleased to inform Minister Flynn that we were already providing some of the recommended changes, such as emergency days, sick days and three weeks' vacation.

When the review was released I was not expecting such a large and rapid change to the minimum wage. I believe in fair wages, but I have three concerns regarding the proposed changes:

(1) The time frame for the minimum wage increase does not allow my business enough time to absorb and adjust to such a significant increase in labour cost. The four-to-five-year period taken by other jurisdictions would be more reasonable and fair.

(2) I do not employ many people at minimum wage; however, I have many employees in the range of \$14 to \$16 per hour. The wage compression issue needs to be an important part of this discussion. This is by far the greatest concern of myself, my employees and other colleagues that I have discussed the issue with.

(3) The foodservice industry is a source of first-time jobs for students and unskilled or vulnerable workers. We see minimum wage as an entry-level position, and my company provides valuable training and job experience to these workers. I worry about job losses among this group.

Our current labour costs are 32.3% of sales; the goal in my industry is 30%. With the minimum wage increase to \$15, plus an additional 15% for vacation, EI, CPP, WSIB and EHT, we would see our labour costs increase to 34%. An adjustment for skilled workers, but not managers, would increase our labour costs to 35.5%. Small independent businesses have fewer avenues to absorb these costs. I also experience large variations in monthly revenue, and a high labour cost will increase losses in slow months.

I started my career in this industry at minimum wage in 1994, and I had both a university degree and a culinary diploma. In 1999, I became a partner in the company that I now own. In 2003, I was named one of Ottawa's top Forty Under 40. In 2011-12, I rebuilt my company after a fire in which we lost everything except for a few stainless steel tables. All of my employees were covered by my insurance.

Career development and well-paid foodservice jobs are important to me. As a business owner in food service, I understand the numbers well, and the need for tight controls on food and labour costs: the two centres that account for more than 60% of my costs. Through my careful stewardship, I have been able to employ hundreds of young people over the years and self-fund all of the growth and capital expenditures of my business.

With greatly varying revenues in the catering business, a large labour increase to permanent positions has potential to become a serious cash-flow problem. The difficult part for me is: What if I cannot afford to increase the wages of the skilled workers, and what do I say to them when they see their hard-earned wage differential disappear? I expect this will affect many workers across the province.

For example, I have two employees in my retail department who both started with me earlier in their working careers. When our retail manager left, we discussed the opportunity for the two of them to split the managerial duties and wage increases. They are now thriving in their new positions. These employees currently make under \$15 an hour, but with the proposed increase they will be paid the same wage as the new hires they train and manage.

The same issue will happen in our kitchens. Our skilled cooks will now be training new hires, apprentices and seasonal workers, who will be paid the same rate for lower-skilled work. They will work harder to supervise and accommodate the new employees, and they may not be compensated for it. How do I explain this to them? These are the workers I'm trying to develop as managers. How will the Liberal government be able to help us with this? Will there be assistance in training and hiring grants?

If there is no assistance, these are some of my options for absorbing additional labour costs: increased cost to consumers—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The time is up. We move to the official opposition. MPP MacLeod.

**Ms. Lisa MacLeod:** Tracey, thank you so much for being here.

**Ms. Tracey Black:** Thank you.

**Ms. Lisa MacLeod:** I spend a lot of time with small business owners in Nepean-Carleton, particularly in the Barrhaven, Riverside South, Manotick and Bells Corners areas. Many of the business leaders or owners I've talked to are very nervous about these changes, but very cautious in speaking out. They don't want to panic their employees and they don't want to seem to be uncaring,

but, at the same time, what you're telling me, and what we heard earlier from Paul Murphy at Calabogie Peaks, is that this rapid change—almost overnight a 32% increase in wages—will have a serious impact.

**1100**

I wanted to first say thank you for speaking out, because I know, having spoken with even some business owners this morning, that they're very tentative and very nervous. I'm just wondering, can you explain a little bit, because we are in the city of Ottawa—this is our home—where your employees are, where your businesses are and who this will impact the most?

**Ms. Tracey Black:** My business is located in the Beechwood-Manor Park area, and my employees are from the Ottawa area. My biggest concern is for my skilled workers, whom I've developed and brought along. It's hard to just jump into the foodservice industry unless you have experience, and some of the experience that you need in various parts of the industry is very specific. What I do in my business is we're making food from scratch; we're making good, healthy food. It's not easy, so it takes a while for people to develop, and it's important for me that people—I love the industry, I love food, and I want for my employees what I've been able to achieve. That's always my goal in employing them.

I'm concerned for that group that's at the \$14-, \$15-, \$16-an-hour rate, that now the person they're supervising or the most basic, entry-level job in our company will be paid the same rate. Can I afford to bump them up proportionally to make it fair?

**Ms. Lisa MacLeod:** So you're an Ottawa-Vanier-owned-and-operated local company. You have 32 employees. Right now, in your standard, 30% of what you bring in is set aside for labour, but that will increase to about 34%. Am I right about that?

**Ms. Tracey Black:** Yes. With the adjustment, up to like 35.5%, and that doesn't include what we bonus out to employees as well. Because that's important to me. I wasn't able to finish, but that's one of the things that we would have to forgo to pay for the increases.

**Ms. Lisa MacLeod:** Do you think you'll have to lay off employees or terminate employees, as Calabogie Peaks has indicated?

**Ms. Tracey Black:** I never want to do that. Even during my slow seasons, I do not—you know, when you're making \$15 an hour, if your paycheque is five hours less, there's an impact. I don't—

**Ms. Lisa MacLeod:** So you don't want to lay off people, but they all get fewer hours sort of thing?

**Ms. Tracey Black:** Well, I mean, we'll try to create more efficiencies. I would also reorganize the way our pay structures work. Those \$15-an-hour minimum wage jobs are going to come with a lot more responsibility. I'm going to expect a lot more from people if I'm paying them \$15, unlike an entry-level high school dishwasher at \$11.40 an hour. I may not hire that high school dishwasher anymore.

**Ms. Lisa MacLeod:** That's what I'm hearing from many of the businesses in Barrhaven and Bells Corners

specifically. I do see one of my constituents here from the Riverside South area who, I'm sure, will be talking about some of the increases to child care.

Do you have any other final comments? I know we probably are running out of time. Just parting comments to this committee on things that you might not have been able to say during your presentation?

**Ms. Tracey Black:** No. I mean, I just have a list of possibilities to absorb the costs: increase costs to consumers; remove bonuses and perks for employees; reduce community support, which we do a lot of; reduce capital spending.

I spend at least \$25,000 to \$50,000 a year—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up.

**Ms. Lisa MacLeod:** Thank you, Tracey.

**Ms. Tracey Black:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** We move to the third party. MPP Forster.

**Ms. Cindy Forster:** Thank you, Chair. Can you tell me when I'm at about three minutes, because I'm going to give a couple of minutes to MPP MacLaren to ask a question as well?

**The Vice-Chair (Ms. Ann Hoggarth):** Okay.

**Ms. Cindy Forster:** What is your ratio of full-time to part-time employees?

**Ms. Tracey Black:** Most of my employees are full-time.

**Ms. Cindy Forster:** Most of them are full-time. And what about students versus mature employees?

**Ms. Tracey Black:** In my retail operation I always have a few part-time students. I always hire university students who are paying their way through university. We allow them flexible shifts during the school year so they can continue to earn money. I don't have many students in my kitchen, although right now I have a couple of part-time dishwashers who are in continuing education.

**Ms. Cindy Forster:** So is your business actually doing prepared foods as well as a restaurant?

**Ms. Tracey Black:** Yes. I have a food store. We sell prepared foods, anything that you would make at home. You can come into my shop and buy dinner, soup and salads, and you can stock up on frozen foods for your senior mother. And then we do a lot of catering. We do a lot of corporate catering. We are very fortunate to have a few contracts.

**Ms. Cindy Forster:** So when you spoke about your labour costs increasing by 5%, is that 5% just inclusive of moving people below minimum wage to minimum wage, or does it also take into account the fact that you may have to increase some of the people already beyond the minimum wage?

**Ms. Tracey Black:** Yes, that would be adjusting both groups. For me, that's about \$70,000.

**Ms. Cindy Forster:** Okay. You talked about bonuses and perks. So when you're doing well, you actually share some of that with your employees?

**Ms. Tracey Black:** Absolutely. I always say to my team, “We’re doing this together. I can’t do this by myself. We are building the success of this company together.”

**Ms. Cindy Forster:** Do you have any suggestions on how the government could assist you?

**Ms. Tracey Black:** You know, there was discussion. I, of course, met with my local MPP to discuss the issue right away. Helping us with training dollars so we can bridge that gap, so that we can pay for the increases of skilled workers—I don’t want to have to give up hiring students and entry-level people. That’s how I started in the industry. I was able to start as a part-time sandwich maker, and now I own a company that employs 32 people.

**The Vice-Chair (Ms. Ann Hoggarth):** Three minutes.

**Ms. Cindy Forster:** Thank you.

**Mr. Jack MacLaren:** Thank you, Ms. Black. Your presentation was excellent. You defined very clearly the troubles that Bill 148 would potentially cause your business. You defined very clearly how you manage your business. You seem to be a responsible manager with respect to your employees, and you have defined the problem, I would say, that small businesses across Ontario are going to experience, which you mentioned. I believe that. We heard from Paul Murphy here today, and I’ve had many calls in my office from small business people, especially in the food industry, that were the same as yours.

Has your practice in the 20 years or so that you’ve been managing your business—talk a little bit about how you deal with employees’ wages. Have they increased over the years? Were there government incentives or rules that forced you to do that, or was it an initiative of your own? And how would you carry that on in the future without any government interference with respect to wages and increasing them as you could or might?

**Ms. Tracey Black:** I go back to fair wages. They’re important to me because I worked in the industry. I was the entry-level worker. I was the cook trying to gain skills. I was the kitchen manager, and then I became the owner. I’m very aware of what market prices are, and I really believe in paying for performance. I’m where I am because I performed, and I took opportunities and took risks.

I encourage that in my team. I always say, “It’s really up to you to take hold of your career and grab the opportunities. I can do what I can here in providing you with skills.” When I have people who are—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, Ms. Black. We’ll move now to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good morning, Ms. Black, and thank you very much for your presentation today. From what you’ve said so far, it sounds like many of the provisions of what we’re proposing to implement in Bill 148 are practices that you already utilize in your business.

1110

**Ms. Tracey Black:** Yes. I believe people need to be treated fairly and with respect, and I agree with a lot of the changes.

**Mr. Peter Z. Milczyn:** Just to understand your business a little bit better, is there any component of your business where you receive, either because you’ve billed for them or through some other means, gratuities?

**Ms. Tracey Black:** My retail team receives a small amount—change, as in a coffee shop. For our catering teams, they do receive gratuities. Just because of new rules with the CRA, we encourage our clients to provide gratuities directly to our service staff. We also encourage our service captains to redistribute gratuities throughout the entire team. But we take no part in those decisions.

**Mr. Peter Z. Milczyn:** In the last two days, we’ve had some people from the foodservice industry, from restaurants, talk about the role that gratuities play in overall compensation; that in fact, in some cases, the employees are earning well above \$15 an hour if you calculate gratuities into the overall mix and spread it out over a week or a two-week pay period. In your business, do you think that employees—some employees, at least—might be exceeding \$15 an hour with gratuities?

**Ms. Tracey Black:** Certainly, with our catering teams, the teams that are going off-site and serving at parties and managing events are compensated well. They’re my elect-to-work employees. They have no guaranteed work, so I welcome that extra compensation for them. Some of the money does trickle down to the kitchen, but not as much as would be more beneficial for them.

**Mr. Peter Z. Milczyn:** You alluded to the fact that you don’t track this money. We can all assume that your employees declare this income on their taxes.

**Ms. Tracey Black:** They are strongly encouraged to declare.

**Mr. Peter Z. Milczyn:** My colleague Mr. Fraser has some questions for you.

**The Vice-Chair (Ms. Ann Hoggarth):** Two minutes.

**Mr. John Fraser:** Ms. Black, thank you very much for being here today and for your presentation. It was an excellent presentation. It’s not easy coming in front of a committee and a room full of people.

**Ms. Tracey Black:** No. I’m a small fish in a big pond of people who know a lot of things about legislation.

**Mr. John Fraser:** I want to thank you. Some of the measures we brought in in this bill you’re already doing, and that’s the right thing to do. That’s why we’re doing that.

You mentioned very specifically the minimum wage and the kind of pressure it’s going to create and some of that differential pressure. I’m not sure how much the differential pressure will be as great as—it will certainly be there. What I want to ask you about is some of the remedies you’re suggesting from government that you mentioned.

I imagine your payroll is around \$1 million or \$800,000 a year?

**Ms. Tracey Black:** It’s \$700,000.

**Mr. John Fraser:** So you do have an EHT exemption. Would you benefit from a further EHT exemption?

**Ms. Tracey Black:** That would be very welcome.

**Mr. John Fraser:** With regard to hiring incentives or training incentives, obviously you're training skilled workers; you're bringing people in and training them.

**Ms. Tracey Black:** Yes.

**Mr. John Fraser:** You're looking for support. What do you mean by that?

**Ms. Tracey Black:** I know there have been programs out there, and I unfortunately have not taken advantage of any of them. But having some kind of subsidy for new workers or training people—what we achieve in my business in terms of the production levels and the type of food we're doing is quite complex. I'm finding it takes people a long time to be trained effectively and get up to efficiency.

We have great changes in revenue and our menus are changing all the time because we're in catering, so no one day looks the same—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, Ms. Black, for your presentation. If you have a written submission that you would like to submit, it has to be in to the Clerk by 5:30 on Friday, July 21.

**Ms. Tracey Black:** Thank you.

#### NATIONAL GOLF COURSE OWNERS ASSOCIATION CANADA

**The Vice-Chair (Ms. Ann Hoggarth):** At this point, I'd like to call the National Golf Course Owners Association. If you could please give your name for the record and then proceed with your five-minute presentation.

**Mr. Greg Chambers:** My name is Greg Chambers. Hello, members of the committee, and thank you for letting me speak to you on behalf of the National Golf Course Owners Association Canada, as I am the regional director for the Eastern Ontario/Outaouais chapter. I'm here today as the NGCOA Canada is representing the best interests of the Ontario golf industry. We currently have over 550 members in Ontario, which is 50% of the total courses in Ontario. There are two other regional directors who cover the remaining parts of Ontario for our association.

As I mentioned, we are representing the best interests of our members but have many non-members in the golf industry that have also reached out to see if we are addressing this major issue that will cripple our industry. There are many pieces to Bill 148 that members have addressed as being detrimental to our industry, including the new amount and extremely quick timeline for the actual increase in minimum wage, the trickle-up effect on wages for existing staff, and the 48-hour shift cancellation's financial impact on a weather-based industry.

The first and major concern is increasing the minimum wage from its current \$11.40 to \$14 in 2018 and then again to \$15 in 2019. The increase in the minimum wage over the last few years is already making courses walk a

fine line with a struggling and difficult industry. This artificial pay rate increase is unsustainable by golf courses, as they simply cannot pass it along to the consumers and will have to: eat the wage increase, further pushing their losses deeper; be forced to drastically cut staffing to keep wages at a maintainable rate to keep afloat; or simply close their doors.

All these options are the opposite of what Bill 148 was intended to do. Golf courses have already been dropping their prices over the last three years, and consumers will not pay the same per cent increases that courses will pay in wage hikes.

The trickle-up effect to existing staff wages will also be as big a damage for courses' wages as the minimum wage increase itself. In the past, courses have been able to quell more experienced or senior staff seeing younger and lower-paid staff get yearly incremental increases slowly. This giant increase at once will have staff with higher wages or seniority asking for similar increases to their wages to match the per cent or dollar increase as new and inexperienced employees creep closer to and/or above them in pay rate. Courses will have to oblige or give in to keep senior staff, as they will not be able to pay a new staff just starting out at \$15 per hour and not increase a more senior employee, who has been working for many years or doing a more essential position, the same increase.

Course owners have been setting wages at the correct rate already—fair pay—by the supply and demand of the position needed. For example, if a kitchen prep or greens cutter job could not be done for minimum wage because of the skill needed for that position, responsibility given to the employee or high demand for that position in the industry or a similar job in the workplace, courses had to assume the proper wage to fill that position by offering a higher rate to fill it with more skilled or dependable staff.

Lastly, the 48-hour shift cancellation is another component to Bill 148 that directly affects the golf industry in a significant manner. Because of the nature of the golf industry, which is highly weather dependent, having to pay staff who are cancelled due to weather will have a large impact on overall remuneration. Rain days are a weekly occurrence, and this year especially more so.

In preparation for this public hearing and others throughout the province, the NGCOA reached out to some of our members to get financial numbers in examples of different scenarios. Unfortunately, this past weekend, because of the thunderstorm in the area on Friday night and consequent flooding at some courses, I was contacted by a course we were working with that gave real numbers if this legislation was running currently. With their course closure on Saturday, they had to cancel a large event, as well as a fairly full tee sheet. With all the staff being cancelled for the day except for the salaried manager answering phones, the cost of wages for not cancelling before the 48-hour rule would have been over \$1,500. With there being an average of 18 days of rain in each of the last three months, the golf season in the chapter area would be at an overwhelming financial

loss. We are proposing that the golf industry as a whole be exempt from this law due to weather.

Because of the proposed Bill 148 changes, golf courses have already been brainstorming to stay ahead of the issue, with all the solutions giving the opposite desired effect. Managers have been given the task of reducing costs, as substantially raising prices over inflation is not an option from the owners' perspective. Positions will be lost for senior part-time workers as managers will be tasked to pick up the slack in the shoulder seasons of spring and fall. Non-essential senior staff will be phased out as they approach five years' employment, which would give them the 2% increase in vacation pay and an extra week of paid holidays. With the trickle-up effect, non-essential staff will be let go as the compensation exceeds the rate of the position, and younger staff will fill those positions. Existing staff demanding wage increases will have to be allowed to walk. The reason for the bill, where adults will be making a full-time wage, will be the first to be let go in the golf industry as younger, lower-wage students will be hired with yearly turnover.

1120

Larger and better machinery will be brought in to reduce man-hours on the course, as well as reducing the staff hours to fix the older equipment, as the margin between the two scenarios disappears. It is important to note that if no changes were made to—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Your time is up. This round of questioning begins with the third party. MPP Forster?

**Ms. Cindy Forster:** Hi there. Thanks for being here.

What is the average yearly golf course fee across the province?

**Mr. Greg Chambers:** Probably about \$35 to \$40. It actually has gone down, I mentioned, in the last three years. In my former position, I used to be a GM at a golf course. We were as high as \$47 and have gone down to \$40.

**Ms. Cindy Forster:** That's for a round of golf?

**Mr. Greg Chambers:** That's for a round of golf, yes.

**Ms. Cindy Forster:** What about yearly membership fees?

**Mr. Greg Chambers:** They range, depending on private and public courses and semi-private. They have also dropped.

Again, it's supply and demand. As people are more financially stricken, the first thing to go is your extra expenditures like your entertainment expense.

**Ms. Cindy Forster:** Right, the entertainment stuff.

I know in Niagara, where I come from, some of the golf courses are struggling. We're seeing some mergers of golf courses and sell-offs in the communities where a housing development takes place around a golf course. People move there because there is a golf course attached to their community, right? So there is some outrage—certainly in one community in my riding—about the fact that the golf course is being sold off and they're concerned that it may be changed into more housing development in that community.

I know that the sector is struggling, as a whole, in some areas of the province. Are you experiencing that in other areas?

**Mr. Greg Chambers:** One hundred per cent. To be honest, it's across the country.

Ontario has set the wages at what they can afford and it has fluctuated. It's not like the 1990s or the late 1980s when golf was booming, or entertainment spending was booming. We've had to adjust the rates, which has adjusted the wages. You can't have an excessive wage with low income coming in. In that same instance, you can't be making lots of dollars and not be paying your staff. So the industry has levelled it out.

Now what we're being told is that they're increasing the wages; we just don't have the income to support it.

**Ms. Cindy Forster:** Right. As you said, with a lot of people, the first thing to go is their entertainment. We saw the jobs stats come out in June, and clearly the province—and the country, really—is shedding full-time jobs.

**Mr. Greg Chambers:** Paul had a great way of explaining that too, showing what that is. And that's times 1,200 members across Canada and 550 in Ontario.

**Ms. Cindy Forster:** So it makes it difficult for you.

You talked about perhaps bringing in more equipment, becoming more automated, as opposed to manual-type labour.

**Mr. Greg Chambers:** Yes. There are two different scenarios, depending on the course and depending on the theory of the managers or the owners: With brand new equipment, there is less fixing, better quality and better hours, compared to courses that buy used equipment—you're always having to fix it; it's always breaking down—and there's that balance, depending on what you want to do. As the minimum wage increases, or the trickle-up effect with staffing, the difference is almost none. So what you're doing is buying new all the time, with fewer staff, fewer man-hours, fewer mechanics, and fewer people working on the machines. It's tightening the wrench on the staffing.

To be honest, from the industry and the people we've talked to, the staff always gets the benefit of the doubt. If you can hire more staff and create more jobs, that's the way to go.

Unfortunately—and the lady before me just talked about it—you always want to support the staff but it gets to a point where you just can't do it just to be nice. These golf course owners are people too and they're losing money every year.

**Ms. Cindy Forster:** How much time do I have?

**The Vice-Chair (Ms. Ann Hoggarth):** A minute and a bit.

**Ms. Cindy Forster:** Mr. MacLaren would like to ask a question.

**The Vice-Chair (Ms. Ann Hoggarth):** MPP MacLaren?

**Mr. Jack MacLaren:** Thank you. Mr. Chambers, my question is pretty simple: For your golf course business

owners, does Bill 148 do them any good? You can say one word.

**Mr. Greg Chambers:** I won't say no right off the bat. There is some good. It's a big bill, to be honest. We actually have people who know a lot more about bills than I do who are going through it currently, as we're putting a position statement out later this month. There are maybe some small amounts—it's just overwhelming. The big features are just too much to handle.

The first gentleman, Paul, who spoke—he's not lying. He opened his books up, and I'm sure there would be many golf courses that would open their books up. We're currently running at an average of 39%, for staff costs, of revenues—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll now move to the government's questioning. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good morning, Mr. Chambers. Thank you for coming out today. This is the third day that we've been doing the committee hearings, and I've heard from resort owners, some restaurants owners, some golf course owners around the weather issue. I just want to direct you, when you have some time, to look at section 21.6.3 in the bill. It actually has an exception for extreme incidents. It does have an exemption there for the scheduling compensation component when there's a weather event or fire or some other calamity. I don't know if you were aware of that, but it's—

**Mr. Greg Chambers:** We are. We're not 100% clear on whether that includes a little bit of drizzle. The problem is that we're at the mercy of whoever organized the events or whoever golfs. We're working with the Weather Network. That is our biggest fight right now. People can be scared away pretty easily with a 40% chance of rain—but really, that's a 60% chance of sun.

**Mr. Peter Z. Milczyn:** Fair enough.

**Mr. Greg Chambers:** We're not sure, to be honest, right now, until our lawyers have gone through and everything: What percentage of rain constitutes that we're allowed to cancel staff? Right now, all the staff who work in the industry—and I believe Ms. Black talked about it, with bartenders and such. You can have a 40-hour pay week, where you work at the office and make X amount. Or you can be on the cart, selling alcoholic beverages, making more money, but it's less reliable. If it rains, your shift is cancelled. And they know that. They can choose to work at the office or they can choose to work in other positions. Right now, it's up to them what they decide and where they want to work. They know. They call in every morning, before they come in, to ask, "What's the weather forecast today? How does the tee sheet look?"

**Mr. Peter Z. Milczyn:** I just wasn't sure whether you were aware of that. So you are—

**Mr. Greg Chambers:** It's definitely in there. We're just not sure what your line is, compared to how it works for the golf industry.

**Mr. Peter Z. Milczyn:** My own reading of that is that perhaps the wording of that could be a bit better. So I

would encourage your association to look at that, and if you have some amended wording for that section, that might be helpful. I was looking at it myself.

As climate change kicks in and we have more and more extremely hot days, we might have people cancelling events because of extreme heat. That kind of wording isn't included in the bill. Maybe it should be. So—

**Mr. Greg Chambers:** It is. We want more and more sun, but it gets to a point where it gets too hot and people don't come out.

**Mr. Peter Z. Milczyn:** I would just encourage you to look at that particular clause and perhaps provide some suggested amendments to it, and we'd look at it.

**Mr. Greg Chambers:** We'd love to do that.

**Mr. Peter Z. Milczyn:** I was wondering, for a typical golf course, what percentage of your employees might receive gratuities on a regular basis.

**Mr. Greg Chambers:** It would be the food and beverage, so let's say 30%, 35%—because you have your pro shop, and you also have your outside maintenance. It's probably about 30% of the staff who would collect gratuities.

**Mr. Peter Z. Milczyn:** The food and beverage service—within that group, would they generally share their tips with the kitchen?

**Mr. Greg Chambers:** Yes. People working inside, whether it's kitchen staff, bartenders, will "tip out." That's the expression in the industry. They help the people who help them. Outside, on the golf course, the halfway shack, and your cart girls or boys or men—they would keep their own tips. If somebody helped them load their cart or tear it down at the end of the night, then they would tip out—compared to an actual event where the golf course collects a gratuity. Because of the legislation, 100% of the gratuities accepted have to go back out to the staff, so then the golf course owners or managers would actually divide it up.

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**Mr. Peter Z. Milczyn:** To what extent would a typical golf course track the tips and understand who's getting how much in tips?

**Mr. Greg Chambers:** Fairly close. Out on the course, or even a bartender, we don't keep track of that. That's their own business. We're not micromanaging them, making them declare.

**Mr. Peter Z. Milczyn:** I mean, if it's cash, then obviously—

**Mr. Greg Chambers:** Yes, it's cash in and out. Anything through a credit card—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up. We'll move now to the official opposition. MPP Hillier.

**Mr. Randy Hillier:** Thank you, Greg, for your presentation. Just a few things here: You stated, if I heard correctly, that minimum wage employees would be entry-level employees as a rule, and as they've built up experience, they're going to be beyond the minimum wage, as a rule.

**Mr. Greg Chambers:** Correct.

**Mr. Randy Hillier:** What percentage of the employees on the golf course would be minimum wage employees?

**Mr. Greg Chambers:** Probably maybe a little more than half. A lot of that is your summer turnover. It is a seasonal business, and we fight with that all the time, but there's nothing we can do. A lot of staff will work for a summer, and as they get older move into a position where they can work year-round.

**Mr. Randy Hillier:** Right. So of the 50%, would they be mostly youth and students, or how would you characterize them?

**Mr. Greg Chambers:** Yes, we do hire a lot of youth and students in the industry. There is the government's Canada Summer Jobs, where you get rebates, but that still puts us at 39% with those rebates.

**Mr. Randy Hillier:** Right. So the minimum wage aspect for golf courses, and maybe for other industries, is being used as it was intended: for entry-level employment for youth and students, not permanent.

**Mr. Greg Chambers:** Yes, for a lot of them it's their first job—no experience, never worked at a golf course, never had a job before, jumping into the work industry. We can provide, whether it's grass-cutting or something, basic stuff. There's not a lot of experience. There's no schooling, no training. It's a hands-on job.

**Mr. Randy Hillier:** And you would never see the day that people employed on the golf course would not have some aspect, or a significant aspect, of that youth and entry-level employment. It's not going to be a year-round income for most employees to raise a family.

**Mr. Greg Chambers:** No. The older staff either have a winter job lined up, so it's six or seven months and they'll flip it over—

**Mr. Randy Hillier:** If the ski hill is still here, they'll have a winter job.

**Mr. Greg Chambers:** The ski hill, the curling rink and stuff like that that's seasonal, also, or unemployment insurance in the off-season. The two ways to go are that they still make a certain amount, but they're now—I believe Ms. Black talked about it, that she's now going to demand more from her staff, cutting out other positions.

**Mr. Randy Hillier:** There's an interesting statistic: Ontario has the largest minimum wage workforce in this country, by a significant amount. Approximately 10% of our workforce is engaged at the minimum wage level. As compared to most of the other provinces that hover around 4% to 5%, we're at 10%.

One of the things that I see is that we're trying to move the concept of minimum wage from an entry-level wage to a career and benchmark wage for families. Do you have any comments on that?

**Mr. Greg Chambers:** Well, we fully support people doing it as a full-time position, with older staff, senior staff, making as much as they can. We used to tell our staff, "We want you to make as much as you can; we just have to have the money to pay you." Now it's an artificial rate being pushed on us at the entry level. Johnny

who is 16, at his first job—his parents drive him to work and pick him up afterwards—is now getting \$15 an hour, where some of the senior staff had been making \$13 or \$14 an hour and they've put in 10 or 15 years.

**Mr. Randy Hillier:** Inevitably, invariably, you will have to raise what the senior staff make.

**Mr. Greg Chambers:** The trickle-up effect, correct.

**Mr. Randy Hillier:** It's the same with every other industry. I can't envision any industry that would not feel that upward pressure.

**Mr. Greg Chambers:** Or golf courses will let those staff go. The position can only pay so much, demanded by the income coming in.

**Mr. Randy Hillier:** This is what I'm getting at. We're seeing a reduction of the more senior people and using the minimum wage not for youth and entry workers, but becoming a benchmark wage. That is what the government is looking for all Ontarians to aspire to, a minimum wage career, which certainly is not going to be beneficial in the long run if we continually expand the size of our minimum wage workforce.

**Mr. Greg Chambers:** No. Either way, there are going to be job losses to keep that wage at a certain level, whether it's expanding the role of the senior staff or hiring more younger staff, getting rid of the senior staff.

**Mr. Randy Hillier:** Thank you very much.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much for your presentation. The deadline to send a written submission to the Clerk of the Committee is 5:30 p.m. on Friday, July 21. Thank you.

**Mr. Greg Chambers:** Thank you very much.

#### UNITED STEELWORKERS LOCAL 9597

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenter: United Steelworkers Local 9597. Would you please give your name for the official record, and you may begin your five minutes.

**Mr. Dave Meinzinger:** Good morning. My name is Dave Meinzinger. I'm a security guard and the financial secretary for Local 9597. We represent over 3,000 security guards and airport screeners in eastern and south-western Ontario, the security guards you see every day at government buildings and museums across the province. Most of these employers are national and some are, obviously, international.

I've been active in my local union since 1993, almost since security guards were allowed to join multi-discipline unions with the amendments to Bill 40 back in the early 1990s. I've been employed in the industry for 25 years, primarily at the same site. I've had six different employers in those 25 years. I'm clearly aware of the contract flipping that goes on every day in our industry.

I understand precarious work, employees wondering, "Who's my employer going to be? This week or next week, am I going to have a job?" I would like to thank the committee for allowing me to speak.

Key amendments that affect our members: obviously, restoring successor rights. So every time a contract flips,

we keep our union, keep our benefits and all compensation that we've negotiated.

Card-check certification: I think it has been proposed for building services, but it's got to go to every worker in the province.

Another amendment is the OLRB allowing, when a new unit is organized and the union has other groups, to be able to combine those units.

With respect to successor rights, right now in Ontario, part XIX of the Employment Standards Act gives the successor employer the responsibility and the liability to hire the incumbent employees. We want that to extend to all employees in the contract sector so that if a nursing contract with a municipality goes from one employer to the other, those employees have that same protection.

I know there was the question earlier about vacation pay. Right now, it's only for building services, but my continuous service goes from employer A to employer B. If the act is amended to include that, then the question about the five years and vacation pay would flow. I might never work for an employer for five years because every three years, the federal government puts my contract up for tender and I go from employer to employer. That happens every three to five years.

**1140**

Card-check: Again, every employee in Ontario has the right under section 5 of the Labour Relations Act to join a union of their choice. How can it be that people working in Ottawa here at Tim Hortons or at a hotel have those rights and we don't?

I'm going to give you an example of why we need successor rights in Ontario. In December 2010, the provincial government put out a tender for security contracts across the province. In Ottawa, we represented the security guards at the Ottawa Courthouse. They voted to stay with the union and voted to collectively bargain. They voted unanimously to stay with the union. Through collective bargaining, it didn't go very well. We got to a no board report mediation.

Now, in the mediation, that employer made an offer to the union: "We'll give you 25 cents if the union goes away." Obviously talks broke down, and the picket line went up at 4 o'clock that evening. These members walked the picket line for three months. We applied for first-contract arbitration and, under the law, it was ruled that that violation was successful for—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. We're going to the government for the first round. MPP Milczyn.

**Mr. Peter Z. Milczyn:** I'll just give you 30 seconds to a minute to finish what you were about to say.

**Mr. Dave Meinzinger:** Okay, thank you.

We were awarded first-contract arbitration. That employer tried to subcontract. They subcontracted the work April 1. We got a collective agreement awarded that was almost the exact same as the employees had in December 2010. They went back to work 21 months later with a collective agreement.

That's why we need successor rights. These seven members had the guts to stand and take on the employer to get the rights back that they should have had from day one.

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

In Bill 148, there are a number of things in there. I'll get to the issue of successor rights and collective bargaining. The increase to the minimum wage, the provisions around more reliable scheduling, provisions around equal pay for work of equal value, provisions around protection for workers from temp agencies that are brought in sometimes by employers to void the obligations they would have had to their regular employees—are those all measures that you would see as beneficial to your members and to other workers generally?

**Mr. Dave Meinzinger:** Yes, I think they are. Obviously the successor rights are key for us. The scheduling is difficult in our industry because our employers get short-term contracts. Let's say we get a contract to watch a store because they're doing maintenance, and the job is scheduled for three days but ends in two. That might be an issue, but obviously we have a collective agreement and we can address it through the collective agreement process.

To get those employees who don't have a union, they've got to fight with the employer in that situation.

**Mr. Peter Z. Milczyn:** In terms of the provisions around scheduling, would that be a big issue in your particular sector for security guards?

**Mr. Dave Meinzinger:** It could be, because we do have a lot of, like I said, short-term contracts so that they may end or extend beyond the term of that contract. So, yes, it could be a problem.

**Mr. Peter Z. Milczyn:** The card-based certification for certain workers: Would your sector be covered in that, the security guards?

**Mr. Dave Meinzinger:** I believe they are. Obviously, if it isn't, we would prefer to have it in legislation. The two groups that we organized—even though we had 100% of cards signed, they still had to do the one-week vote, one week later.

**Mr. Peter Z. Milczyn:** My understanding is that it actually would be, because the intent was to look at those sectors where you don't have everybody walking into the same factory or the same office building or the same store; where you have people working for one company, but they might be spread out over various sites, and the only way that they could ever collectively do anything is very limited.

**Mr. Dave Meinzinger:** We understand that. Obviously, one employer might have 10 or 20 locations, so they've got five here, 50 there, three there.

It would be a help to us to say that once we got 55% or 60%—whatever the number is—then we would be automatically certified.

**Mr. Peter Z. Milczyn:** The successor rights protection that's included in the bill: Do you think that's going to be helpful to your sector as well?

**Mr. Dave Meinzinger:** It's helpful, but there are shortfalls. The outgoing employer has to give the information to the client so that the information can be passed on to the successor employer. Right now, there's no mechanism. If that information isn't provided—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Your time is up.

We'll now move to the official opposition. MPP McNaughton.

**Mr. Monte McNaughton:** David, thank you very much for your presentation today. I just wanted to ask a couple of questions, more in broad terms, about the economy.

With some of these changes, do you think that we're going to see companies moving to other jurisdictions? Do you think there's a risk of jobs being lost, hours being reduced, and the unintended consequence of less take-home pay for workers in Ontario?

**Mr. Dave Meinzinger:** I know that every business is going to be looking at the costs. If their cleaning costs or their security costs are going up by 20%, they may look at cutting the number of hours or going to technology. There are risks with that, obviously, all depending on their insurance and whether they can do that or not.

**Mr. Monte McNaughton:** We've seen in other jurisdictions pretty clear data that there's a big investment in automation, fewer jobs, less take-home pay.

**Mr. Dave Meinzinger:** Quebec has had a decree system in the industry. So any security guard in Quebec is paid \$17 an hour. If the industries that are using security guards in Quebec can pay \$17 an hour and keep them in the contract sector, then \$14 or \$15 in Ontario should be fine.

**The Vice-Chair (Ms. Ann Hoggarth):** We will move to the third party. MPP Forster.

**Ms. Cindy Forster:** Thank you, David, for being here.

Bill 148 is called "fairer workplaces," but my view and the view of some of the people we've heard from in the last two days, in Thunder Bay and North Bay and now here in Ottawa, is that in some areas it's creating more discrimination between employee groups, between workers in this province—around card-check, for example; around successor rights.

There was a day when we had successor rights for every worker in this province. There is still legislation under PSLRTA, the Public Sector Labour Relations Transition Act, that protects work that is moving—for example, in hospitals or in municipalities that have merged or separated—so that when, actually, the work is moving, the representation of those workers moves as well. So I think that's one of your big concerns: the fact that every time your work moves to a new buyer or owner, you've got to start again. Right?

**Mr. Dave Meinzinger:** Yes.

**Ms. Cindy Forster:** That makes the work unstable, and it makes the work precarious for you.

There was a question, I think, asked in Thunder Bay or North Bay as to whether or not the language in the bill

proposed will only apply to security people working in a building because it is directly related to building services. We know that security guards work in all kinds of settings. They work at festivals, triathlons, hospitals, schools, universities, colleges, and even some municipal buildings and city halls. Right?

**Mr. Dave Meinzinger:** Yes.

**Ms. Cindy Forster:** Can you comment on that?

**Mr. Dave Meinzinger:** We represent almost every sector you've mentioned: the hospitals, governments, contracted-out parking—so people who are giving parking tickets in some cities. I think they have been covered under the building services—section 19 of the act. Building services, without Bill 148—any time a business in Ontario is sold, a union goes with them. Building services are exempt from that. This bill will change that. But obviously we want it to go beyond, to the nursing sector, all the other contracted-out or—we don't want a race to the bottom, which this contracting out has created.

**Ms. Cindy Forster:** So you hope that, actually, this one change will assist—

**Mr. Dave Meinzinger:** Well, it will hopefully level the playing field, so that if company A's cost is \$18 an hour, company B's cost is \$18 an hour, and they can compete on their ability to do the service; the cost of the service is not the bottom line.

**Ms. Cindy Forster:** You talked about combining of bargaining units under the proposed OLRB. Can you expand on that a little bit?

**Mr. Dave Meinzinger:** Well, I think that's more in the university—the steelworkers organize a few of the universities in Ontario. They've organized one group at one time and then another group at a different time. The employer is treating them as separate collective agreements, separate bargaining groups. So when there are multiple certificates, to be able to say, "Okay"—to have the board able to combine, so that there's one employer, so there's one collective agreement.

**Ms. Cindy Forster:** I see.

How much time do I have?

**The Vice-Chair (Ms. Ann Hoggarth):** About 30 seconds.

**Ms. Cindy Forster:** Okay. Well, I won't get into it because you won't be able to answer.

Anyway, thank you very much for your presentation and for being here today.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. If you would like to send a written submission to the Clerk of the Committee, you must do so by 5:30 on Friday, July 21.

**Mr. Dave Meinzinger:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** At this time, we will be recessing for the break. We will resume the committee hearing at 1:30 here this afternoon. We are recessed.

*The committee recessed from 1153 to 1332.*

**The Vice-Chair (Ms. Ann Hoggarth):** Good afternoon. We are meeting here this afternoon for public hearings on Bill 148, An Act to amend the Employment Stan-

dards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts. Each witness will receive up to five minutes for their presentation, followed by up to 15 minutes of questioning from the committee.

Just a reminder before we start that this room is an extension of the Legislature of Ontario. The same decorum has to be observed here as in the Legislature: no clapping or cheering or displays of political sides. Are there any questions before we begin? Thank you.

MS. LYDIA DOBSON

**The Vice-Chair (Ms. Ann Hoggarth):** I'm going to call the first witness then, please. That would be Lydia Dobson. Good afternoon. If you would please state your name for the official record, and then you can start your five-minute presentation.

**Ms. Lydia Dobson:** My name is Lydia Dobson.

**The Vice-Chair (Ms. Ann Hoggarth):** Go ahead.

**Ms. Lydia Dobson:** Thank you for hearing me today. I'm coming to speak to you about the conditions of work for servers and bartenders in Ontario. I've spent more than 15 years now working as a server and a bartender in various cities across Ontario. In addition to that, I was able to finish my BA and master's. My master's thesis specifically looks at the Employment Standards Act as it relates to servers and bartenders in Ontario. I did this using interviews that were conducted with colleagues and different servers across the province. In addition to that, I've also spent the last year and a half working for a legal aid clinic in the workers' rights division. So that's my background.

I want to talk to you about three things specifically, but I also want to give a bit of the context for restaurant workers in this province, which I think is really important to be considered in the changes that are taking place.

One thing to be considered is that workers who are bartenders and servers are incredibly vulnerable. The majority of young people in Ontario will have their first job working in a restaurant. The majority of servers and bartenders in Ontario are women. So the demographics that we're looking at are young women doing these jobs.

Second is the structure that exists around tipping and scheduling. Servers are obviously reliant on their tips because they're paid less than the minimum wage. In addition to that, their schedules are very precarious. I work at two restaurants right now, and I have seven to eight on-call shifts a week. Some weeks, all those shifts are cancelled, which means I can't even make my rent. Some weeks I work all those shifts, which means I'm working more than 60 hours.

Scheduling is used to promote and demote, sometimes punish and even fire servers in restaurants. Our tips are largely dependent on our schedules, so on days when the local sports team is doing really well or playing a game, we'll make a lot of tips, we'll have a lot of tables; our sales will be high. On days when it's raining and I have a patio shift, I won't even be able to go in to work.

Managers and restaurant owners are able to completely control our income by scheduling. This means that if I do something that they don't like—for example, when I was 21 years old, I worked at a restaurant where they changed the uniform to be thigh-high socks, booty shorts and a very low-cut, revealing shirt. When I said, "No, I won't wear this," I was taken off my bar shifts where I was making \$200 a night, and I was put on shifts working breakfast where I was making \$20 a shift. My income was cut down to 10% of what it once was. These are the ways that managers and restaurant owners are able to control us and coerce us into doing things that we don't want to do.

When I talk about enforcement, the way that it works right now is, if we have to make a complaint, we can't make one anonymously. This means that our owners and our managers know when we do this. Then they can go ahead and cut our shifts on the schedule. I can go from five bartending shifts making \$200 to five breakfast shifts making \$20, which forces me to find a job in a different restaurant.

Even though there are reprisal conditions and protections, they're not enough, and it takes way too long for them to actually be enforced. By the time any restaurant owner is actually contacted to stop doing these things to us, we've already found a new job. I've seen circumstances where servers have made complaints under the Employment Standards Act, and they've lost their jobs. They've effectively been phased out of the schedule, and they can't continue working there. They have to find new employment. It's not until six to eight months later that anything is done about it. In some cases, I tried to make complaints, and they wouldn't let me because I wanted to stay anonymous. These are the conditions that we're working in. We're not being protected. We need a lot more to be done.

I have the specific recommendations laid out in the report here, if you want to have a look at them. We're endorsing the changes to scheduling, so having three hours provided on shifts where we're called off work. This won't help us in terms of tips, but it will at least give us something to pay our rent with. In terms of paid emergency leave, as servers, we're often working shifts on our feet. We're getting sick, and we're not able to take the time off because we need those shifts. We don't know if we'll get called in for our next shift, so if I have a cold, I'm still going to go to work. We're serving the public. We're spreading these contagious illnesses around because we can't afford to take time off. This is a problem.

Two paid emergency leave days are not enough, especially in a sector like this, where it's predominantly young women. At least once a month, we're in agonizing pain and can't go to work. Two days isn't enough. We need a lot more than that in order to actually be able to protect ourselves and to stop having to go in to work sick. Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. This round of questioning will begin with the official opposition. MPP MacLeod.

**Ms. Lisa MacLeod:** Thank you very much for your presentation. I appreciate you coming in here. It didn't look like you read any notes, so congratulations on an effective presentation.

I noticed in your presentation that you had several recommendations. Did you want to go through any of those recommendations where they pertained to, I believe, scheduling, emergency medical leave and enforcement?

**Ms. Lydia Dobson:** Yes, if I could, that would be great.

In terms of scheduling, endorsing the Bill 148 recommendations that are outlined on page 6. Some other important things that I think need to be added are first of all provisions that say that there has to be a schedule, because a lot of workplaces don't have a schedule at all. The other provisions don't have much value if they don't have to provide a schedule. Having it be provided two weeks in advance and for at least two weeks into the future would be amazing for us. I know right now, I'm trying to juggle three jobs. I have to text three different bosses to negotiate this, and it's almost impossible—and it's hard for them, too.

And then something to say that employers can't reduce our shifts arbitrarily: I know that restaurants—the sports teams, the weather, these things can up and down the number of hours that are available to staff, so I think it's fine to leave that there. But to have something that says that if I've been working four shifts a week at a restaurant for more than a year and then my shifts are arbitrarily put down to one or two—some sort of protection around that. That's number one, the point there that they can't reduce shifts in a schedule unless there is an overall reduction in hours in the schedule.

**Ms. Lisa MacLeod:** What do you think about, with the minimum wage coming to \$15, many businesses have said to us, including some restaurants, that that may impact the amount of shifts that they can actually give their employees?

1340

**Ms. Lydia Dobson:** I think a lot of restaurant owners are making a pretty big profit. I'm not overly sympathetic to them for that. My paycheques are sometimes \$200 because I make so much less than minimum wage. I think that them having to pay—the \$15 minimum wage wouldn't impact servers and bartenders, right?

**Ms. Lisa MacLeod:** I spoke to a local business person a couple of weeks ago, and I wanted them to move their company out to Barrhaven—one of their restaurants. She said, "Lisa, with the changes in the minimum wage, that's going to cost me a million dollars. I'm not going to be moving to Barrhaven. I'm probably going to close some of my locations."

I would just caution people against thinking that every restaurateur in the city of Ottawa and the rest of Ontario is a moneybags. We're talking about people who are trying to deal with an overnight increase, skyrocketing hydro bills and not as much money out there as we think. I just wanted to put that on the record.

**Ms. Lydia Dobson:** Is that a question?

**Ms. Lisa MacLeod:** No, it was a statement.

I know Mr. Yakabuski was going to ask a question.

**The Vice-Chair (Ms. Ann Hoggarth):** Mr. Yakabuski.

**Mr. John Yakabuski:** I appreciate your concern on scheduling. Everybody does have an amount of sympathy for anybody—everybody has to try to manage their lives, and we do understand that. There are some provisions in the bill that should make that somewhat easier or somewhat more accommodating.

I was in North Bay yesterday, where we had a submission from a restaurateur who owns multiple franchisees. He showed us the profit and loss statements. I have to say that if you assume that every restaurant is making a huge profit, you would be in error.

**Ms. Lydia Dobson:** Absolutely. I'm not trying to imply that all restaurateurs are making a massive profit. But I think that speaks to the infrastructure of restaurants in Ontario and the way that they've been developed on these tipping structures. Restaurant owners are so accustomed to paying staff less than minimum wage, and servers are so reliant on tips. It means that promotions and demotions in restaurants—restaurant owners would never pay a server more than the servers' minimum wage; they'll promote them by giving them better shifts on the schedule. So the fact that they're not making these huge profit margins—and that they're relying on scheduling as a way to promote, demote, punish and even fire staff is evident by looking at these small profit margins. The infrastructure doesn't exist right now for them to pay servers a \$15 minimum wage, and it would mean a huge change for them. But Bill 148 isn't asking them to pay servers the \$15 minimum wage.

**Mr. John Yakabuski:** No, there's still a provision for a lower wage for servers because of the fact—

**Ms. Lydia Dobson:** Yes.

**The Vice-Chair (Ms. Ann Hoggarth):** Time is up.

To the third party: MPP Forster.

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

I think what I'm hearing from you today is that as servers and bartenders, you can't necessarily count on tips to be able to budget in your personal life, to even pay rent in some instances, to perhaps pay tuition to go to school to try to get a better job, and that sometimes you're juggling two or three jobs, and that really does impact your life.

We heard from the same company that Mr. Yakabuski was speaking to—I want to delve further into tips. On one hand, this chain of restaurants provided us documentation that servers can make up to \$40 an hour, wages and tips included, in their restaurants. But last night I also talked to some waiters here in Ottawa who said they're lucky, in a hotel like this, if they take home 20 bucks a night at the bar, and they're being paid only—

*Interjection.*

**Ms. Cindy Forster:** It's \$9.90 an hour.

So he's here for eight hours, and including his tips, he's not even getting to \$120 for that shift.

It sounds like you've been working in the restaurant industry for quite a while. What is your experience?

**Ms. Lydia Dobson:** It's very dependent on the restaurant that you work for, the tip-out structure. A lot of restaurants mandate that, depending on your sales, you have to provide certain percentages to the other staff who work there. It used to be, before the law changed last June, that we would also have to provide it straight to the owners, as well, to line their pockets. Thankfully, that's changed. It's not enforced everywhere, but it's changed.

That's one thing that really impacts it. So, for example, if I sell \$1,000 at one restaurant, I might have to give 5% back to them, which means that I only take home 10% of my tips, whereas at another place it might be 2%, it might be 7%. The higher-end you go, usually, the higher the percentages. It really depends, right, on the class of the restaurant. A nicer place with higher bills means higher tips. Lower bills mean lower tips. But it can vary a lot.

I think the point that I really want to get across today is that managers and owners have the ability to control tips in a way that I think a lot of people don't take into consideration. The number of tables that they give you in a section will control your tips. The shifts that they give you, when they cut—in the restaurant industry, you don't have end times on your shifts, you just have start times. So I know that I start at 5 o'clock; I could finish at 6 o'clock. They could tell me not to come in at all. Or I could work until 2 a.m. with no break. I think the point I just really want to make is that tips are not just entirely up to the guests and the customers to decide on. It's largely the restaurant managers and owners who are able to control that.

**Ms. Cindy Forster:** Right. And so if you don't know when the end of your shift is, you can't make yourself available for another employer to actually make up some of those hours.

**Ms. Lydia Dobson:** Exactly.

**Ms. Cindy Forster:** You also experienced some issues around the employment standards enforcement. Clearly, we've heard about this for years. I don't think it's through any fault of the actual enforcement officers themselves. It's just that there aren't enough of them to actually enforce all of the laws that are in place. I agree with you that in some situations it would be better if it was an anonymous complaint, and an investigation actually happened in a workplace where there have been a number of complaints of a similar nature. Your experience hasn't been good in actually getting a resolution to your ESA complaints in terms of reprisal, in terms of overtime—

**Ms. Lydia Dobson:** Absolutely. The system doesn't work right now. It doesn't work. It's not to our advantage. To force vulnerable young women to have to make complaints against their bosses who are then going to wipe them off the schedule is completely ineffective. It just puts us in an even worse position, and the fact that officers won't investigate something if they don't think that there's enough merit or because we won't put our

name forward and risk our job is entirely to the advantage of the employer, and it doesn't look out for us. I've worked doing workers' rights for the last couple of years and when my colleagues or my co-workers—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, Ms. Dobson. Your time is up. If you have a written submission that you'd like to submit—oh, I'm sorry. We go to the government. They get a turn. MPP Fraser—sorry.

**Mr. John Fraser:** Thank you, Chair, and thank you very much, Ms. Dobson, for being here today and for your presentation. I agree it was very thorough and it's obviously a subject matter that you spent a lot of time thinking about because you just did it straight off the top of your head.

I grew up in the grocery business, in the food business, so I do know of the experiences that you speak about with regard to some employers, in regard to the penalizing of employees for reporting or at the whim of an employer. I think it's something that we could all agree on here is not the kind of employment situation that we want to find anybody in.

I'm glad that you're supportive of what's recommended in this bill in terms of hours of work and replacement of shifts. I do notice you provided schedules. One suggestion is that schedules be provided two weeks in advance for two-week periods. Speaking from an employer's point of view, that may be difficult. In the business I was in, we scheduled pretty regularly, on a weekly basis. There were rules around how you scheduled, so that made it fair in a sense, but two weeks might, I would think, be something that would be really difficult for some employers, depending on the type of business that they were in.

1350

With regard to tips and being punished: That's a very real thing. I've heard that from more than one person. I'm not sure of the way around that, other than better enforcement. I understand what you're saying about anonymizing complaints. That also provides a challenge of fairness in terms of on the other side as well—

**Ms. Lydia Dobson:** I think, though, one thing that I find disturbing about this is that it's so clearly in favour of the employers, right? I can't make a complaint unless I'm willing to give my name and risk my job. What's the worst that could happen: You investigate a workplace, and they're not violating someone's rights? I don't think that's such a bad thing, to put people out there making investigations and then find out that, okay, maybe it was frivolous. I don't think that that's so bad. I think what's worse is not investigating and leaving so many workers vulnerable.

**Mr. John Fraser:** What I'm suggesting is there be a balance because there are things on the reciprocal side where people can make frivolous complaints.

**Ms. Lydia Dobson:** And employers can steal from their employees too though, right?

**Mr. John Fraser:** I've seen that side of it. I'm just speaking to what that balance needs to be there.

From an enforcement perspective, I think you know from what's being discussed in the bill that we are looking at significantly increasing enforcement across Ontario. I think that that will have an impact as well.

The only other thing that I wanted to mention is you know as well that we instituted a form of tip protection in the last few years. It was a bill that was actually brought forward by a couple of parties in the House that eventually made it into legislation.

**Ms. Lydia Dobson:** I'm well aware of it, yes. Thank you.

**Mr. John Fraser:** That's great. I want to thank you very much, again, for your presentation, and for taking the time to come here today and speak to us about this.

**Ms. Lydia Dobson:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Now I will say to you: Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5:30 p.m. on Friday, July 21.

**Ms. Lydia Dobson:** Thank you.

#### GOWLING WLG LLP

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to call Gowling WLG LLP, please. If you would give your names, please, for the record, and then your five minutes will begin.

**Mr. David Law:** Five minutes for lawyers, Madam Chair, that would be—

**The Vice-Chair (Ms. Ann Hoggarth):** No, two and a half per lawyer.

**Mr. David Law:** That's about it, isn't it, Madam Chair?

I am David Law of Gowling WLG. I am joined by my colleague Craig Stehr of Gowling WLG. We're an international firm based in Canada. In our practice, we represent employers and organizations of all sizes and types: local, national and international.

Mr. Stehr and I come to you today with some observations and concerns about elements of the bill. It's impossible to give you a comprehensive analysis of that in this kind of time frame; we hope to follow up with a document. We've picked a couple of things each to talk about, because that's what time allows.

We just want to be clear to the committee that our view of this is that we understood that the origin of this was to promote and protect the interests of the more vulnerable workers in our workforce. We understood that's where this began and where its seeds were. We think, perhaps, it might have moved in a different direction. We want to talk a little about that in our submission. I'll hand it off to Mr. Stehr and then he'll hand it off to me. Thank you, Madam Chair.

**Mr. Craig Stehr:** Madam Chair, as Mr. Law alluded to, our purpose here today is not to complain about Bill 148, although we do have some concerns. It really is to highlight the question of: Do the proposed changes help or hurt the workers that they are intended to assist? I want to speak very specifically and briefly on the pro-

posed changes related to the equal-pay-for-equal-work provisions, specifically dealing with temporary help agencies, and secondly, dealing with expanding emergency leave provisions.

Dealing first of all with the temporary help agencies equal-pay-for-equal-work provisions, this is the proposed new section 42.2 of the act. To be clear, and in our discussions with employers, it is, frankly, viewed as an attack on the temporary help agency industry in that it fails to recognize the role that this industry plays in our economy.

The two main concerns are cost and administration.

On cost: For these agencies and the employers using them as a staffing resource, it's going to add an added cost. Paying the same rate of pay for the same work for an outside worker coming in on a temporary basis is going to add that cost to the use of those workers, in addition to the cost of using the agency itself. The concern that we hear expressed to us is that it's simply going to be impossible to manage that type of staffing with that added cost.

On administration: Our experience is that there is already an overtaxed enforcement—the officers who enforce the act are already overtaxed. It's difficult for these files to move forward. We have a lot of concerns about the resources that it's going to take to assess whether or not there's equal pay for equal work.

Lastly, I want to quickly mention the proposed section 50, the personal emergency leave expansion: The concern we have is primarily on behalf of small business. The concern that we have expressed to us is that small business is having a difficult time managing this cost and dealing with temporary absences within the workplace. This is the wrong direction. We would prefer that the threshold for small business application be expanded to these leaves, not backed away.

**Mr. David Law:** I'll address three points related under the Labour Relations Act amendments.

One amendment calls for an employer to release employee information. If a union has membership equal to 20% of its proposed bargaining unit, the other 80% of the bargaining unit has to be disclosed—their personal information has to be disclosed—to the union to enable the union to work them, to enlist them as members. This is helpful to unions because of the next thing, which is the proposal to expand card-based certification.

Card-based certification is, as my friend Craig Stehr called it, a solution in search of a problem. What that enables, of course, as you well know, is a union to become certified in a workplace on the basis of cards collected, without a show of hands, without a vote—which is what we have now, a secret ballot vote—and without the opportunity for a discussion of the merits. I've been doing this for a long time. We've had the voting system we've had in place for over 20 years, and it is an extremely friendly system for unions today. It works very effectively. It provides employers, on average, about three days to give a controlled message to their workforce about why they might not want to certify a union

before a secret ballot vote. It is a mystery to us why a secret ballot vote would be taken away—

**The Vice-Chair (Ms. Ann Hoggarth):** The time is up.

The third party will begin the questioning. MPP Forster.

**Ms. Cindy Forster:** Thank you for being here today and giving your presentation.

I'd like to follow up on the card-based certification process. For 50 years—brought in under the Conservatives, actually—we had card-check, which I think worked relatively well in this province. The construction industry has had card-check for multiple years. Now the government is proposing that we discriminate against certain sectors of workers and provide card-check to some but not all vulnerable sectors of the workforce.

Is it your opinion that we shouldn't have card-check for anyone, or that we should have secret ballot votes for everyone?

**Mr. David Law:** In the construction sector, certification often leads to much mischief and peculiar results, where two people who happen to be at a workplace on a day can certify a workplace that's much bigger. There are a lot of problems with the construction site card-based certification—although that's not on your agenda today.

It is not difficult now for trade unions to become certified. We were not aware of any particular problem they have achieving that in terms of the current law across the board. I think the view, really, is this: A trade union is, as far as I can tell, the only provider of a service that I can think of that—after it gets the job, if you will—is not subject to review. The rest of us can get fired or hired. Each of you has to submit herself or himself to the electorate every four years. A trade union is entrenched, virtually permanently, because decertification is almost impossible.

1400

If the law is going to expand and entrench the rights of trade unions that exist now, we would strongly suggest that you look at creating an opportunity for workers to democratically review their unions and hold their unions accountable in the same way that you're held accountable or that I am by my clients.

We think this is overreaching, and we don't think it has anything to do with vulnerable workers, Ms. Forster, at all—so too the successor rights provisions that are proposed to be expanded into the building services sector or into other sectors, if the government wills it, by regulation. That has the effect, essentially, of entrenching the existing union rights. Some may think that is an inherently good thing. I have many friends, and we have others in our lives, who work in trade unions and who are motivated and committed to doing good things for their members—and I fully respect that—but they're not in any way accountable to their members once they're in. It is a mischief, in our view, in the law.

So I would encourage the committee to take a look at that issue if your plan is to entrench union rights in this fashion.

**Ms. Cindy Forster:** It's interesting because we've heard from a number of labour organizations and individual workers in this province over the last two and half days who clearly have issues with the current method of certification in this province, where employees are intimidated during that three-day period or any time during the campaign. Some employers get wind that there is a campaign, and people are routinely fired during campaigns if the employer is able to determine who the people are who organized the campaign.

In the current legislation, the proposal is that if somebody is terminated, they don't even have the right to go to the labour board for reinstatement, unless they were fired after certification.

What we're hearing from people who deal with this day in and day out is that the process isn't as simple as signing a card and going to a secret ballot vote without having any reprisals or fear of being terminated from your employment.

**Mr. David Law:** I deal with this day in and day out. In all seriousness, this isn't a partisan issue. The experience you're describing is an historical issue, and I have no doubt that it occurs on occasion. The labour board is extremely good at managing these issues and enforcing the law. I've been doing this a while, and I would offer the converse opinion to others who've been here—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll move to the government. MPP Baker.

**Mr. Yvan Baker:** Thanks very much for coming in and speaking to us.

Before being elected, I was in business and was a management consultant for a company called Boston Consulting Group, and then had my own practice and advised companies on how to grow their businesses and do so while treating people fairly, of course. So I can probably understand the perspective of some of the clients you're representing here today.

You mentioned a number of things, and of course we won't have time to talk about each of them. One of the things you talked about was the issue of enforcement, particularly on equal pay for equal work—that there may not be enough enforcement resources. One of the things I wanted to make sure I clarified was that we're hiring up to 175 more employment standards officers to help with that enforcement.

On the issue of sick days or personal emergency leave days: I know that, currently, employees who work for a company that has under 50 employees aren't entitled to those. I think what I heard you say is that you're advocating that that remain in place. Am I correct in that understanding?

**Mr. David Law:** Yes, that's correct. We would recommend, in fact, expanding the scope of that threshold to apply to certain other leaves as well. The challenge really is, for a small workplace, with under 50 employees, managing a workforce when a person may be off for up to two weeks or more periodically, or a group of employees, and finding skilled, qualified individuals who are prepared and willing to fill that gap during that period of

time within that workforce. It's extremely disruptive. Certainly, we would be advocating maintaining the threshold for a small employer in the personal emergency leave provisions, but also expanding it.

**Mr. Yvan Baker:** I see. Let me ask you this: On the enforcement issue, do you think that the hiring of 175 employment standards officers would help with the enforcement concern that you had?

**Mr. Craig Stehr:** Certainly it may help. It may help, but I do not believe it would address it. Currently, right now, as I see on a day-to-day basis, there is a challenge with the enforcement of the act in moving these matters forward and having matters addressed.

In addition, 175 enforcement officers, I don't believe, are going to address the scope of work that is going to potentially follow as a result of the equal-pay-for-equal-work provisions. Anyone who has ever dealt with a pay equity analysis will know that it's quite a daunting task to assess one position against another, the work of one employee versus the work of another: Is it equal? Is it not? Is it captured?

Then we're looking at the assessment—not specifically temporary help agencies, but looking at just other status employees, contractors and so on, which is section 42.1, and assessing whether or not there's a merit system in place, a seniority system, and is it in fact a merit system, a seniority system, or not? It's going to be a daunting task, and I'm not confident that an additional 175 enforcement officers will do the trick.

**Mr. Yvan Baker:** How many would you recommend?

**Mr. David Law:** If I may: That's a great question. I have no idea how many it will take. The other daunting task that we have to remember is that every single new decision or rule that gets installed into employment standards, like the ones my friend just mentioned, is a layer and layer and layer of work for the parties involved that they have to meet, that they have to step up for and pay for.

I said in jest today that the act could fairly be called the send money to lawyers act, because it is an incredible amount of work. The questions, particularly in the wage parity dimension—what that's going to do to companies who have to figure out, maintain records, disclose everyone's salary to people in order to prove that there's equity of pay rates, parity of pay rates. And then the arguments around what's the same work and what's not the same work—this is an area where there has been law developed and it's incredibly complex.

The question becomes not just the provincial cost—and by the way, every cost that gets imposed on an employer that the province of Ontario takes on is another budget line that the province of Ontario has to bear as well in terms of its own costs. The layers of cost in this, administratively, are really substantial. I think that's an element which you don't see on the page. But we see it because we live and do it. That's a really big concern, I think, for the companies that we're talking about.

**Mr. Yvan Baker:** How much time, Chair?

**The Vice-Chair (Ms. Ann Hoggarth):** Twenty seconds.

**Mr. Yvan Baker:** On the emergency leave days: Do you gentlemen get emergency leave days? Sick days?

**Mr. David Law:** No.

**Mr. Yvan Baker:** No? Not—

**Mr. David Law:** Lawyers are largely exempt from those things.

**Mr. Yvan Baker:** They're exempt. Okay.

**Mr. David Law:** As, frankly, they ought to be.

**Mr. Yvan Baker:** Because we only have 10 seconds, do you think it's fair that there are employees out there who don't get a single leave day?

**Mr. Craig Stehr:** Well, it's a balancing of interests. Currently, as the legislation is set up under personal emergency leave, we believe that it does strike that balance effectively. And, as you said, employers want to treat employees fairly, and many do still have their own policies and provisions in place that do help employees.

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

**Ms. Lisa MacLeod:** Thank you very much for your presentation. It was very insightful, and I really appreciated the legal perspective.

I am going to share my time with my colleague from Renfrew, but I did want to go back to the certification and your notion, which I very much agree with, that it's very important to have a secret ballot. If that's going to be taken away, you had indicated that there should be ways in which to hold unions accountable, just as politicians are every four years or so. Could you elaborate a little bit more on that, please?

**Mr. David Law:** It isn't just in reaction to the easier certification. The easier certification rules that are being proposed make it simpler for a trade union to take hold in a position, and the law makes it almost impossible for them to ever be removed. The only people who can remove them, by the way, are the people they represent. They have virtually no way of doing it, in our estimation—any practical way.

**1410**

The real question here is, if trade unions are committed to the representation of people who need representation—and they are, I know; that's their mission, that's their work; it's all they do. Whether we agree always or not with their agenda or their approach, that's their mission. If it is, it is beyond me and I think beyond many of us why it is that they aren't subject to and accountable to their members, i.e., customers, in the same fashion that everybody else is. This act pushes that further in terms of removing accountability. Right now, if there's a successor-employer situation, if there's a change of provider, for example, very often the union gets voted in two days after the contract changes, when a building service provider contract—

**Ms. Lisa MacLeod:** What does that look like in terms of an amendment, in terms of increased accountability? You're talking very broadly. How would you address that in this legislation?

**Mr. David Law:** I think you would have to establish a rule where, on a cyclical basis, perhaps on a four-year term, members of a bargaining unit are entitled to have a secret ballot vote as to whether or not they're satisfied with the representation they're getting from their bargaining agent.

**Ms. Lisa MacLeod:** Are you aware of any jurisdiction that's doing this already?

**Mr. David Law:** No. On the other hand, we also seem to have gone off on our own direction in a whole bunch of ways in Ontario.

**Ms. Lisa MacLeod:** I agree.

**Mr. David Law:** If we're going to be creative, why don't we do it in a way that creates a little more accountability for the workers themselves, by the way. Because it isn't for employers; they don't get to vote on it.

**Ms. Lisa MacLeod:** Mr. Yakabuski has a point to add.

**Mr. John Yakabuski:** Thank you very much, gentlemen, for joining us today. You raised an interesting point, one which I haven't actually considered, but I suppose we should always consider whenever new legislation is being enacted. You specifically talked about the rules and the enforcement around equal pay for equal work. I can look at the bill, but I'm not a lawyer. I can't decipher what really this is going to actually mean. We can read the bill, but from a legal point of view, what kind of additional burden are we talking about?

If there's a disagreement or even if it's deemed, for example, that the employer has complied, is there going to be a requirement to show that they've complied or does it require a grievance filed by an employee or is it something that would require it to be complied with on a regular, annual or whatever basis to show that you're actually in compliance? I can't decipher that with the way the bill is written because I haven't seen the regulations either. Perhaps you could help me with that. We've had businesses here saying how this bill in general is going to affect their bottom line, and every time there is additional work involved, it is costly. Could you help me with that?

**Mr. David Law:** No one sent me the regulations either, sir, so I'm afraid I may be in the same darkness—

**Mr. John Yakabuski:** But you've dealt with this more than me.

**Mr. David Law:** I think it really comes to this: Complying with the law requires work, and nobody is allowed to get around that work, and that's fair; that's just fair. The question becomes the nature of the tasks and the layers and layers of such tasks that get imposed on employers, who aren't in the business of doing this, whereas trade unions only do this.

Every time a new decision is injected into the act, or a new set of issues or rules, that means that employers have to decipher it themselves, if they can; comply with it themselves, if they can—

**Mr. John Yakabuski:** Or hire you to do it.

**Mr. David Law:** Well, that's the upside, isn't it?

**Mr. John Yakabuski:** No, that's the downside for them, the upside for you.

**Mr. David Law:** We hope it's not a terrible downside, but the truth is, of course, that's a burden that every organization faces.

**Mr. John Yakabuski:** Yes, it's expensive.

**Mr. David Law:** We know that. So the question becomes, when does that load become—the employer is, let's face it, the packhorse for many social program objectives—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, Mr. Law. Your time is up. The deadline to send in a written submission to the Clerk is 5:30 p.m. on Friday, July 21.

**Mr. David Law:** Thank you to the committee for listening to us today and best of luck in your work.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you.

#### MR. PHIL WEAVER

**The Vice-Chair (Ms. Ann Hoggarth):** I'll call the next presenter, please: 28 hair salons. Good afternoon. Would you please identify yourself for the record and then your five-minute presentation time will start.

**Mr. Phil Weaver:** My name is Phil Weaver. To put a name to the 28 hair salons we operate in the Ottawa area—Supercuts, First Choice Haircutters, Magicuts, Roosters.

We have about 150 employees working for us. Most of the people we employ, by the way, are either newer in their careers or single moms trying to raise a family. They become a vulnerable group, if you want to classify it that way. They don't really have a lot of options; they could be working in restaurants or retail stores. They like working in our environment because it allows them to be artistic and creative, and, quite frankly, we provide very strong career growth for them. We spend a lot of money on training, and we spend a lot of money trying to develop and grow, and our turnover is extremely low because of that. We pay them well: They start out at minimum wage, and then they get merit increases based on performance, they get commissions, and they get tips.

So from a context perspective, we do support the whole concept of vulnerable workers because it's very important.

I would also note that we've added about 80 new jobs over the last seven years through the growth and expansion of our business, so we've become a good contributor, from an economic perspective.

The issues I want to talk about are a few. One is—and for the most part, I don't object to the strategy and direction of what you're trying to accomplish, which is fine; I just object to a few things that are being done at the speed and the pace at which they're trying to accomplish.

Point number one: \$11.40 in minimum wage to \$14 to \$15—on the face of it, I understand, but the speed is really difficult. I bring that up because it stresses business profitability. And this is combined with all kinds of other costs going up: hydro, rents, government legislation—you may be aware of some of the accessibility laws; with

a single-store construction, there's at least another \$20,000 of costs just related to that. So those are all parts of the business, and that has to be reflected in what we charge our customers.

We try to be an affordable haircut provider, but unfortunately we're now sitting at about \$19 for a haircut, which is still a bit higher than what people would like to think is affordable. With the invocation of some of the changes that are going on—which, by the time you add it all up, gets pretty close to 40%—those prices are going to have to go up by \$4 to \$5 a haircut. Most customers are going to say, “Are you kidding me? That's a big jump.” That's the context. I've heard people say, “Well, you make lots of money. People will pay.” The reality is, our business runs between 5% and 8% profit. If anybody wants to see our statements, we can show them; we have no secrets there.

It's a tight-margin business, which means that when costs go up, we have to share that with the customer and in some cases we have to share that with the employees. We've had to tighten up schedules. We try to give our staff between 30 and 40 hours, depending on what their personal preference is. But if we have to cut back, then we have to reduce hours. Otherwise, you go out of business.

The second part of that is, there's wage compression that occurs. You've got staff who are making \$14, \$15 or \$18 an hour, some of them \$19 an hour. They're going to expect an increase. Otherwise, they get unhappy. So it's a rippling effect right across the board.

Schedule notification: I get your point; I understand it. However, there are realities in a business, like snowstorms. You don't know about a snowstorm 48 hours in advance. It's a simplistic concept, but the consequence is, if you've got to bring them in irrespective—first of all, the employee might not want to come in. How do you get somebody out in the middle of a blizzard? What we're going to be obligated to do if we say, “Don't come in”—you've got to pay them three hours.

Also, in our business, one of the major things we contend with is a lot of cash business. We have stylists who work out of their house or in other salons. They take cash, and the implication is that no taxes are paid and they're flexible on price structure. That's a reality of our business. That's a reality of what goes on, just like the reality—people collect tips, but how many of them declare all of their tips? I'm not going to go there, but we all know what goes on.

Overall, staff impact: We've got wage compression going on, we've got reduced hours and job losses for some staff if this gets accelerated. We have reduced hires of entry-level staff, because it's going to be increasingly difficult to bring some of them in. We put them through six to 12 months of training, development, skills and entrenchment. When your wages start escalating that fast, you just have to stop doing that. You just have to stop.

So that's kind of the context. I have two points—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you.

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**Mr. Phil Weaver:** I just have two points for consideration.

**The Vice-Chair (Ms. Ann Hoggarth):** Time is up, and we go to the government for the first question. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Please finish what you were going to say, Mr. Weaver.

**Mr. Phil Weaver:** I'm suggesting that to increase the wages is fine, but do it over a little bit more moderate term, like three years. Second, consider an alternate approach: no taxes below \$25,000 of income. That puts real money into these people's pockets, doesn't put consumer pressure on and doesn't put business pressure on. If you're really trying to help these people, help them in a realistic manner. That tax impact is easily covered by a 1% increase in other people's income tax.

**Mr. Peter Z. Milczyn:** Well, thank you for your presentation. I want to start off by dispelling one misconception that you had. You talked about the snowstorm situation. In the bill, there's actually an exemption to the scheduling provision if it's as a result of a storm, fire or some other major event.

**Mr. Phil Weaver:** Okay. That's helpful, thank you.

**Mr. Peter Z. Milczyn:** That's actually already in there. A lot of people think it's, “There's a snowstorm. No way are people getting into work, but we're still going to have to pay them.” That's not the intent of the bill, and it's not in there.

**Mr. Phil Weaver:** Thank you. I mean, we try to schedule weeks in advance, and we would lose our staff if we started to muck around with it.

**Mr. Peter Z. Milczyn:** I just wanted to ask you a couple of things. We'll get back to the minimum wage itself. There are a number of other aspects of the bill—the scheduling provisions is equal pay for work of equal value, paid leave days and unpaid leave days—do you have any concerns about those provisions?

**Mr. Phil Weaver:** I do, but there are only limited points I could raise. My editorial on that is the following: My complication is that our typical operations have five to 10 in a location. The provisions are assuming that you have one analogous group. The complication we get into is that you might have two people working on a shift on Monday because it's quiet; if somebody picks up the phone and says they're not coming in, now you've got one. Now you've got a problem with customers. You've got a problem with everything.

For us, not being there is a difficulty. That is a big business operating issue for us. That said, we do provide time off for special events like bereavement, death or certain family matters. We just do that. We pay it, because that's what an employer should do. My concern about legislating a lot of this stuff is that then people become—not everybody, because not everybody's like that. There are some that will just take it as a given: “I get it, so I'm going to take it.” I want to avoid moving in that direction.

**Mr. Peter Z. Milczyn:** Now, your particular business—I think in some of your comments you were trying

to be general about the hair salon industry, but in your particular business, are you corporate stores, or is it franchises?

**Mr. Phil Weaver:** My wife and I own the stores. We're the owners. We're franchisees, which means we pay a royalty, but pretty much everything else is our accountability. They're our employees. They're our business. Our approach is to pay them a guaranteed salary, no matter what, and we give them a commission. We run the business and we operate the business.

**Mr. Peter Z. Milczyn:** Okay, so that's a very good point. You offer them a guaranteed salary based on whether they're full-time or part-time or whatever the case is.

**Mr. Phil Weaver:** Yes. We virtually have no part-time. We like to have full-time, and full-time to us is—some people think full-time is 30 hours and some people think it's 40 hours; we generally will range based on what they expect, between 30 and 40.

**Mr. Peter Z. Milczyn:** I believe you said the average wages are—you put it in your letter here—between \$14 to \$19 an hour? Or is that wages and gratuities together?

**Mr. Phil Weaver:** That's an example. When they start, they start at minimum wage. As they progress, once they get to a proper level, then we start doing merit increases, so then you get into a different class. Based on merit today, if we were to look at our payroll, that range is between \$12.50 and \$19. I was giving the example of \$14 because—

**Mr. Peter Z. Milczyn:** After the change goes in.

**Mr. Phil Weaver:** Yes, exactly.

**Mr. Peter Z. Milczyn:** Okay.

**Mr. Phil Weaver:** We like to pay based on performance and we like to pay based on progress. The concern with rapid changes in minimum wage is people then go into an entitlement, and you start to squish that whole context and believability of performance and everything else.

**Mr. Peter Z. Milczyn:** The people who work for you, I imagine in most cases they get some kind of a tip, hopefully.

**Mr. Phil Weaver:** That's correct.

**Mr. Peter Z. Milczyn:** What would you estimate that they might average in an hour in tips, if we could break it down into per hour.

**Mr. Phil Weaver:** It's hard because as you know, they don't like to discuss that too much. But as a business owner, we kind of know.

**Mr. Peter Z. Milczyn:** But you're in the business, you must know.

**Mr. Phil Weaver:** I know. So in smaller locations—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. We'll move to the official opposition now. MPP MacLeod.

**Ms. Lisa MacLeod:** Hi. Thank you very much for coming in. Would you like to finish answering that question?

**Mr. Phil Weaver:** Sure. I think, again, it depends on the time of day and the context, but our experience is

they're going to run between \$5 and \$15 an hour in tips. Really busy locations will be \$10 or \$15. I'm talking about the whole shift. They can have a day where they make more or whatever, but that's been my experience. Then we pay the salary and the commission on top of that.

**Ms. Lisa MacLeod:** Just one more question—I know my colleagues want to speak to you as well. Can you talk a little bit more about wage compression? It's something that we're hearing time and time again from small business owners who may have a skilled worker who is making just a little bit more than \$15 an hour, and the compression point will be reached when there's a dramatic increase in the minimum wage. So one person's making \$15 that might be entry-level while maybe one of your hairstylists is making about \$19. I just wanted to get that on the record.

**Mr. Phil Weaver:** There's an emotional expectation that, "Hey, yay, the wages are going up by \$3.70 an hour; I'm going to get a \$3-an-hour raise." Realistically, you can't afford to do it.

**Ms. Lisa MacLeod:** How much is this going to cost your business?

**Mr. Phil Weaver:** Around \$800,000 or \$900,000.

**Ms. Lisa MacLeod:** Wow.

**Mr. Phil Weaver:** The reality is we can't afford it, so prices have to go up. Our estimation, if it stays as is, we'll likely have to figure out a way to reduce staffing by between 5% and 8%, which we don't want to do. There is no reason for it.

We've gone through this. A few years ago the government did three years of successive 75-cent-an-hour increases. It didn't sound like a lot, but when you're going from \$9.50 all the way up, it was a big jump. We lost customers through it. And then, right at the end, the HST got implemented, so that was another big hit, and we couldn't increase—you start to skirt borderline profitability, and you slowly build up.

Expectations get set. People are frustrated because all of a sudden minimum wage is at what they were getting, which they worked hard to get bumped to. It's a hard personnel/management thing to manage.

**Ms. Lisa MacLeod:** Do you think you'll not only have to lay people off, but you'll have to close some stores?

**Mr. Phil Weaver:** We may. We try not to, but there are probably three or four locations which will be affected. We'll just have to see how well we can manage through it. If we can't, then that's what will happen.

**The Vice-Chair (Ms. Ann Hoggarth):** MPP McNaughton.

**Mr. Monte McNaughton:** Thanks for hiring 80 people in this area over the last number of years. That's the kind of story we need to hear. Unfortunately, I tend to agree with you: The workers may end up getting less take-home pay and there could be fewer jobs out there.

I just wanted to ask, on the consumer prices angle, consumer prices are going to go up, because we know, ultimately, all businesses in whatever sector are going to pass along that cost. Do you deal with customers who are

on ODSP or Ontario Works or seniors on a fixed income? I feel that's an entire group that's being forgotten when it comes to this legislation. For ODSP, for example, I think they got a bump in the last budget of 2% or something, but they're going to be paying a lot higher consumer prices.

**Mr. Phil Weaver:** We probably run about 30%, and in some locations, 40%, of our customer base that are either seniors or fixed-income people. If you think about it, the nature of our business is—we're not charging \$50 for a haircut. People are looking for affordable experiences.

To tell the story of my mother, who's 81, she said, "Well, I guess I won't be coming in as often; I'll be coming in a little bit later." To them, they're still coming. To us, we've lost customers because the revenue goes down.

I'm worried about them because they are on a fixed income and they are restricted, and this is going to impact them—there's no way around it; costs are going to go up. It would be okay if it was more graduated. That's the problem.

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**Mr. Monte McNaughton:** One quick question: Are your employees aware of the situation and what the outlook could be?

**Mr. Phil Weaver:** Yes.

**Mr. Monte McNaughton:** What are they saying? What are the workers saying?

**Mr. Phil Weaver:** As a business owner, what we're saying to them is, "Look, you need to help us, because at the end of the day it's going to shock our customers, so you need to work together with us. We have to find a way to raise the bar on service and build stronger loyalty so that they don't stretch it out, and they don't go away. If we do that, we can keep things going okay." So we're trying to do expectation setting and collaboration with them to help them through it. For the most part, we have fantastic people who are prepared to do it, but they can't control everything.

**Mr. Monte McNaughton:** Are they worried about the number of hours they may be working?

**Mr. Phil Weaver:** Not for us because they know that, as an organization, we protect their hours, and we don't cut back where we can.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up. We move to the third party. MPP Forster.

**Ms. Cindy Forster:** Thank you for being here today, sir. Who is your competition? Your competition isn't necessarily the higher-priced salons. Are there other lower-priced hair salons in the city that you compete with?

**Mr. Phil Weaver:** We have multiple competitors. The most common, of course, is the ladies working out of their house. People call it high-priced, but they're not really high-end salons. The price differences are minimal. What happens in that industry is most of the people that we compete with are stores that have either a chair rental or straight commission. Customers don't realize that that's really what's going on. So they're not getting an income, and talk about auditability—there is no audit-

ability of that. When they're working on straight commission or renting a chair, there's no verification of all of the minimums and standards, so that's a big problem for us. There are some smaller chains that have targeted this particular market area. There are probably about 10 or 15 stores in the city that are in that category that we would compete with. But the number one competition, really, is people working out of their house or cash-based or chair rentals in various other salon locations.

**Ms. Cindy Forster:** And there's no enforcement, basically.

**Mr. Phil Weaver:** There's minimal enforcement. And we've been inspected, by the way, a couple of times. The judgment was, "You guys are doing an amazing job." But there are just not enough people to go and check it, and people don't know the rules. I mean, if you're on straight commission, you're still supposed to get paid stat pay, vacation pay and all of that. It doesn't happen. We know. We hire people, we ask them what they were doing and how it was working, and they weren't getting any of that. It's not any of my business to go around telling everybody what's going on, but that's the reality of our business.

**Ms. Cindy Forster:** Right. So you've suggested a few things to consider here. Are there other things that perhaps the government could be assisting you with? We heard, when we were in North Bay, I believe, or Thunder Bay, that a reduction in business taxes, for example, to help offset this, or some kind of subsidy. You're suggesting that there be a reduction in income tax deducted for the individual earner, which would allow them to keep more money in their pocket. But for you, as a small business owner, are there things you think the government could assist you with?

**Mr. Phil Weaver:** Well, generally, I don't like hand-outs. Business will be business. We'll get done what has to get done. I just want fair ground. That's it. That's why I'm not suggesting that. I brought up the \$25,000 because it gets rid of some of the cash business problems too. It just equalizes everything across the board.

There is one thing that irks me with the Ontario government, and that is—well, don't get me going. There is an apprenticeship development program and training that goes on where we develop and grow—and the federal government actually provides small business a tax credit on that. It's not huge, but it's \$2,000 a year per employee, where you're developing and growing and building them to a certain stage. That's helpful. There's a training development program that the Ontario government has that helps with some of the people and provides some assistance. But the counterpoint to that was that the Ontario government was supposed to have a program to do the same thing. You've seen all the ads on TV. They have specifically said that the hairstyling business is exempt from that and doesn't qualify.

**Ms. Cindy Forster:** Okay.

**Mr. Phil Weaver:** To put that in context: In the last eight years, to us, that would have been worth somewhere between \$700,000 and \$800,000, so not trivial.

We actually took it for court review because the lawyers and accountants said, “This is wrong. There was a contradiction on the way this was communicated.” The adjudicator on this is actually the federal government. When I talked to people in that department, they said, “Well, it won’t do you any good because nobody from the Ontario government will show up to the thing. We can only do what we’re told to do on paper, so nothing will happen.”

**Ms. Cindy Forster:** So you don’t know why the provincial government is excluding the training allowances at the provincial level?

**Mr. Phil Weaver:** No idea. What it means to us is that, is it encouraging us to develop more people—because the whole point of this was to try to build and grow people and have a career and build loyalty. And it’s all gone. It affects business, in terms of how much we do there or not.

**Ms. Cindy Forster:** Thank you very much.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. If you have a further written submission, please have it to the Clerk by 5:30 on Friday, July 21.

#### BREAD BY US—ARTISAN BAKERY & ESPRESSO BAR

**The Vice-Chair (Ms. Ann Hoggarth):** We’ll now move to the next presenter: Bread By Us—Artisan Bakery & Espresso Bar. Please state your name for the official record, and then your five minutes will begin.

**Ms. Jessica Carpinone:** My name is Jessica Carpinone. Good afternoon, everyone. I want to state that I don’t have any political affiliations or loyalties, but I do wholeheartedly support the legislation being put forward, and I also hope that it can be strengthened by these proceedings and not watered down.

Business groups would have you believe that the proposed changes to employment standards will mean doom and gloom to each and every business in Ontario, and I’m here to tell you that I’m living proof that we as businesses can go above and beyond the changes proposed by the Liberal government, and actually lead the way in pushing for more.

I just want to put it out there that I’m the owner of this business. I’m not coming at this from the perspective of an employee.

I’m a little shaky today because the stakes are really high for a lot of vulnerable people. While I can appreciate that these changes might be scary for some small businesses that are struggling, millions of Ontarians are actually in crisis now, and we have a moral obligation to fix this.

I had the pleasure of hearing a couple of folks outside during your lunch hour today, and they really moved me in some of the testimonials that they put out. I’d be willing to lend a few minutes to the end of my question period if you’d allow them to speak for a couple of minutes. If not, if you find some time at the end of this day to

hear them, I think you would be really touched by what they have to say.

I find myself baffled by some of the low-level arguments for why we can’t possibly lift the most low-paid and vulnerable people out of poverty, and, frankly, it sickens me a bit to listen to those justifications.

I work in an industry that heavily relies on low-wage work, where talented and highly skilled, often highly educated, people are being paid less than \$15 an hour. Until recently, I was on that side of things, working in commercial kitchens. Perhaps it’s my experience, both as a low-income earner, very recently, and now a small business owner, that puts me in the unique position to appreciate all sides of this debate.

I spent two years in BC, where I worked two jobs, one in a restaurant and one in a bakery. I made \$12 an hour at each job. I worked upwards of 60 hours per week just to live in a shoebox of an apartment. And I’m not an exception here at all. I worked those two jobs for several months in the excruciatingly expensive city of Vancouver before essentially giving up and returning home to Ottawa. Vancouver defeated me and many of my peers. It’s a really tough place to try to make it.

So many of my peers, most of them foreign-born and exploited, worked for daily salaries under very precarious conditions and, when it was all said and done, essentially made less than minimum wage. This is not uncommon at all, even here in Ontario. Daily salaries or “salaried” positions are loopholes, used by many restaurant owners, that are exploitative and need to get shut down.

Upon returning to Ottawa, I landed what was considered a pretty good job in one of Ottawa’s best restaurant kitchens, where, again, I was making \$12 an hour despite now having good experience. This is not uncommon at all. Based on conversations I’ve had with other cooks and servers, we had it pretty good. We were part of a collectively functioning creative team, but our workplace was fraught with the typical issues, especially around working sick and not getting enough support that sick people need.

This is where I think the new proposed legislation doesn’t go far enough. The workplaces that I worked in are in no way out of the ordinary, so I’m not trying to point anyone out specifically. These are very systemic issues.

I worked along co-workers who, between bills, while they were making people’s food, were throwing up. One of my colleagues had the flu and was not encouraged to go home, despite the obvious risk to public health.

**1440**

This happens all the time. I witnessed my superior become frustrated when one of my colleagues dared to call in sick. I worked alongside another colleague who was pushing himself hard even though he had just suffered a concussion and was clearly in distress.

But at the very least, we got schedules with a relatively good amount of notice. That was kind of exceptional. One of my friends currently who works in a supposedly “great” restaurant in Ottawa has to go into work after

midnight on a Tuesday to see his schedule for the next day. This is completely unacceptable. No one is holding these places accountable, so I'm very, very much in favour of more officers overseeing these sorts of issues and I'm also very much for the legislation that's proposed on advanced scheduling.

I think an increase in the minimum wage to lift people out of abject poverty gives them choice and mobility, and the option to leave horrific conditions. A small amount of paid sick leave would go a really long way to ensure that sick people are not making your food. It's the absolute minimum they deserve.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Your time is up.

Our first round of questioning will from be the official opposition. It will be MPP Yakabuski.

**Mr. John Yakabuski:** Thank you, Jessica, for joining us today and giving us a bit of insight into your own experiences as well.

I know you didn't quite get through your presentation. Did you want to use some of the time?

**Ms. Jessica Carpinone:** I would be happy to, if you'd be okay with that.

**Mr. John Yakabuski:** Yes, yes. Please.

**Ms. Jessica Carpinone:** Sure. There's maybe one and a half more minutes left, here. I appreciate it.

There's a bit of a conflict of interest in that the majority of corporations, by virtue of their nature to want to make as much money as possible, sometimes have to be dragged into the progress process. I've borne witness to countless atrocities in workplaces, and trust me, even if there are laws compelling employers to act better and more ethically, they have a tendency to push their boundaries. It is really, really difficult for poor and underpaid workers to seek and demand justice.

It very much irks me when I hear businesses say that they'll progress in their own time and in their own way. I think this is the moment, now, to push people to try to do better and to hold employers accountable.

I want to acknowledge that opening this business has been very tumultuous for me. But the key to my own success was that I had planned to pay people better than minimum wage from the get-go, and I built it into my business model and I put a lot of thought into how I would create a prosperous workplace. It wasn't an afterthought. A lot of businesses' starting point is low wages and essentially exploitation, so when something like this comes down, they're suddenly scrambling. Did we think that wages were going to stagnate forever? Possibly, but it's good that they're not.

I don't need to finish up unless anybody wants to hear the rest, but I did put a list in here of the elements of my business model that I'm proud of, which you can read at your own leisure, if you'd like. Then I have a few recommendations at the end which go beyond, really, the Employment Standards Act and look a bit more broadly to how government can better support business in a way so that everyone can prosper. If anyone is interested in hearing more, I can continue on that.

**Mr. John Yakabuski:** Thank you, Jessica. I appreciate that.

I was in business. We were not required to by law, but it was a small business, and we treated people like family. My father and mother had the business before me, and his father before that. One of our employees, like my dad, came back from the war and worked for us for 30 years. Another person worked for us for 40 years.

Not all employers are as you might describe them. There are good ones and there are some that would leave something to be desired. But that's something that can be negotiated and worked out with an employer, if there's a willingness to do so.

What we're hearing from some people today is that there should be 10 days of paid leave legislated. One of my employees was ill. We took care of that. We looked after them. We don't have the business anymore; my wife and I sold it in 2001. Otherwise, I wouldn't be here. I'd be at the business, trying to make a living.

I do understand about the profit margins of business, and how tight some of them can be. We were a small hardware store, and as the world changed and big boxes became more and more prevalent, it made it tougher and tougher for small-sized businesses of that nature to compete.

The businesses we hear from in different submissions today are facing the same kinds of issues. I understand that you want to see these changes made. But if those businesses are put in a position where they cannot raise their prices—because you've got Home Depots and Walmarts and everybody else—the little guy really has a hard time. They're going to be put in a much more precarious position if they have to raise their prices because their costs go up dramatically in a short period of time. I would just like to have your response to that, if I may.

**Ms. Jessica Carpinone:** We've created a bit of a mess, haven't we?

**Mr. John Yakabuski:** Yes.

**Ms. Jessica Carpinone:** You've alluded to the domino effect of how a small business would cope with this when they're going up against Walmart. I don't know. Walmart has probably some of the most lucrative salaries imaginable for their CEOs. That does not trickle down to their workers, and this is a whole other problem. I'm just trying to make it work too, for myself.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up.

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

**Ms. Jessica Carpinone:** Thank you.

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

**Ms. Cindy Forster:** Thank you, Jessica, for being here today, and thank you for raising the bar as a new entrepreneur, a new business owner, in making sure that the people who work for you can survive and not have to work several jobs.

I'd like to give you some of my time to go through your recommendations to improve Bill 148.

**Ms. Jessica Carpinone:** Sure. Thank you. I appreciate it.

Like I said, some of these are big, and large in scope. I was recently inspected by an employment standards officer and a health and safety officer back to back during my Christmas season. It was a lot of fun. It took up a lot of time, and it was very hard, and it was hard emotionally, because I put a lot of effort into the work I do for my staff.

I would have really, really appreciated some guidance in the beginning. I think that one of my big recommendations would be, either in an online setting or an in-person setting, to have more support for businesses to understand employment standards and health and safety, and to treat it proactively.

I think that prioritizing workers and worker health and well-being should be on par with public health. At the municipal level, they do this really well, and they pull a lot of resources into this, with the inspections and certifications that we need to go through to have a business licence. I realize that it's a huge bureaucratic cost that the city takes on. I would love to see some creative ways that the province could do a similar thing on employment standards.

Secondly, I take on the burden of paying for my employees to have prescription care and dental care and an extended benefits program. This might sound radical, but dental care is health care, and prescription drugs are something everyone needs. We're all going to die some day, so we're all going to need these things. This is something that I would argue is a really heavy burden on a small business like myself. I pay upwards of \$1,000 a month to protect nine full-time employees. I would suggest that the government look at extending our health care coverage and putting more money into that, so that it doesn't get taken on by small business.

Thirdly, commercial rent control doesn't exist, so most small businesses go out of business because they can't afford to be in their spaces anymore. Residential rent control exists, so clearly, there are some mechanisms in place to allow people to stay in the places they live for longer periods of time. I would appreciate some kind of rent control measures. That's probably the number one reason why places close down at this point.

1450

Lastly, I would like to see the ability to hire international graduates who have studied at really prestigious, good culinary schools that I can't tap into because the provincial government requires you to make \$500,000 a year to be eligible for that program. I'd like to see that reduced. Even \$400,000 revenue would have helped me in the situation I found myself in a year ago, where I had to let go of a worker, who was probably the most talented baker I've ever worked with, because his visa was not renewed. So a bit more support on that front would also be appreciated.

**Ms. Cindy Forster:** You may know that the NDP actually proposed a universal pharmacare program that would cover all Ontarians aged zero to end of life for drugs that would treat about 75% of most usual, common

illnesses. That certainly would assist you and your workforce.

I think it's great that you're developing a business plan that is looking after the employees who are working for you.

**Ms. Jessica Carpinone:** It pays off. I talk a lot about ethics and morality, but from a business perspective—to all of you business owners out there—it also pays off to take care of the people who show up for you. I can't speak highly enough of my staff. They take care of me; I take care of them. It sounds super-cheesy, but we really do function in that way, because we feel respected by one another. There are many ways to run a business, and putting some effort in to treat people with respect and take care of them goes a long way in helping your business thrive. And your customers will feel it, too.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Hi, Jessica. Thank you for coming out today and sharing your story.

I was just wondering, when did you start up your business?

**Ms. Jessica Carpinone:** We opened in December 2013.

**Mr. Peter Z. Milczyn:** So you've been around for a while; it's going well.

**Ms. Jessica Carpinone:** It's going well. It's growing every year.

**Mr. Peter Z. Milczyn:** That is fabulous to hear.

When you opened your business, I assume you started out right away with this approach to treating your employees.

**Ms. Jessica Carpinone:** Yes. It was premeditated.

**Mr. Peter Z. Milczyn:** You're in a neighbourhood—I assume there are other bakeries, there might be coffee shops, and—

**Ms. Jessica Carpinone:** We're probably the coffee shop capital of Ottawa, yes. We're in Hintonburg.

**Mr. Peter Z. Milczyn:** So you're doing well; you're holding your own.

**Ms. Jessica Carpinone:** Absolutely.

**Mr. Peter Z. Milczyn:** And you're doing that by paying your workers a living wage.

**Ms. Jessica Carpinone:** That's one element, but it has been very important, yes. We make a good product too, I think.

**Mr. Peter Z. Milczyn:** Yes, I'm sure that's a big part of it too.

**Ms. Lisa MacLeod:** I was wondering why you didn't bring any.

**Mrs. Cristina Martins:** Yes, samples.

**Ms. Jessica Carpinone:** Sorry. That's what everyone says. Sorry, guys. I didn't go in to work today.

**Mr. Peter Z. Milczyn:** So why can you make it work and others think they can't?

**Ms. Jessica Carpinone:** One thing that I think is really overlooked in low-wage industries is the importance of offering full-time, permanent positions—so building a workforce very, very meticulously.

I interview all my staff—believe it or not, most restaurants don't even bother going through interviews. I interview all my staff, and I spend lots of time with them before they're hired so that I know I'm surrounding myself with people who are in it to stay and that they will give back to the company. I can't force somebody to stay for two years, but I tell them that my expectation is: "I'm putting myself out there, believing in this process, that paying you \$15 an hour and giving you health benefits etc. will come back to me. So if you see my vision and respect it, we can have a good relationship here."

The other element of it is that I can support my staff who are sick, for example. Everyone knows, if you've been in a similar workplace, that if you only have part-time workers and that's what you're relying on heavily, nobody is flexible, because they're working a second job. Like Lydia said before, she's always balancing three different jobs. If I call her when she's not at work, she's probably at her other work. She can't fill in for someone who is sick. But I have—

**Mr. Peter Z. Milczyn:** I hate to cut you off, but I just have a couple more questions.

**Ms. Jessica Carpinone:** Yes, that's fine.

But that's the ethos of it. "Why do you make it work?" Because it's very planned and methodical; it's well thought out.

**Mr. Peter Z. Milczyn:** It's almost like going back to the old-fashioned notion that you have a full-time, permanent job—inasmuch as any job can be permanent—and you can support yourself and support your family on it, rather than all of these part-time gigs.

**Ms. Jessica Carpinone:** Exactly.

**Mr. Peter Z. Milczyn:** So when you look at Bill 148—the provisions around scheduling; the provisions around paid leave days; equal pay for work of equal value—those are all things that I assume you're already doing. You don't need the legislation; you're already ahead of it.

**Ms. Jessica Carpinone:** Yes. I set the bar a little higher.

**Mr. Peter Z. Milczyn:** Finally, when you're looking at this minimum wage—when this minimum wage comes in for everybody else, and your employees are being paid similarly to the coffee shop across the street—we've heard from some who say, "Well, my employees who are at \$15 now are going to want more," because the entry-level people are coming in at \$14 and then \$15. Do you have any fear about that, that when everybody else is at \$15, there's going to be pressure on you to bump salaries up? Have you thought about that?

**Ms. Jessica Carpinone:** I've thought about it a lot, because it keeps coming up. It's a very interesting train of thought.

I'm very lucky that the people around me don't view it that way. We talk frankly about everything in my workplace, as you probably have guessed at this point, and I haven't heard that perspective yet.

I would just like to say that I think that people who have that mentality need an attitude and perspective adjustment. Just because someone is now making the same

as I am doesn't mean I'm less valuable as a person. Raising the floor for others doesn't mean that you're now at the bottom. We're trying to set a better standard, not necessarily have a bottom anymore.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much.

**Ms. Jessica Carpinone:** Thank you.

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

**The Vice-Chair (Ms. Ann Hoggarth):** If you have a further written submission, if you could have it to the Clerk by 5:30 on Friday, July 21.

#### BUSINESS COUNCIL OF CANADA

**The Vice-Chair (Ms. Ann Hoggarth):** Our next presenter will be the Business Council of Canada. If you could state your names for the official record. Once you've done that, you can start on your five-minute presentation.

**Mr. Brian Kingston:** Great. Thank you. My name is Brian Kingston. I'm the VP of policy at the Business Council of Canada. I'm here with my colleague.

**Mr. Trevor Nieman:** My name is Trevor Nieman.

**Mr. Brian Kingston:** Committee members, thank you for allowing me to take part in your consultations on Bill 148, the Fair Workplaces, Better Jobs Act.

The Business Council of Canada represents 150 business leaders across Canada from every sector. Our member companies employ 1.7 million Canadians, contribute the largest share of corporate taxes and are responsible for most of Canada's exports, corporate philanthropy and business investments in innovation.

Because my time is limited here today, I'm just going to focus on two specific issues. First is the proposal, of course, to raise the minimum wage to \$15 over 18 months. Secondly is the proposal to eliminate secret-ballot voting for union certification in certain sectors.

On the minimum wage, I think we have to start by acknowledging that this plan will make it harder for entry-level workers, young people in particular, to find jobs. I know that everyone here is going to be aware of the recent study in Seattle which found that an increase in the minimum wage from \$9.47 to \$13 over two years actually lowered low-wage employee earnings by an average of \$125 a month. The reason is simple: Employers who couldn't afford such a big increase responded by cutting back the hours of low-wage workers.

Two weeks ago, a group of economists from across Canada signed a letter that questioned those findings, implying that businesses wouldn't behave that way. I don't want to assume what their motives were, but I think it is important to recognize that many of the signatories worked for unions or union-funded organizations, and to my knowledge, none of them work in the private sector.

If you're wondering who to believe—the economists who say that the minimum wage will kill jobs, or the economists who claim it won't—I have a simple piece of advice, and that is to talk to small business owners in your ridings. Ask them what they do when costs go up,

whether it's the cost of labour or the cost of supplies. For that matter, as a consumer, how do you react when prices go up? You don't shrug your shoulders and carry on, of course. You look for ways to economize, just as a business owner would do.

So, I believe that if you vote to approve this increase you should at least be honest about the impact it's going to have, particularly on students and young people, who are trying to start in the job market.

**1500**

There is an alternative. Ontario could do what other jurisdictions have done. If you look at California and New York state, for example, they've adopted a \$15 minimum wage, but they chose to phase it in over several years—five years, in the case of California. This gives employers time to adjust.

New York's plan is even more interesting and worth a look. The state legislators there understood that local economic conditions in Manhattan aren't the same as in Rochester. So, while the minimum wage is going to rise to \$15 by 2019 in New York, in the suburbs it won't reach that level until 2021, and in the rest of the state the wage will go up to \$12.50. So it depends on regional economic conditions. This approach acknowledges that employers need time to adjust and that labour market conditions are not the same in every community. We believe that's reasonable and fair, in contrast to Ontario's across-the-board, one-size-fits-all plan.

I'll just finish with a point on card-based voting in certain sectors. Simply put, the reintroduction of card-based union certification in some sectors is undemocratic. It ignores the fact that the government, through the Ontario Labour Relations Board, has ample means at its disposal to ensure the certification votes are free and fair.

Every one of the members of this committee and every member of the Ontario Legislature was elected by means of a secret ballot, and I'm sure you wouldn't have it any other way. Citizens in your constituency went into a voting booth, marked an X beside your name and placed their ballots in a sealed box. They did so free of intimidation and outside influence, in the knowledge that no one else had a right to know their choice. If that's the right system to elect you, why is that not the right system for workers who are deciding how to be represented in the workplace? Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. This round of questioning will begin with the third party. MPP Forster.

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

We've had a variety of suggestions from the business community about a phase-in. Do you have a specific proposal for phase-in?

**Mr. Brian Kingston:** Yes, I think the New York example makes the most sense: Phase it in over five years, and phase it in based on regional economic conditions. So the wage in Toronto, of course, would be higher than in a small town.

**Ms. Cindy Forster:** With respect to the secret ballot voting versus card-based being undemocratic: Are you suggesting that you don't support Bill 148, even for the sectors that the government is suggesting? I would suggest that to do it for three sectors and not everyone is undemocratic, as opposed to secret ballot versus card-check certification.

**Mr. Brian Kingston:** Secret ballot, in our view, should be the standard across the board, in every sector.

**Ms. Cindy Forster:** So you don't support the government's position to just support three vulnerable sectors, as opposed to all workers in the province?

**Mr. Brian Kingston:** Well, we don't support card-check whatsoever. We think secret ballots should be applied across sectors—

**Ms. Cindy Forster:** I totally understand that. The problem, though, that we see with secret ballots—and I certainly have a history of organizing in the health care sector over the years—is the intimidation, the reprisals, the terminations that occur during that window when the employer becomes aware that employees are in a campaign to unionize. And so is the push by workers—the non-union workers in this province as well as the unionized workers in this process—to free workers of that intimidation and allow them to just sign a card with a witness, and when they get to a certain percentage, 55%, they then would have the ability to have a union, which is a charter right for them.

**Mr. Brian Kingston:** I don't deny that in some instances that does happen, and that's absolutely, fundamentally wrong. But we have the labour relations board in place to enforce fair secret ballot votes. When there are instances of abuse, they should absolutely be prosecuted. We have no issue with that. But I would argue that for the employers that we represent, it is not the standard practice to harass their employees when they're trying to unionize. I have no evidence of that amongst my membership.

**Ms. Cindy Forster:** Are there any other initiatives that the government could assist business with—small or medium-sized business—with respect to grants or taxation? Taking into account that this bill may pass and it may move forward, are there other things that a government could do to assist business?

**Mr. Brian Kingston:** That's a great question.

I didn't get into the whole competitiveness argument, but we've been hearing from a number of Ontario-based employers that Ontario's competitiveness is slipping relative to other jurisdictions. When you add in things like energy prices, plus now this, then we have cap-and-trade—there's a series of initiatives, all very well intended. But when you add them together, the competitiveness for Ontario as an investment destination is slipping.

One simple way that would benefit all businesses is to continue with the tax cut to 10% that was committed to by this government once the budget was balanced. The budget is now balanced. So that would be a natural, fair, equitable way, across the business sector.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move on to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Thank you for coming in today and for your presentation.

I just want to touch on your democracy argument. The reasoning behind the way Bill 148 was brought forward, of targeting a few sectors for card-based certification, is that those were employees who do not attend a single factory or even several factories. They don't work in an office building or in a warehouse. In the case of some home care workers, they might work in individual people's homes all across the city or a region—or construction sites and so on. So, comparing it to our election, it's as if there was an election and not everybody was aware that there even was an election and nobody really knew who the voters were. It's hard to have a democratic process then. That's more of a comment than a question to you.

I heard you on the minimum wage. The timeline aside, you spoke about regional differences. I'm not an expert on New York state, but I would suspect that the difference between Manhattan and the rest of New York is far more stark than Toronto and the GTA and the rest of Ontario.

Do you have any concept of a formula or the metrics that you would suggest for us to look at some kind of regional variation in minimum wages?

**Mr. Brian Kingston:** Yes. I think you would construct a cost-of-living index that looks at, when you add up everything from basic grocery staples through to housing in the GTA, how does that compare to, say, Sarnia or Tweed? Then you could construct a way that you would have the rate raise based on the regional costs. I think that is completely achievable. That's what New York has done. It would make a lot of sense.

**Mr. Peter Z. Milczyn:** When you look at the suite of initiatives in Bill 148—issues like how scheduling is handled for employees; equal pay for work of equal value; paid leave and unpaid leave that would be allowable for workers; increased vacation time; and what I would refer to as the clampdown on the abuse of temp agencies, to use those workers as substitutes for just hiring your own permanent staff—what would be the views of your organization on those matters?

**Mr. Brian Kingston:** I'll zero in on one. A number of the initiatives are well intentioned, but I think there needs to be a more sectoral approach applied to a number of these legislative approaches.

The example of scheduling: Of course, we've heard the concerns that have been raised by a number of people at this committee here today and yesterday around scheduling happening on a very short-term basis and that it's very unpredictable for employees. For some of the companies we represent—large manufacturing companies that manufacture on a just-in-time basis and face massive penalties if they don't deliver whatever the part may be that they have to deliver to their customer—they have to schedule employees on very short notice. It's simply the nature of the business. So why not apply a

more sectoral focus to this legislation? If there's one industry or sector where this is a real problem, then yes, find a way to address that problem. But in other industries where you have to schedule on short notice, and that's the way it's always been, don't apply this to them, because the company simply can't operate in that environment.

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**Mr. Peter Z. Milczyn:** Would you have some specific proposals on some sectors where there is a compelling argument why they should be excluded?

**Mr. Brian Kingston:** I absolutely do. I don't want to get into it specifically here, but we do have a proposal and we will share it with the government.

**Mr. Peter Z. Milczyn:** Please do submit it in writing to us. Thank you for coming in today.

**Mr. Brian Kingston:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** We will now move to the PCs. MPP Yakabuski.

**Mr. John Yakabuski:** Thank you very much, gentlemen, for joining us today. I appreciate your presentation.

I want to start with one of your issues, because I find it a little peculiar myself. We've heard the government side talk about the letter signed by 50 economists repeatedly, including at their press conference this morning. One part of that letter actually even quoted parts of the Premier's press release when talking about the importance of increasing the minimum wage to \$15 an hour in a very short period of time. It quoted, word for word, what the Premier had been saying.

You have to ask yourself: I wonder who was involved in the drafting of these 50 economists. I don't know their names. I don't know how many of them have actually worked directly in business on the ground or if they've spent their lives talking about economic theory.

Maybe you people have some more insight into that than I have. Perhaps I could get some feedback from you.

**Mr. Brian Kingston:** Yes, thank you. We actually did an extensive analysis of those economists just to see where they come from. It's clear to us that all of them either work for a union, receive union funding, or they themselves are unionized at a university. I didn't find a single private sector economist on that list. So to hold it up as evidence that economists writ large agree that this is good policy is disingenuous. That is absolutely not the case.

**Mr. John Yakabuski:** What you're saying is that the people on that already were inserted into the agenda, that this was not an objective coming together of 50 persons. It was organized to support the legislation just days before it came to this committee.

**Mr. Brian Kingston:** I can't comment on that. I don't know how the letter was pulled together, but I would just say that it's not a representative sample of the economics profession. It's a curated list of economists with very particular views.

**Mr. John Yakabuski:** I appreciate your insight into that because the list of the names of the economists was not something that I had access to. I suppose if I wanted

to do the digging, I could. You've done that. We appreciate that. It's always interesting to note where support for any initiative comes from, and where opposition comes from, because we all recognize that it's hard to find a totally objective viewpoint on just about anything these days. Most people do fall onto one side of the equation. So it is appreciated that we could have that clarification as to the background and the credentials of those who signed that letter.

On the issue itself, I think you've brought some very interesting proposals, but you're mirroring to some degree what so many businesses have been saying themselves. You represent businesses of all shapes and sizes, I presume.

**Mr. Brian Kingston:** Actually, only large businesses.

**Mr. John Yakabuski:** Only large businesses? You're the big guys.

**Mr. Brian Kingston:** The big guys. That's right.

**Mr. John Yakabuski:** Okay. No wonder I never saw you inside my door when I was in business.

You represent large businesses who obviously have concerns about this bill themselves. What do you think the reality is with regard to the inflationary effect of this on our economy? We keep hearing that this is not going to have much of an effect and the money is going to stay at home. What do you believe is the inflationary effect that this will have on our economy and how that trickles from one to the other—if one person pays more for this, they've got to charge more for that etc.?

**Mr. Brian Kingston:** That's a great question. It's something we're actively studying right now. There will be a significant inflationary effect. The companies that we represent generally pay well above the minimum wage and would have very few minimum wage employees, particularly in the manufacturing sector. However, they have massive supply chains, sometimes thousands of companies, most of which are SMEs in Ontario. Those SMEs, in a lot of instances, will be paying the minimum wage or close to it. So what happens with legislation like this is the SME, of course, will raise prices, which then raises the cost of inputs into the company.

One analysis we've looked at is that you'd see an overall cost increase of 0.7% in the manufacturing sector in Ontario as a result of this.

**Mr. John Yakabuski:** Can I get one more in? How much time have I got?

**The Vice-Chair (Ms. Ann Hoggarth):** One second. Thank you very much for your presentation.

**Mr. John Yakabuski:** I'm glad you warned me that I have one second, Chair.

**The Vice-Chair (Ms. Ann Hoggarth):** I did.

Just a reminder that the deadline for written submissions—it needs to be submitted to the Clerk of the Committee by 5:30 on Friday, July 21. Thank you.

**Mr. Trevor Niemen:** Thank you very much.

**Mr. Brian Kingston:** Thank you.

## MERIT ONTARIO

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenter is Merit Ontario. Please state your name for the official record, and then your five minutes will begin.

**Mr. Walter Pamic:** All right. I've just got to get my glasses ready here.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. That's good.

**Mr. Walter Pamic:** I'll save my name for a couple more seconds.

**The Vice-Chair (Ms. Ann Hoggarth):** I will let you have your glasses.

**Mr. Walter Pamic:** Thank you. It's one of the unfortunate side effects of age.

**The Vice-Chair (Ms. Ann Hoggarth):** I know what you're saying.

**Mr. Walter Pamic:** My name is Walter Pamic. I'm a local Ottawa electrical contractor and general contractor. I truly enjoyed listening to Jessica's story a little earlier. She is a young entrepreneur and I also am an entrepreneur, employing between 50 and 60 people in the electrical contracting and general contracting businesses that I have here in the Ottawa area.

I'm going to speak to you about a very small amendment that I'd like to see in Bill 148, but before that, as I mentioned, I'm the owner of an electrical contracting firm and a general contracting firm. I'm the past president here of the Ontario Electrical League's Ottawa chapter. I sit on their government relations committee provincially. I am also the chairman of the board for a construction association called Merit Ontario. Most recently, I've just been appointed by the provincial Liberal government to the Ontario College of Trades board of governors. I'm looking forward to starting that in September. I've been a strong advocate of the construction trades, a strong supporter of the trades, and I will continue to do so for a long time.

My specific issue when it comes to card-based certification—and I'm not sure how many people are aware of this—has to do with amending what is now known as a weekend or a Saturday, Sunday or statutory holiday certification. The way that the process works in the province of Ontario is that you need to only have 55% of employees sign cards, and a union is automatically certified. I don't disagree with that process whatsoever, but you have to realize that what happens is that it's only the 55% on the date the application for certification is filed.

There have been many cases—and one I'd like to mention to you happened in Ottawa just about a year ago. A company that had been around for 70 years was a residential contractor, had 40 employees, but only three were working during a holiday. Of the three who were working, two had signed cards. The application for certification was filed on that day. The other 37 people who had been long-term employees, many of them, had absolutely no right to vote because they did not work on that statutory holiday. We believe this is patently unfair, it's unjust and this is undemocratic.

The current bill will make changes to the Labour Relations Act and has accepted several recommendations regarding card-based certification. Merit Ontario is recommending that we amend this legislation and not allow for statutory holiday or weekend certification in the construction industry. It's unfair. It does not allow for the majority of workers who were not working on that day to be able to voice their democratic rights—their right of association, their right to a vote, to a determination of where their company wishes to go or wishes not to go.

As mentioned before, we are not against card-based certification. We are not against unionization in any way. We would just like to ensure a free and democratic vote that allows everybody who works for that company to participate. It's a very modest change, we believe. It's not a very large change. And in Ontario, we must have fair laws. This is 2017. We'd like to see these changes brought forward.

That's it. I probably won't need my whole five minutes.

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**The Vice-Chair (Ms. Ann Hoggarth):** Okay, thank you. We will move to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good afternoon, Mr. Pamic. Thank you for coming in today.

I'm very familiar with this issue. I've met with your colleagues a number of times on this, so I've heard this before. I understand your concerns and I can tell you that the minister is also aware of them and it's something that is still under consideration. So thank you for bringing this up again.

While you're here, though, I will ask you if you have any other comments on Bill 148. Do you have concerns about the minimum wage, the approach to how to deal with scheduling changes, paid and unpaid leaves, vacation time?

**Mr. Walter Pamic:** Certainly. I mean, I have my opinions. I don't necessarily have any concerns as it relates to the industries that I am a part of. We do not pay minimum wage; we pay well in excess of minimum wage. We employ licensed, professional tradespeople who in many cases are making close to the six-digit salary mark.

Scheduling for us is not a concern.

I can see, in listening to Jessica earlier—to me, she's the heartbeat of this country, of this province. It's the small businesses that people like her run that are going to be affected, and I think as long as they have flexibility that allows them to continue to run their business and to be profitable and continue to hire and to pay in excess of minimum wage, I'm supportive of that.

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

**Mr. Walter Pamic:** You're welcome.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move to the official opposition. MPP MacLeod.

**Ms. Lisa MacLeod:** Thanks very much, Walter, for coming in and sharing your proposed amendment with us. I'll split my time with Mr. Yakabuski.

You're not the first person who came in today during the deputations to talk about certification of unions and the lack of accountability that is inherent within this piece of legislation.

In terms of working with other organizations, we heard from the Business Council of Canada; Gowling came in to talk about this. Do you have a specific amendment that you would like to see, or are you just talking in general terms?

**Mr. Walter Pamic:** Well, specifically, Lisa, we'd like to see the elimination of card-based certifications on a Saturday, a Sunday, and on statutory holidays.

**Ms. Lisa MacLeod:** Plain and simple, that's it.

**Mr. Walter Pamic:** Very simple, yes. We're not against card-based certification per se. We think it's a mechanism. As was mentioned earlier, you have people who don't work in one office or one manufacturing facility. They may work on construction sites across the entire city or across the entire province, and there needs to be a mechanism to capture all of those people. We just think that it's a scheme when you specifically set it up when the majority of individuals who work for that company are not able to participate in a vote that is going to determine the direction of their company in the future.

**Ms. Lisa MacLeod:** That seems fair. So you'll be, I guess, championing this as this goes to clause-by-clause and encouraging the government to put something forward.

**Mr. Walter Pamic:** We'd love to see something put forward on that.

**Ms. Lisa MacLeod:** Excellent. So we'll make sure that our colleagues who are on this committee permanently know that.

**Mr. Walter Pamic:** Thank you.

**Ms. Lisa MacLeod:** John?

**Mr. John Yakabuski:** Thank you, Walter, for joining us today. Congratulations on your appointment to the College of Trades.

**Mr. Walter Pamic:** Thank you.

**Mr. John Yakabuski:** I'm looking forward to working with you, because people like you, I think, bring a valuable perspective to that institution. Thank you for accepting the appointment.

On the proposed amendment, I'm looking at the story, and I don't know if this is a business from my riding or not—

**Mr. Walter Pamic:** I believe it is from your riding.

**Mr. John Yakabuski:** I was going to say that if it isn't, it's awfully familiar.

**Mr. Walter Pamic:** It's Lorne's Electric.

**Mr. John Yakabuski:** I know the story well. The man called me the week after it happened. He was in tears—

**Mr. Walter Pamic:** He lost everything, John.

**Mr. John Yakabuski:** —because he knew what was going to happen. And he did lose everything. He's now working after several months of not. It came as an absolute sledgehammer to the head for him. He didn't see this coming. It happened just as it is described in here.

**Mr. Walter Pamic:** Neither did the 37 people who had no vote.

**Mr. John Yakabuski:** No, so I can understand. I don't know whether those 37 people have all been able to find other work at this point, but if you're talking about fairness—and we want fairness. I think that in a society such as ours, people should have the right to organize, but it should be done so that it's fair on all sides.

**Mr. Walter Pamic:** Correct.

**Mr. John Yakabuski:** The understanding I get is that it was set up—

**Mr. Walter Pamic:** It was.

**Mr. John Yakabuski:** —to be done particularly at this time, when it was known that there would only be three people in the shop, and two of them were already aware that it was happening, and they would be the ones who would sign the cards.

**Mr. Walter Pamic:** That is correct.

**Mr. John Yakabuski:** So I'm familiar with it, I'm aware of it and I appreciate that you're bringing it to the committee today, because sometimes we hear stories from one side and not stories from another, and I think that in a society such as ours, all sides need to be treated fairly. This was not the case.

**Mr. Walter Pamic:** All we could ask for is for fairness.

**Mr. John Yakabuski:** Thank you very much, Walter. I'm looking forward to seeing you again.

**Mr. Walter Pamic:** You're welcome. Thank you.

**Mr. John Yakabuski:** Have a great day.

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

**Ms. Cindy Forster:** Thank you, Walter, for being here today and bringing this idiosyncrasy to our attention. You know, you're right: Small and medium-sized businesses in today's economy in Ontario are the heartbeat of the province, along with all of the workers who support local businesses. I heard you say that you agree with card-based certification; you have no problem with that at all.

**Mr. Walter Pamic:** Correct.

**Ms. Cindy Forster:** Now, this specific issue that you raised today, does this only apply to the construction part of the Labour Relations Act? Because I'm not aware.

**Mr. Walter Pamic:** As far as I'm aware, it is only in construction that this happens right now, though I believe Bill 148 may amend that and bring it out to other industries. But I'm only concerned with the construction industry right now.

**Ms. Cindy Forster:** Right. Because my experience in organizing was that you could only actually apply Monday to Friday in other sectors, so it's interesting that this loophole is there. Is there anything else that you're aware of that is problematic?

**Mr. Walter Pamic:** No. I think this was specifically written—I believe that it's along these lines—that it's on the date the application is filed.

**Ms. Cindy Forster:** Filed. So it's the wording.

**Mr. Walter Pamic:** It doesn't mention that the date has to be Monday to Friday, and it's a loophole that needs closing.

**Ms. Cindy Forster:** As opposed to “on the working day the application was filed,” or something to that effect.

**Mr. Walter Pamic:** Certainly.

**Ms. Cindy Forster:** Okay. Anything else that you want to add?

**Mr. Walter Pamic:** No, I'd just thank you very much for the opportunity to speak to you.

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

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation.

**Mr. Walter Pamic:** Thank you very much for the time.

**The Vice-Chair (Ms. Ann Hoggarth):** If you would like to submit a written submission, it needs to be to the Clerk by 5:30 on July 21.

**Mr. Walter Pamic:** Wonderful. Thank you.

#### HOSPITALITY AND SERVICE TRADES UNION LOCAL 261

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenter is Hospitality and Service Trades Union Local 261. If you would provide your name for the official record, and your five minutes will begin.

**Ms. Karen Grella:** My name is Karen Grella. Good afternoon. I am the secretary-treasurer and business manager of the Hospitality and Service Trades Union Local 261 in Ottawa. Our union is affiliated with the Unite Here international union, of which I am a vice-president. Our union represents over a quarter of a million hospitality workers in North America, with about a tenth of those members working in Canada.

We thank you for this opportunity to discuss Bill 148, the proposed amendments to the Employment Standards Act and the Labour Relations Act. We want to express appreciation to C. Michael Mitchell and the Honourable John C. Murray for their immense diligence and time to identify, with public input, where changes are necessary in the act. While we applaud many of the amendments, we do find some not to go far enough to strengthen the rights of workers.

**1530**

During the Changing Workplaces Review, we put forward a proposal to appoint grievance settlement officers. For decades, the Ministry of Labour offered the assistance of a GSO to help the parties resolve their differences. This was done quite quickly and reduced workplace conflict that could or would otherwise fester over long wait times for resolution through arbitration. The GSO would play a hand in early resolution, thus freeing up the system for arbitrators to hear cases in a timely fashion and reducing the burden and liabilities. The GSOs' success rate was extremely high. It avoided the workplace costs of ongoing problems, as well as the straight dollar cost of trying to settle grievances at arbitration.

We are again asking that the grievance settlement officers be reinstated for resolution of termination grievances. Not only is this a cost-saving effort where all sides can and will benefit, but when the stress and anxiety of waiting for long periods of time to resolve issues set in on the employee and the families, all other services provided by the government become taxed, such as medical and social services. With an aging demographic, our social services and medical systems are already carrying a large load. We cannot emphasize enough the importance of implementing GSO personnel as a cost-effective and viable solution to grievance resolution.

Under “Enhancing Employment Standards Enforcement,” the provincial government plans on hiring up to 175 more employment standards officers. Perhaps a percentage of the new hires can be designated as GSO officers for a trial term to determine the viability of the GSO program. The GSO is not a new concept. For many years, the system worked, and worked well, with the interim step of meeting with a grievance settlement officer prior to going to arbitration.

**Card-based certification:** Upon reading the proposed changes to certification, we don’t believe that the proposal goes far enough or is all-inclusive to all employees. While there are some good initiatives, such as allowing the unions to have access to employee lists, allowing for votes to be held off-site and/or electronically, and empowering the LROs, the card-based proposal only applies to a specific group of workers, to the exclusion of many others. The proposal to amend is clear: “card-based union certification for the temporary help agency industry, the building services sector and home care and community service industry.”

Card-based unionization in the hospitality sector has always been completely overlooked. Precarious work can be found in all facets of industry, and all employees need to have the same access to unionization. Employees face many obstacles when they want to exercise their rights to organize. Why does it appear that the proposal will make it easier and less fearsome for some and more difficult for others? Every day, we stress the importance of treating everyone in an equal and non-biased manner. It seems that in organizing a union in one’s workplace, this element is missing by allowing some sectors to use card-based certification and others not. We respectfully state that the current proposal must be amended to ensure inclusion of all sectors in the use of card-based certification.

We commend the recommendation of just-cause protection and return-to-work rights and procedures. Exercising a person’s right should not come with the fear of retribution or loss of employment. The critical time periods noted in the proposed amendments add a layer of protection for the employees.

We know that Bill 148, as proposed, has already passed first reading in the Legislative Assembly and is most likely poised to go to the assembly for second and third readings in September or October in order to keep up with the timeline for implementation of January 1 of next year. We have come before you with the intent of

assisting in making the proposed changes to the ESA and LRA even stronger, and equitable for all workers in Ontario.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. We will move to the official opposition. MPP Yakabuski.

**Mr. John Yakabuski:** See? You didn’t have to make a choice about which one is asking the questions here now.

Thank you very much for joining us this afternoon, Karen.

**Ms. Karen Grella:** Thank you.

**Mr. John Yakabuski:** One of the big issues you’re talking about here today is card-based certification. I would assume you were here for Mr. Pamic’s presentation just prior to yours. You want to see amendments and you want to see a fairer way, as you describe it, for people to organize by extending—or expanding, I guess, would be the proper word—card-based certification. How would you feel about Mr. Pamic’s suggestion that card-based certification not be allowed on Saturdays, Sundays or statutory holidays, to ensure that if it took place in the workplace, the likelihood of a larger percentage of that workforce, which would represent perhaps a democratic majority, would actually be on the job at the time?

**Ms. Karen Grella:** So what he was saying, if I understand what you’re saying, is that no one should be able to sign a card on a Saturday, Sunday or—

**Mr. John Yakabuski:** Or a statutory holiday.

**Ms. Karen Grella:** Is that what he was suggesting?

**Mr. John Yakabuski:** Yes, an amendment that it couldn’t happen on those days, and that the day that it is filed would have to be—you heard the story of a business with 40 employees where three were on-site, two signed the card, and it immediately became certified. Would you support an amendment like that, that Mr. Pamic is proposing on behalf of Merit Ontario?

**Ms. Karen Grella:** Most units are not that small. They can be hundreds of people.

**Mr. John Yakabuski:** But some units are, and in this case they were. So what is your position on—

**Ms. Karen Grella:** When they make the application, it has to be Monday to Friday and not stats? I was a little confused with what he was actually looking for, because under our sector, you cannot make applications on a stat holiday or a Saturday and Sunday.

**Mr. John Yakabuski:** The application. But he’s talking about the signing of the cards as well.

**Ms. Karen Grella:** He was talking about the application.

**Mr. John Yakabuski:** No. The cards were signed on the given—the application was made the following day.

**Ms. Karen Grella:** I understood the application, because otherwise—when you sign cards, it’s not supposed to be done at work. It is supposed to be done on their free time. So if it’s done on a weekend or after work, that’s exactly what employers tell us they want us to do. As far as I understood from him, it was the application. We sign

the cards away from the work environment, and not necessarily at work, because your employer is not going to let it happen.

**Mr. John Yakabuski:** I'm very familiar with the story. They were signed at work. They were signed at the workplace.

**Ms. Karen Grella:** So they got away with it. I can't comment on his situation.

**Mr. John Yakabuski:** I can read his amendment, where he's asking for an amendment, if you'd like. If it's in the written—

**Ms. Karen Grella:** My concern is not the same concern he has. I'm just saying we should have—

**Mr. John Yakabuski:** I understand. But it's the whole thing about the fairness and the access, for a fair determination as to the right of people to organize, and how it takes place.

It says "certification can only occur during regular business days, Monday to Friday, when a business has a full roster of workers present and working." That's what he's asking.

**Ms. Karen Grella:** But that's certification. That's different from signing cards.

**Mr. John Yakabuski:** I suppose we're splitting hairs here, and you're certainly not interested in answering the question, but—

*Interjection.*

**Mr. John Yakabuski:** You're not part of this, sir, so maybe you want to leave.

**The Vice-Chair (Ms. Ann Hoggarth):** Whoever said that, could he come to order, please? Thank you.

**Mr. John Yakabuski:** If he interferes again, I would ask you to have him leave, please, Chair.

**Ms. Karen Grella:** I do believe that you're not understanding what I'm trying to say. What I am saying is this: We sign the cards, generally off-site, whenever. I don't believe that should change. Making the application for certification should be Monday to Friday, and not on a Saturday and Sunday.

**Mr. John Yakabuski:** Well, that's fine. I thank you for your input into that. I appreciate it.

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

**Ms. Cindy Forster:** You've made a couple of recommendations here around grievance settlement officers, which is a great idea. I remember the days when we actually had grievance settlement officers. They were very helpful in getting grievances resolved, in addition to saving both employers and workers and their unions a lot of money in arbitration costs, which can go on for days sometimes.

1540

With respect to card-based certification, you are in favour of it applying to—

**Ms. Karen Grella:** Everybody.

**Ms. Cindy Forster:** —everybody.

You never spoke to the minimum wage and the two-tiered minimum wage. Do you have any comment on that?

**Ms. Karen Grella:** No.

**Ms. Cindy Forster:** Really, we're here to deal with these two specific issues?

**Ms. Karen Grella:** Does everybody understand what a GSO officer is?

**Ms. Cindy Forster:** Go ahead and explain it, if you like.

**Ms. Karen Grella:** In Ontario, we had it for the longest time and then it was under Bill 40, under Mike Harris, that it was taken away. At that time, I know of companies that put forward presentations to the government saying they wanted it back. Since that time, we have not had it. It is a very good idea for both parties, not just unions but for companies as well, that we try to work out a settlement that is best for both parties as opposed to having a third party putting in something that neither side would like. We stress that a lot.

**Ms. Cindy Forster:** Similar to a mediator during negotiations.

**Ms. Karen Grella:** Yes.

**Ms. Cindy Forster:** Except it's for the grievance settlement process.

**Ms. Karen Grella:** Yes.

**Ms. Cindy Forster:** Okay. You have no other comments?

**Ms. Karen Grella:** No.

**Ms. Cindy Forster:** Thank you very much for being here.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Thank you for coming in and giving us a slightly different perspective than what we've been hearing today.

I was just wondering, did your union or your local participate in the Changing Workplaces Review?

**Ms. Karen Grella:** Yes.

**Mr. Peter Z. Milczyn:** So you raised these issues during the review, I assume?

**Ms. Karen Grella:** Yes.

**Mr. Peter Z. Milczyn:** I know you have some differences with what's in Bill 148, but generally speaking, the issues that you were raising during that review and consultation, do you see them reflected in Bill 148?

**Ms. Karen Grella:** I raised both the GSOs and card-based certification. I've been around long enough to know before and after. We find that when you go to a vote, there's so much intimidation and harassment in the workplace leading up to the vote. We've had 75% of the cards signed and the employees have been afflicted with all this nasty stuff coming from the employer; they'll turn around and the vote will be 75% against. It's shocking to see but it happens.

What we say is, the bill just didn't go far enough on certification and the GSOs weren't addressed at all.

**Mr. Peter Z. Milczyn:** And you're saying the GSOs were eliminated back in the late 1990s?

**Ms. Karen Grella:** Whenever Mike Harris was around.

**Mr. Peter Z. Milczyn:** So it's been almost 20 years now. Thank you very much for bringing that to the committee's attention.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. If you would like to submit a written submission, it needs to be to the Clerk of the Committee by 5:30 on Friday, July 21.

#### GIBSON'S ON QUEEN

**The Vice-Chair (Ms. Ann Hoggarth):** Our next presenter will be Gibson's on Queen. If you will identify yourself for the record and then your five minutes will start.

**Mr. Ron Spirito:** Hi, everyone. I'm Ron Spirito from Gibson's on Queen. I own the restaurant. I want to say thank you very much for the opportunity.

I just have some prepared notes here I'd like to talk about. Really, what I'd like to do is give you some information on my restaurant; talk about how this minimum wage increase is going to impact my business and my employees; talk about some situations that are very specific to the restaurant industry and how these amendments will affect our restaurant or the restaurant business; and then maybe talk about some solutions that you can do or that the government can look at, as opposed to just a minimum wage increase.

I've owned and operated Gibson's on Queen for the past 10 years. I employ 22 people, pay my taxes and donate to charities. My lease is up in 2019 and I am thinking of not renewing, even though I have two five-year options. My pre-tax profit is nowhere near the amount this wage increase is going to cost, so I have no choice but to pass the entire amount on to my customers. Not only will it be bad for the people who get the wage increases, but for everyone else who didn't get a bump in hourly pay, going out just got almost 35% more expensive.

The average pre-tax profit for a restaurant in Ontario is 3.4%, and sometimes the credit card fee your restaurant pays is more than the profit on a transaction. Even if my pre-tax profit was three times the average, there is still nowhere near enough money to pay for the increase.

In an interview, a reporter once said to me, "You guys make lots of money. Surely you can absorb some of the cost." The truth is, I don't, I can't—and even if I could, why should I have to? Risk is inherent as a small business owner, and I feel responsible for the lives of the 25 people who work at Gibson's on Queen. But why should I have to give money out of my own pocket because somehow it has become more expensive for people to live? It's more expensive for me to live too. And the money isn't there, regardless.

I have 200 hours in server shifts and 190 hours in kitchen shifts that need to be covered each week. The minimum wage increase is going to cost over \$37,000 for servers alone. I only have two kitchen employees making under \$15 an hour, and they wash dishes. My cooks are already saying they want the same differential in their

pay because it is not fair that they went to school to become a cook and now make the same as an unskilled dishwasher. There will be upward pressure on kitchen wages, guaranteed. Even if I pay my cooks half of the increase so that there is a delta between the dishwasher and them, at 190 hours per week the math works out to over \$21,000 per year. Overall, the total cost increase to me, at minimum, is over \$67,000 a year. And if the market for cooks moves such that the actual minimum wage differential is maintained, as opposed to the best-case scenario of me only having to pay half, the overall increase in labour to me will be roughly \$88,000 a year.

Today, a pint of beer is \$7.25, and with service and tax it comes to \$9.40. On January 1, 2019, which sounds like a long way away but isn't—it's just 18 months—that same pint, with tax and service, will be \$12.70.

When prices increase that dramatically, three things happen: People are going to go out less, purchase less and, when they do, tip their server less. The minimum wage increase will not cover their loss in tips. Also, look to servers to significantly reduce the amount of tips they claim on their income tax.

The notion of having to pay someone for cancelling their shift within two days of their scheduled shift has also not been thought through, specifically for the restaurant industry. I have tour groups that cancel all the time at the last minute. It also happens regularly that large reservations move to another date because something came up at their office, or they dramatically reduce their numbers the day before. It is commonplace for large groups of people to book for the maximum number of people who might attend the lunch or dinner. For example, groups of 30, 20, 15 and 25 all book on the same day, weeks in advance. We make the schedule, but the customer really doesn't know the final numbers until the day before. So 90 people can easily turn into 60, and now I don't need the other server, through no fault of my own. What am I supposed to do? Split the three hours I have to pay the server amongst the people who did show up? This happens all the time. Let's say it happens only twice per month; that's over \$1,000 that I have to pay out of my own pocket because customers cancelled their reservation for one reason or another, or because not all the people who were booked showed up. This should qualify as an exception under 21.6(3) of the Labour Relations Act, specifically for restaurants.

The provincial government just conducted a two-year study on employment standards in the province, and there was no mention of a minimum wage hike beyond the yearly increase to keep pace with inflation. Furthermore, in March the minister announced the increase, for this fall, in the minimum wage to \$11.60, with no hint of this increase to \$15 an hour. There are no gas plants to move this election cycle, so the government has politicized the minimum wage increase.

If the government really wants to help people who are having a tough time making ends meet in this day and age, there are several things they can do: They can give them more significant hydro rebates. They can reduce

their income taxes. They can give a tax exemption for the Ontario portion of the HST, and rent subsidies. Why just on the backs of small business?

Large corporations have an easier time absorbing some of the costs and will do so in the short run, until small businesses go under because we can't compete any longer. At this point, the large corporations will raise their prices too. Then, you will have fewer places to go out to, and pay more money to go out to them. There is no way—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you.

**Mr. Ron Spirito:** That's it?

**The Vice-Chair (Ms. Ann Hoggarth):** That's it.

**Mr. Ron Spirito:** Okay.

**The Vice-Chair (Ms. Ann Hoggarth):** We will hear questions from the third party first. MPP Forster.

**Ms. Cindy Forster:** You can go ahead and finish your presentation.

**Mr. Ron Spirito:** Thank you very much. I appreciate that.

There's no way a large corporation is going to accept making less money. Like it or not, a CEO has a responsibility to the shareholders to return value.

1550

Finally, the federal government wants to add a 2% tax on liquor that is indexed to inflation. Adding that onto the minimum wage increase, the vacation pay increase and the two days that you have to pay people for the emergency leave, that's almost a 37% increase. So everything is going to go up 37%: groceries, gas, corner stores, restaurants, everything.

That's it. Thank you for your time.

**Ms. Cindy Forster:** Thank you. You talked a bit about how much this is actually going to cost you, so it looks like it's going to be almost in excess of \$80,000.

**Mr. Ron Spirito:** Correct.

**Ms. Cindy Forster:** It could be higher than that.

**Mr. Ron Spirito:** It could be.

**Ms. Cindy Forster:** What are the other pressures that you're actually feeling in your business besides this minimum wage increase?

**Mr. Ron Spirito:** For restaurants, labour is the hardest part of the business to manage, absolutely. In restaurants in particular, it's a very high labour component to managing a business.

**Ms. Cindy Forster:** How about the increases in hydro costs over the last couple of years? What kind of impact has that had on your business?

**Mr. Ron Spirito:** It has a very negative impact as well. Everything costs money. There is not enough profit in the business to be able to pay for that. There just isn't.

**Ms. Cindy Forster:** Are you eligible for the rebate that the government has been—

**Mr. Ron Spirito:** I'm a little unique because I'm in a hotel, so my costs come from the hotel. Rebates and anything like that go through the hotel, not through myself.

**Ms. Cindy Forster:** I see.

**Mr. Ron Spirito:** So that is a little different for me.

**Ms. Cindy Forster:** Right, so the hotel will just up your costs.

**Mr. Ron Spirito:** Well, I've got a lease—

**Ms. Cindy Forster:** A contract?

**Mr. Ron Spirito:** Right.

**Ms. Cindy Forster:** But the next time around, they'll just up the cost to—

**Mr. Ron Spirito:** Coming shortly, sure.

**Ms. Cindy Forster:** We heard from a number of businesses in Thunder Bay and North Bay about what their servers and bartenders actually earn on average in terms of tips per hour. Do you have any sense in your—

**Mr. Ron Spirito:** I don't see their tips, but I was a server for many years. It's anywhere between—let's say 15% on a bill. That works out to a lot of money. I would say that a lot of them today don't even claim that, so there's probably a lot of money on the table right there for the government to get. It's just the way it is, and it's going to get worse.

You know the one thing that is going to happen? I can't take the service away from my customers who are already coming, but people are not going to come as often and they're not going to spend as much when they do. So it's going to affect them.

**Ms. Cindy Forster:** Do the servers have to share their tips in your establishment?

**Mr. Ron Spirito:** No, they earn their own.

**Ms. Cindy Forster:** They don't share with the dishwashers or the kitchen people?

**Mr. Ron Spirito:** Oh, yes, they do. That's right.

**Ms. Cindy Forster:** What percentage of their tips do they actually have to share?

**Mr. Ron Spirito:** It's of their sales. It's 1% to the bar and 1.5% to the kitchen when there's a dishwasher on.

**Ms. Cindy Forster:** Do you have any comments about any other parts of Bill 148?

**Mr. Ron Spirito:** No, the big one for us would be the scheduling one.

**Ms. Cindy Forster:** Right.

**Mr. Ron Spirito:** That one really would have a terrible impact on us. I think there needs to be an exception for that for us specifically.

**Ms. Cindy Forster:** Your 25 staff, are they all part-time or full-time?

**Mr. Ron Spirito:** Twenty-three. I've got it in the notes: There are 15 who are full-time, and the balance are part-time but only work there.

**Ms. Cindy Forster:** Right. And so the 15 who are full-time, do they know their schedule every week?

**Mr. Ron Spirito:** Again, no, because our business is fluid. We're in a hotel and the reservations go up and down. The schedule comes out on Friday, and that's the way it goes. We have to manage to what the demand is in the hotel.

**Ms. Cindy Forster:** So you wouldn't be able to actually meet that commitment to provide schedules a couple of weeks in advance for your employees.

**Mr. Ron Spirito:** No, not at all.

**Ms. Cindy Forster:** Not even for your full-time people?

**Mr. Ron Spirito:** No, because we still have to move some of them around from starting first thing in the morning to maybe having an over-shift. It just depends on how we have to cover the shifts and who's available.

**Ms. Cindy Forster:** We heard from some people today who worked in the restaurant industry, as you have, for a number of years that in many establishments, although they have a start to their shift, they never know what the end of their shift is. It's hard for particularly part-time people—and full-time people. We heard from full-time people as well who sometimes are ending up working a 16-hour shift, and part-time people who are trying to juggle two and three jobs, but because of shift cancellations, they're not able to pick up another shift elsewhere—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll move to the government. MPP Milczyn.

**Mr. Ron Spirito:** Thanks for the extra opportunity, by the way. Thank you.

**Mr. Peter Z. Milczyn:** Thank you. Good afternoon. Thanks for coming in and sharing your story.

Just to follow up on what MPP Forster was talking about, she was trying to get a better sense from you about the schedules and some of the challenges that the government had heard through the Changing Workplaces Review that people were raising about where you think you're on one kind of a shift, but then for some reason it has to be extended and how do you get your child from daycare or how do you go and make your class or whatever that is. So those were sort of the real-life problems that they have.

**Mr. Ron Spirito:** Sure, and the real-life problem I'm trying to manage is keep 22 people employed, right?

**Mr. Peter Z. Milczyn:** So that's where this whole scheduling thing came out. Is there a way to bridge those—

**Mr. Ron Spirito:** I'm not sure how. You know, if customers eat faster, then they leave faster—or if there are large tables of people that come in. But we would never have somebody staying that long. I'm not sure how somebody can end up working 16 hours, but I guess it does happen. That's not something that—

**Mr. Peter Z. Milczyn:** There may be some employers that don't treat their people very well.

**Mr. Ron Spirito:** It may be. I'm just saying that's not something we—that may happen, but in our environment, and I can only speak to that, that doesn't happen. Generally, somebody's shift is always at least three hours. The lunch shift would be from 11 to 2, maybe 3 p.m. That would be the minimum shift. It would never be anything less than that.

**Mr. Peter Z. Milczyn:** I wanted to ask you—and we got into this with other restaurant owners over the last couple of days: What percentage of your sales would be electronic transactions versus cash transactions? Why I'm asking is because with electronic transactions, you should be able to capture how much tip is being paid and

how it's coming through, versus the cash ones where, obviously, the server can put what they need to put in the till and keep the balance for themselves.

**Mr. Ron Spirito:** Well, good question. For us, it varies, because we are in a hotel. We're a little different. Lately, we've been getting a ton of cash, but I would say that 60% of the transactions, or 65%, are electronic.

**Mr. Peter Z. Milczyn:** So that could be tracked. That could be reported.

**Mr. Ron Spirito:** Sixty per cent of it could be. Sure.

**Mr. Peter Z. Milczyn:** If there were some changes to the way the government required you to report those things, then that could be captured in people's employment, and it could be taxed as well.

**Mr. Ron Spirito:** Sure.

**Mr. Peter Z. Milczyn:** The other thing I wanted to ask you was on the other aspects of Bill 148. I appreciate that your main concern is the minimum wage, but do you have concerns about some of the other aspects of what's in there? I heard scheduling—you made a suggestion about some kind of exemption for—

**Mr. Ron Spirito:** The cancelling a shift within 48 hours.

**Mr. Peter Z. Milczyn:** —the cancellation of tour buses—

**Mr. Ron Spirito:** Do you understand that one, how that happens?

**Mr. Peter Z. Milczyn:** No, I understand. I'm just trying to think how that could be written. Something could be written that would capture that that doesn't become so broad to make the whole measure meaningless—

**Mr. Ron Spirito:** —or taken advantage of. Sure. I understand.

**Mr. Peter Z. Milczyn:** I mean, if you're counting on a whole tour bus, and they don't show up on time because there was a storm in upstate New York, fair enough.

**Mr. Ron Spirito:** But it also happens to people—they'll call a restaurant, and they'll book for 30 people. Somebody is in charge of making the lunch reservation for them, and they'll make it for 30 people. Then someone else calls and makes it for 20. Then someone else calls and makes it for 15, but then actually, the day of, they're like, "Oh, look at that." So I schedule one server for every 25 people. If I have more than 25 people cancel—it happens all the time; you ask any restaurateur. It's very frustrating. What am I supposed to do with that server? That's not fair to me either, right? What am I going to do? Pay over a thousand—and everything costs money. So I have to somehow take that \$1,000, if it happens twice a month, and somehow put that into the cost to the customer. Why should I pay that?

**Mr. Peter Z. Milczyn:** Fair enough. My question was though on some of the other aspects of Bill 148.

**Mr. Ron Spirito:** I don't really see—

**Mr. Peter Z. Milczyn:** The paid leave, vacation time—

**Mr. Ron Spirito:** Well, the paid leave, that's in there. Really, I figured out it's going to cost, for me personally,

around 0.65% of my payroll to give people the two days off. I already give all my full-time employees three weeks' vacation, so that doesn't matter to me. I'm happy to do it; it's just that it's all cost. That's all. I'm not sitting here begrudging that people—that I don't want people to make money; I'm begrudging that I have to charge more for it, and I'm afraid like heck that people aren't going to go out as much. That's what I'm afraid of.

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

1600

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

**Mr. John Yakabuski:** Thank you, Ron, for joining us today, and congratulations. You're already way above the curve. You've been in business for 10 years. A lot of people don't understand it, but the restaurant business, in my understanding, has the highest failure rate of any sector in our economy. So for those out there who think it is the ticket to making scads of money, the evidence is quite to the contrary. There's a very, very high rate of failure, and it's a competitive marketplace. You can just walk out of this hotel and see how many options and choices you have to go and enjoy a meal at an establishment. So congratulations for being successful over 10 years.

**Mr. Ron Spirito:** Thank you.

**Mr. John Yakabuski:** You've raised some very good points, backed up with data. We've received some of those at previous hearings in Thunder Bay and North Bay, as well.

I have to ask you: You're a business person. Would you make a massive change in something in your business without first doing an analysis to see if it was a good idea or a bad idea, whether it could work or could not work?

As we know, in February the Premier was on record as saying that she does not want the minimum wage issue to be politicized. A few years back, they took the politics out of it and tied it to the consumer price index. With no warning—because at no time did the Changing Workplaces Review ever consider the minimum wage issue, because the Premier had already spoken on that; that they were going to continue to tie it to the consumer price index—in fact, the Minister of Labour announced an increase, earlier this year, that would take effect in October, which is, under the legislation, what they do; they announce an increase in May that would take place in October.

Why do you think they proceeded with that, after no economic impact analysis whatsoever, and brought it in with this bill?

**Mr. Ron Spirito:** I just think it's pure politics. The election is coming up, and it's a huge group of people that they think they can—I was saying it politely, but there are no gas plants to move this election cycle. That's the only thing I can think of—how this became an issue all of a sudden.

Again, I don't think anybody is against raising the minimum wage. The worst thing that's happening here is the rate of change. I don't know how to manage it, as a small business. I am honestly terrified.

Large corporations are going to have an easier time being able to stomach this thing in the short run, but in the long run they're going to raise their prices too.

**Mr. John Yakabuski:** I don't know your business. Is it on Queen Street here in Ottawa?

**Mr. Ron Spirito:** Yes, sir.

**Mr. John Yakabuski:** I don't know your clientele. Is there a segment of fixed-income seniors who would be your clientele? Or is it more working-class, downtown—

**Mr. Ron Spirito:** Seniors would be 10%, and the rest is working-class.

**Mr. John Yakabuski:** So it's not the biggest portion.

**Mr. Ron Spirito:** Right.

**Mr. John Yakabuski:** One of the letters that I've received a number of is from seniors—because you're talking about the upward pressure on pricing in your establishment. If you were making a 40% margin, you could absorb it. But when you're not, when you're making a very tight margin, you have two choices: Raise the prices or close the doors. And the only one you've got, if this goes through, is that you're going to have to raise the prices. But you are concerned very much with how that's going to impact the willingness—because there's a tipping point for everybody. Just for the sake of argument, if you sell a club sandwich today for \$14, and that club sandwich becomes an \$18 club sandwich, some people may be brown bagging it for lunch as opposed to going into your restaurant.

Are those the kinds of things that are concerning you the most?

**Mr. Ron Spirito:** Sure. If somebody spends \$15, and they go out three times a week, with the minimum wage increase, and you had to put the whole thing out—let's say it's now 20 bucks—it's going to cost that person \$500 more a year to go out the same amount of times. They're not going to do it. Or they're not going to tip their server as much. Charity starts at home.

**Mr. John Yakabuski:** You've talked about the increases in so many different things: hydro rates; we've talked about licensing fees, all of the little things that the government has raised the cost on over the last few years. And they have impacted low-income people; there's no question. They impact everybody, but when you have less disposable income, they impact you more. Do you think—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up.

**Mr. John Yakabuski:** —they are using small business as their—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation.

**Mr. Ron Spirito:** Thank you, everybody. I appreciate it.

**The Vice-Chair (Ms. Ann Hoggarth):** If you have any further written submissions, they need to be to the Clerk by 5:30 on Friday, July 21.

I call on our next presenter: Carleton University Academic Staff Association. Carleton University Academic Staff Association?

Okay, we're going to go ahead with the next presenter: Mario Seccareccia. We're going to have a five-minute recess to see if they're out in the hall.

*The committee recessed from 1606 to 1612.*

#### UNIFOR-ONTARIO WORKERS WITH DISABILITIES COMMITTEE

**The Vice-Chair (Ms. Ann Hoggarth):** Could the session come to order, please? The Unifor-Ontario Workers with disabilities Committee is here. We'd ask them to come forward to present at this time.

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** We will come back to them if they arrive.

The first questions will come from the government. Would you please identify yourself for the record, and then your five minutes will begin.

**Mr. Derek MacLeod:** Absolutely, yes. My name is Derek MacLeod and I am a Bell Canada office worker here in Ottawa supporting primarily small businesses across the province. In addition to that, I am the president of Unifor Local 6004, also based here in Ottawa. I am the chair of Unifor's Ontario Workers with disabilities Committee. I myself do have several disabilities—visible ones as well.

I just want to thank the committee for allowing me the time to speak today. I also want to applaud the government for taking a leadership role and making some necessary changes to Ontario's Labour Relations Act.

What I wanted to present was to try to say that, first of all, the workers with disabilities in Unifor certainly applaud what the government is doing and the changes that are being proposed, but I want to try to provide a perspective through a disability lens to that and ask for some enhancements to certain components.

I'm going to be talking today from a disability perspective, particularly being able to join a union and the importance of that, and a small part on wages as well.

When I'm talking joining a union, I'm talking about three broad areas: the first step, which is the card certification and the process of becoming unionized; the other part is successor rights, or what's often called contract flipping. I know in both areas there was some mention of that and sectors that would be eligible for that.

The third one, which was not in the act, was the broad-based bargaining, or sector-specific bargaining. An example of that would be in Quebec, for example, with security guards. Regardless of the employer or place of work, they all have the same working conditions and same collective agreement.

The reason that I'm here and talking about it from the disability perspective is to relay that there are particular vulnerabilities for employees with disabilities, whether they be visible or invisible, cognitive or otherwise, and in particular to illustrate how widespread that is. From the

Canadian Human Rights Commission's annual report last year, almost 60% of the discrimination claims were based on disability. Within those, 40% of that 60% was related to mental health. So there is a large issue currently present with that, and it's really about, how does being part of a union and being able to unionize have an impact on that?

I can speak from my experience in my roles in my union and in my local. I can say without a doubt the impact it's had on being able to help employees that have in many cases been labelled as "problem people" because of either performance, behaviour or attendance. Something we see quite often are biases or preconceived notions, labels, or sometimes just a lack of knowledge that's being attributed to workers with disabilities.

Being part of a union, we've seen unequivocally that we have been able to have employees that otherwise would have been unemployed remain employed, and in many cases with minor changes to their working conditions or their work site. In a number of those situations, they were even better-performing individuals than their counterparts without disabilities. So it's very important that we recognize the important role and the advocacy role, primarily, that unions have played in making sure that employees with disabilities remain part of the workforce and don't get excluded.

So I'd ask that we expand the successor rights from the three that are currently there to all sectors, have broader-based bargaining and include card certification for all workers.

On wages, two things—I experienced this myself, for medications, the difference that having a sustainable, reliable income can make to being able to purchase medications that can make the difference between life or death, or being a functioning or non-functioning person. Also on that point, very quickly, is just to keep in mind that there is a potential that an increase to the minimum wage could have a negative side effect on injured workers on WSIB when it comes to deeming.

In closing, I want to thank you for your time, and I look forward to hearing your recommendations and questions. I hope that when you are doing your analysis, you look at it through what positive impacts these changes could have for employees and workers with disabilities.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The government will open this round. MPP Fraser.

**Mr. John Fraser:** Thank you very much for your presentation and coming here today, specifically coming with the perspective that you brought.

I have a couple of questions for you, but you did speak about medications. I'm sure you are aware that the government is moving forward with free prescription drugs for those 24 and under, which is going to be great for families. It's not the solution to our pharmacare problem, but it's the step to get there, and it should have some impact on benefit policies as well, which I think will help to defray some costs for business as well as have some value for workers.

I was interested in your last comment—I just don't want to run out of time—with regard to the minimum wage and WSIB. Can you expand on that so I can understand that?

**Mr. Derek MacLeod:** Exactly. Injured workers on WSIB—it's called "deeming." So if a worker is injured and they are deemed to be able to work, then their benefits that they would receive would be reduced. Just as an example, if someone is a machinist, let's say, making \$25 an hour, they would be receiving 85% of their salary on WSIB.

1620

If they've been deemed able to work—they could be deemed to work as a parking lot attendant, as an example, at the minimum wage, so at \$11.40. Even if they're unable to work or find work, their benefit will potentially be reduced by the amount that they would have made had they been working.

With a change to \$14 and then \$15, there's a potential—and it's just to keep in the back of the mind; there's another act that deals specifically with that—that it could have a side impact or an unintended impact.

**Mr. John Fraser:** Yes, it's sort of a side or unintended impact. It does have, if they take a look at deeming as a practice, that comparing—in other words, what they're going to say is, "You could be earning this, but you could probably be doing a job where you'd be earning X minimum wage," or, "You're not a machinist, but you could get employment as X," which may actually be more than minimum wage, right? Would that be correct as part of deeming, or does deeming always refer directly to minimum wage?

**Mr. Derek MacLeod:** It doesn't always refer to minimum wage, but often. In the majority of the situations, it refers to a minimum wage.

**Mr. John Fraser:** Okay. Well, that's great. Thank you very much for pointing that out, and for your explanation, and for your presentation today.

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

**Mr. John Yakabuski:** Thank you, Derek, for joining us today. I think it's always important that we have the opportunity to get the perspective from a different lens. I mean, there's no specific issue here that is directed directly at those with disabilities, but I think asking us to look at the changes through the lens of someone who is dealing with disabilities is one that I think behooves us all to take a closer look at.

I want to thank you for your presentation. This is something new that has been presented to us. I haven't heard it at any of the other committee meetings.

All presentations that are made at the committee form part of the final report, and when the committee tables its report for the Legislature, they're all taken into consideration. So I thank you for joining us today and bringing that perspective to this table.

**Mr. Derek MacLeod:** Thank you.

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

**Ms. Cindy Forster:** Thank you, Derek, for being here today. Thank you for raising the disability lens, which is often forgotten when we look at all kinds of legislation.

I'm a nurse, actually, by trade, and represented nurses for many years. Particularly people with mental health illnesses often don't get the assistance that they need in workplaces, nor does the employer intervene in a timely way, until there is bullying and harassment that may happen and that leads to performance issues and can then lead to discipline and can lead to terminations when, in fact, if we had dealt with it at the very beginning, perhaps we could have assisted that person.

I think your message here today with respect to card certification is that the likelihood of having benefits is more likely if you're unionized, if you're in a union, than if you're not in a union, and the fact that you'll probably have a drug plan or health benefits to go along with that to actually assist people with disabilities. Is that kind of—

**Mr. Derek MacLeod:** Yes. Yes, that's one. It's even more than that. It's really the advocacy in a lot of cases, and I mentioned that it's sort of intervening at an earlier stage or at a point before the employee is out of work or has lost their job.

**Ms. Cindy Forster:** Right, yes. And then you raised the issue of deeming, which has been raised a couple of times here. There is a need, I think, to have a look at that. I mean, certainly I've heard from injured workers on the issue since Bill 148 has been introduced. Hopefully the government will turn their minds to that piece as well so that our injured workers are not getting fewer benefits in this process. We're actually trying to lift people up; we'll be lowering the bar for them.

The last issue that you talked about was the broad-base, sector-specific bargaining. Can you expand a little bit on that for us?

**Mr. Derek MacLeod:** Yes. Again, I think the best example is in the province of Quebec, so basically anyone who is in the security guard industry automatically, regardless of the employer—it doesn't matter who they're working for; they can work for a number of different companies—is unionized. So everyone in that particular sector in the province has the same benefits, working conditions, vacations, pay. And when there's bargaining, it's done on a sector-specific basis. There are certainly lots of sectors that could benefit from that. Security guards are one example, as is the armoured car industry. Retail is another one that could certainly benefit from that as well.

The best way to put it is, to have a level playing field where everyone is working under the same type of conditions.

**Ms. Cindy Forster:** To actually go out and do a campaign with that group, would you have to sign cards or have a certification vote—an application for a majority of all of them? Or would you have to do it employer by employer?

**Mr. Derek MacLeod:** No. The experience in Quebec was a little bit different. It was a decision that was made

that people who are working in that particular industry—because of the nature of the work and the type of work, it made sense that they had the representation. There are some who would be unionized with different unions, potentially, and then they'd be looking at cross-bargaining units and who was the—

**Ms. Cindy Forster:** So not unlike how all firefighters belong to a union and all police officers belong to a union? But it could be different unions representing and then doing sectoral bargaining for that group.

**Mr. Derek MacLeod:** That's correct.

**Ms. Cindy Forster:** Is there anything else that you want to add?

**Mr. Derek MacLeod:** No.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. If you have a written submission, it needs to be in to the Clerk before 5:30 on Friday, July 21.

**Mr. Derek MacLeod:** Thank you.

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** Oh, I'm sorry.

**Ms. Cindy Forster:** A point of order, Madam Chair: I have received a request from Lee Paquette, who is here today. His group is Justice for Janitors. If we have an open slot or if we are prepared to stay a few minutes after to hear from him—he did request to be heard here, and of course he didn't get on the slate.

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** Excuse me.

**Ms. Cindy Forster:** It's my point of order.

**The Vice-Chair (Ms. Ann Hoggarth):** The request, if you are requesting that, would have to be unanimous consent, or you would have to make a motion and it would have to be carried by the committee.

**Ms. Cindy Forster:** I would ask the Clerk: Do we have an available slot? Do we have somebody who hasn't shown today at this point?

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** Our 4:30 presenter is here and ready to present. I have not asked for the 5:10.

Is Dawn Moore here? That presenter is not here, but the time has gone by.

**Ms. Cindy Forster:** Well, I would request that the committee consider hearing from Lee Paquette.

**The Vice-Chair (Ms. Ann Hoggarth):** As I said, you either have to move by unanimous consent or you need to make a motion. Keep in mind that that may not be the only group that is here wishing to present.

**Ms. Cindy Forster:** That's the only group that has requested it of me, so I would make that motion.

**The Vice-Chair (Ms. Ann Hoggarth):** Are you seeking unanimous consent?

**Ms. Cindy Forster:** Well, first you told me I needed to put a motion forward, and then you said—

**The Vice-Chair (Ms. Ann Hoggarth):** No, I said either unanimous consent or a motion. So you're going to go with the motion?

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. The Clerk will write that motion out.

**Ms. Cindy Forster:** Do I have to seek unanimous consent?

*Interjections.*

**The Vice-Chair (Ms. Ann Hoggarth):** While the Clerk is writing out the motion, we will move to our next presenter, and then we will vote on the motion.

DR. MARIO SECCARECCIA

**The Vice-Chair (Ms. Ann Hoggarth):** Could Mario Seccareccia—

**Dr. Mario Seccareccia:** Seccareccia.

**The Vice-Chair (Ms. Ann Hoggarth):** Seccareccia.

**Dr. Mario Seccareccia:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Please give your name for the official record, and then your five minutes will start.

**Dr. Mario Seccareccia:** Okay. First of all, I'm very honoured to be here. My name is Mario Seccareccia. I'm a professor at the University of Ottawa. I don't represent anyone.

**1630**

I have done quite a bit of research over the years. I've been teaching at the University of Ottawa since 1978, so this makes it 39 years that I've been dealing with issues of all kinds. I did do some research that goes way back to the late 1980s, early 1990s, at a time when there was a lot of debate of a similar nature. At the time, it was Bob Rae who was pushing for an increase in the minimum wage—some of you might remember if you're old enough—to \$7.25 an hour, I think it was.

I'm just saying that I have been doing a lot of work in that area. What I want to do is simply present some information on the research both that I have done and that has also been confirmed by many other sources out there, as I will indicate in a minute.

I have a number of documents that I have brought with me that I could make available, but some of them are in French. In fact, the actual paper that I wrote and that was published in one journal in Canada is in French. But as I said, I could certainly make them available. There are other studies that have been done. There's one I also have available which is in French that was done just last fall by a group in Montreal. There has been, really, a lot of stuff. In fact, some of that—I put in one article here that is available where they did a study of something like 64 studies in the US alone on the impact of minimum wages, whether it be on employment, inflation etc. What they did is a kind of meta-study of all that to figure out what the effects will be.

Very quickly, what I found at the time was that the impact of minimum wages—and we did it both at the more aggregate level, using data from the various provinces in Canada as a whole, literally, and then we also looked at them at the Ontario level at the time. In fact, I had a master's student who worked on it at the Ontario level. We actually pointed to various sectors there at the time

which we thought had the highest incidence of minimum wages in order to work out what the impact would be.

Now, what was the evidence?

First, we found the evidence on employment was insignificant, meaning that every time there was an increase in the minimum wage, employment did not really show any significant changes at both the aggregate and even the industry level.

Secondly, however, every time there was a change in the minimum wage, it triggered an important productivity effect. There was an increase in productivity each time. That was generally the case.

This is what I was finding at the time, looking at data from 1961 all the way to 1988, in those days. But what we found subsequently—and as I said, I have this one looking at 64 studies in the United States, in this case literally. What you find generally is the same thing. So what you had is no significant negative effects.

There are sectors that were affected, but not that much. More importantly, in the aggregate, as I said, there was very little effect here.

We could discuss the reasons. I'm going to try to explain here. But what it did show at the same time was that it had a significant boost on productivity in those sectors where you had that impact, because obviously they had to reorganize activities in order to be able to be profitable, so to speak, to maintain their profitability. That was the general rule.

What about the other effects, such as on inflation? Well, there was a study done here, for instance—this is the one in Montreal that I was talking about; it was a major study—where they looked at it for five provinces in Canada, looking at the impact it had on inflation. It's true that it depends on the sector again. What they were finding was that there were sectors where they had very significant increases, something like 2% or more. For other sectors, it was nil, literally, again.

Now, 2% or more—you have to be careful here. It was a once-and-for-all jump in the prices when you had the introduction of minimum wages each time, not a sustained increase over time. We're at 1.5% right now, for instance, in the case of Canada, but this is for the provincial price levels. What you find is that, yes, it will lead to an initial jump, but then it will not have much other effect.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Your time is up. We will go to the official opposition. MPP Yakabuski.

**Mr. John Yakabuski:** Thank you, Mario, for joining us today. I don't have those studies in front of me, but we have also heard of studies with differing conclusions. That's the wonderful thing about studies. It depends who's paying for the study and it depends what they'd like to see as a conclusion. I always say, there's only ever been one objective person who walked the face of the earth. They hung him on a cross. The rest of us, we all have an agenda. Whenever somebody does a study—I mean, the Seattle study comes out with a completely different conclusion.

I would also wonder, in any of those studies that you're citing going back to the 1960s and 1970s, in any of them, was the increase in the minimum wage of the magnitude and in the time frame that we're talking about today? Have you got comparatives that are similar? California is talking about a \$15 minimum wage, but spacing it out over five years. Other states are doing it, depending upon the location and the economy of a certain geographical location, that kind of thing. Have you got something that's similar when you're talking about the scope and the time frame?

**Dr. Mario Seccareccia:** Actually, that's a very good question. Obviously, the increase that is being proposed right now is much higher than many of the others in the past. So in that regard, absolutely, you're correct here that this is not of the same magnitude. Most of those changes, even at the time, let's say, of Bob Rae's increase in the minimum wage, were not as much. I completely agree with you.

I would argue that many of these studies would be, in this case, not insensitive to the increase. Obviously, if we're going to have a 1,000% increase in the minimum wage, it's going to be very different than if we have whatever, 10% or 20% or 30%, God knows. So in that regard, I absolutely agree with you.

But then the question is, to what extent would these parameters that we've estimated statistically—would they in fact still persist when we have a much more significant—the answer to that, all I could say is that I did not test the sensitivity of that at all. We didn't do that kind of exercise.

But there was an attempt done with that Montreal study that I was talking about in terms of what they called the “non-linear” effects of it, meaning that if you have a big jump or a smaller jump, would it actually modify the results? Their conclusion was that it did not at that time, with the work they had done with those provinces, for instance.

Yes, you're absolutely correct, and I am in no way trying to pretend otherwise. But really, at the level which we were referring to in those days, obviously it was not in the order of over 30%.

**Mr. John Yakabuski:** I thought that might be the case, Mario, and I appreciate your candidness in answering the question.

What we do have today, and over the last few days and since this bill has been introduced, is a steady stream of small businesses not doing a study, but looking at their own business, carefully analyzing their own profit and loss statements, carefully analyzing their expenses versus their incomes, looking at their customer base, and clearly stating the negative effect. Yes, massively concentrated in the short term; we do understand that.

But if you're in a small restaurant business, you don't have a long term. If things go sour for a few months, you're out of business. It's got the highest failure rate of any sector out there. You don't have the luxury of being a government and saying, “Okay, we've got to weather this storm so we'll run a deficit for a couple of years,” or

whatever. If you're in a small business in that kind of a sector, running a deficit for a couple of years is out of the question. You'll be out of business and the people who work for you will be out of a job, at least until they can find other work.

Those are real concerns that have been levelled at us as members of this committee, not based on a study of what may or may not—these are stories of “I know my business, and this is what it will do to me, because I'm only working at a 2% bottom line” or whatever it is, “and there's no room for me to absorb it.”

**1640**

What would be your reaction to those concerns that are being brought forward by small business?

**Dr. Mario Seccareccia:** Very legitimate concerns, absolutely—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We're going to move to the third party. MPP Forster.

**Ms. Cindy Forster:** If you want to answer that, and if you have anything else from your presentation that you want to add, go ahead.

**Dr. Mario Seccareccia:** I want to say one very simple thing here, which is that they're very legitimate issues, needless to say. I would sympathize with those who are dealing with that. They are struggling with higher costs.

But we deal with higher costs for all sorts of stuff out there. Just take the example of the import sector, with the exchange rate—what happened over the last two years. They've suffered big cost increases, in this case, because of import—that is obvious. Again, I sympathize with that. But I'm looking at it purely in terms of what's going on in the economy overall. Obviously, some entrepreneurs, small firms will be affected more than others.

It's interesting; in the Montreal-based study that I was referring to, they also looked at that, by the way. They studied what happened with changes in minimum wages in Quebec. They looked at whether it would trigger big changes—bankruptcies, especially—for small and medium-sized firms. The conclusion was that there was not much effect there whatsoever.

I'm not trying to deny that it may impact—again, there's no way I would. I don't have blinders on here. But what I'm saying is that one has to trade that off with other concerns; for instance, whether living on \$11 or whatever is actually a good thing versus maintaining the profitability of someone who is essentially living off that \$11-an-hour person. We have to consider the equity aspects of this. There, I think we could get into a different ballpark.

**Ms. Cindy Forster:** Do you have other things that you wanted to share with us?

**Dr. Mario Seccareccia:** I've said my piece in terms of the basics of it. There are a number of issues around that that I could certainly get into the meat of.

But I wish to emphasize, the key aspects of this are— one is the equity aspect, which clearly is that if you're able to raise the minimum wage, it does have a bit of a knock-on effect on those wages just above the minimum, but it doesn't tend to have a big effect within the wage

ladder out there. What it actually does is it narrows the wage structure in such a way that it makes it more equitable in terms of income, you would argue. It reduces those gaps. While doing that, it does have, as I said, very little negative employment effects and, more importantly, has strong productivity effects—which is what we would like to see our economy based on, rather than on cheap labour, so to speak, and with low-productivity sectors. So in that regard, I would justify that for both equity and also for purely economic reasons.

**Ms. Cindy Forster:** Do you have any suggestions on what a government can do to assist small and medium-sized businesses that are on the edge because of their low profit margins in certain sectors—anything that the government could offer them?

**Dr. Mario Seccareccia:** If a firm cannot justify a living-wage kind of situation, I don't see why we should subsidize it in any other way as well. The cheap labour is the subsidy there, to me.

However, there are impacts. For instance, in that study in Quebec that I was referring to, they looked at it by age groups, and they found that those young people between 15 and 24 were more negatively affected. So here's a case where I think maybe something can be done that targets that group, but without necessarily stopping an increase in the minimum wage, just because maybe it's going to affect some young people working at McDonald's or that kind of thing. I think there should be some way we can deal with that in other forms without, in this case, preventing that increase.

**Ms. Cindy Forster:** Have you reviewed any of the recent studies that have been thrown around here in the last couple of days? The most recent one was, I guess, a second one on Seattle, Washington. Have you had a look at that?

**Dr. Mario Seccareccia:** No, I have not. Some of them I have not, but as I said, I'm familiar with a lot of the stuff that goes back a few years, unfortunately, not very recent. But I could tell you that most of that—and as I said, I literally brought one paper along, because there are a number of studies done. Really, there's been a lot of work, indeed a lot of ink, almost wasted on this question because there is so much on that.

The overall effect here is that it's not—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. We will move now to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Thank you for coming out this afternoon and sharing some really interesting information with us.

I'm very happy that MPP Yakabuski raised the issue of apples-to-oranges comparisons, because we've had a few people today talk about California and how California is introducing its \$15-per-hour minimum wage over a much longer period of time. But of course, in California, they're starting at \$9 an hour. Obviously, to get from \$9 to \$15 is almost twice as far in terms of movement as what we're proposing in Ontario. In terms of the MPPs' questioning of you as to the relationship of the research

you did to the magnitude of the increase, the California one would be of almost another magnitude of what we're doing in Ontario.

In your research, one of the issues I was wondering about was whether you looked at what impact the increase in disposable income has on the overall economy.

**Dr. Mario Seccareccia:** This is very important, because you wonder: Why is it that if you have an increase in labour costs to the firm, it does not have a significant impact on employment, while having a significant impact on productivity? Obviously, if there's an increase in productivity, that means for a given demand out there for their products, they would, needless to say, face lower employment, you would think. You shed labour as a result of the higher productivity, the reorganization of production and so on.

The answer to that, of course, is the fact that there is an important demand side effect that some studies looked at: When you have income accruing to such a group at that low-income level, most of what they get in the form of disposable income will be spent. How much of that would be spent on local products or how much will be on imports and everything else obviously is a matter of—you could disaggregate that.

But what we were finding, in a sense, the justification for explaining what—I mean, look at it in terms of what we were saying earlier about higher wages: no employment effect, but a higher productivity effect. The only way that could happen, of course, is there is also an increase in demand at the same time that is compensating for this. And you will see that effect arising. If you give that increase to some very wealthy individuals, it's not going to lead to much spending at all, but if you give it to someone very low on the bottom of the wage scale, it will lead to a very significant spread effect in terms of demand in the economy.

**Mr. Peter Z. Milczyn:** In sort of the historic analysis that you did of a number of wage increases in Ontario, did you track that particular aspect?

**Dr. Mario Seccareccia:** We only did it for the aggregate, not for the industry level. It's like at the breweries' level: Will they be affected? Am I going to drink more beer—

**Mr. Peter Z. Milczyn:** I'm not concerned so much about whether they sold more pints of beer, but did the overall GDP of the province go down, stagnate or increase?

**Dr. Mario Seccareccia:** What we did is we controlled for many other things going on in the economy. There are levels of investment and all other kinds of other things going on that impact unemployment. What we did is we threw in the effect of the minimum wage on that overall packet.

What we were finding there was that that effect in the total did not impact on overall employment, not only in the economy as a whole, but also for those sectors that we thought would be the most affected by it, which is interesting. Take the example of, in those days, the clothing sector, which was a significant sector before

NAFTA and all that, and also the restaurants and so on. What we were finding was that there wasn't much effect whatsoever.

Now, does it mean that if you give a higher income to these people, they're all going to go spend it at McDonald's? Maybe not exactly, but there is that compensating effect going on there.

1650

**Mr. Peter Z. Milczyn:** I have one more question for you, and I don't know if you've gotten around to researching this. The issue of automation has been raised as being a result of an increase in minimum wage. Do you have any research to show whether there is a linkage between increasing wages and automation directly, as opposed to in an advanced economy where there is more investment in equipment and new technology?

**Dr. Mario Seccareccia:** No, we didn't see how it impacted on—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, your time is up. Thank you, Mr. Seccareccia, for your presentation. If you would like to give us a written submission, you get it to the Clerk by 5:30 on Friday, July 21. Thank you.

Committee, at this time the final presenter is here, so we will go forward with the final presentation on our schedule, and then we'll deal with the motion.

#### OTTAWA WEST COMMUNITY SUPPORT

**The Vice-Chair (Ms. Ann Hoggarth):** I call upon Ottawa West Community Support. Good afternoon. If you could please give your name for the record, and then your five-minute presentation will begin.

**Ms. Jennifer Lalonde:** Great, thank you very much. My name is Jennifer Lalonde and I'm the executive director of Ottawa West Community Support. We are a not-for-profit agency in the western half of Ottawa. We provide services for 4,000 seniors and adults with disabilities, and we employ 176 staff. Our services allow adults and seniors with disabilities the ability to remain living independently in their homes.

I would really like to thank you for the opportunity to participate and present here today. I would also like to thank the government for its support for improving the working conditions of our employees.

The home and community care sector, which I am part of, supports the principles of the legislation, but we will be proposing some changes through our provincial association, which is the Ontario Community Support Association. Due to the structure of the home and community care sector, this legislation is going to increase our costs for service and is going to reduce the level of service that we're able to provide for clients and caregivers in our community.

The home and community care sector is already challenged by extremely limited base funding, and changes to the legislation can really only have a positive impact on workers and clients if the government provides the funding for the not-for-profit organizations that we

need to adjust. We're not in a position to be able to absorb this cost on our own.

For my organization, for example, our operating costs are going to go up by as much as 20%, and services are going to decrease for as many as 800 seniors and adults with disabilities in our community. Changes need to be made to address some of the concerns and the cost increases. If not, patients are going to experience a decrease in the level of care that they receive, and vulnerable members of our society are going to be placed at higher risk.

If we look at a couple of examples—the changes that are being proposed to the scheduling: Workers that we regularly work with are called in to work with less than four days' notice, due to the fundamental nature of the health care work and our inability to control factors such as hospital discharges. Short notice services, like drives to follow-up medical appointments or service for personal care following hospital discharge, might not be able to be filled, which is going to leave vulnerable clients at increased risk, more isolated and without critical follow-up care.

The province's current home care funding model distributes on a per-visit basis, and the new scheduling provisions are going to result in unfunded costs related to cancelled shifts and shifts shorter than three hours—factors which are completely outside of our control. We work with a vulnerable clientele, and it's not uncommon to have shifts cancelled due to hospital admissions. Costs of paying employees cannot be passed on to the clients, and it's going to need to come from our scarce health care dollars.

Almost two thirds of my workforce have worked less than three hours a day at some point in the last month. The proposed changes almost certainly are going to result in service gaps, and it's also going to lead to a decrease in flexibility and our ability to be responsive to client needs. It's the vulnerable seniors and adults with disabilities who will be the ones that pay the price.

I looked at the impact of the scheduling changes, and I can assume it's going to cost my organization alone about \$30,000 more a year and likely see a decrease of about 1,200 hours of service being provided over the course of the same time.

Increasing the minimum wage is going to create upward wage pressure for other workers, who will expect similar increases. If you look at personal support workers, who are a key part of my workforce, in recent years the province has experienced a critical shortage of PSWs, and the province has sought to encourage growth in the profession and make it more desirable by raising their minimum wage. The increase of the general minimum wage may negate this advantage, and risk contributing to the PSW shortage. We are going to need to pay more to ensure there continue to be qualified people interested in working on the front line of our health care system. I can assume that the impact of this change on my organization could be as high as \$800,000 a year, or 30,000 hours of service.

Changes proposed to the emergency leave, stat pay and on-call pay are also going to add significant increased costs to the sector. We can't reasonably pass those on to our clients, who are the seniors and adults with disabilities in our community.

For our organization alone, 16% of employees did not continue beyond the probation period in 2016. If we have to pay two emergency leave days per year, with no parameters, that would mean we could be paying for more days for them not to be there than for them to have worked.

Also with stat pay, right now it's based on four weeks, and it's going to be switched to the number of hours and days worked over two weeks. This is going to see an increase of about 40% or 50% to my cost of stat pay.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Your time is up. The first round of questioning is from the third party. MPP Forster.

**Ms. Cindy Forster:** Please feel free to finish your presentation.

**Ms. Jennifer Lalonde:** Thank you very much. I'm almost done.

The only thing I was going to say is that the changes to on-call are not only going to lead to increased costs, but what it's going to very reasonably do is mean that we're not going to have the on-call systems that we have now. So shifts where someone calls in sick are going to be left unfilled, which means that vulnerable seniors are going to be left at greater risk, and there's going to be a larger burden of care on the informal caregivers.

For us, practices that are controlled by the employer in a lot of businesses are outside of our control. They are created by client needs and by the structure of the health care system. Really, the solutions need to be systemic in nature and reflected in the funding model that we see in the home and community care sector.

I would urge the Ministry of Labour to thoroughly consult with the Ministry of Health and Long-Term Care to ensure that the changes to the bill make sense for our sector. Thank you very much.

**Ms. Cindy Forster:** Thank you. All of your current employees are making more than the minimum wage?

**Ms. Jennifer Lalonde:** Slightly more.

**Ms. Cindy Forster:** Slightly more than the minimum wage.

**Ms. Jennifer Lalonde:** That's right.

**Ms. Cindy Forster:** So you have areas of concern around the cancellation pay. If they're on call and they're not called in, you'll have to pay three hours. That's where you'll see the increased costs?

**Ms. Jennifer Lalonde:** That will be the largest increase, but I'm also anticipating that—we have a large portion of our workforce that makes just slightly over minimum wage, and so the incentive to work with us, in what is work that is on a per-visit basis, becomes less attractive than, say, working in a department store where they'd get eight solid hours. It just becomes harder to find people to work those front-line jobs.

**Ms. Cindy Forster:** Right. The sector really is these split shifts. What percentage of your workforce is full-time, the people who are actually going out and doing the front-line work?

**Ms. Jennifer Lalonde:** It's not significant. I would hazard that we're about 30% to 40% full-time and the rest are all part-time.

**Ms. Cindy Forster:** The rest are all part-time. How big is the geographic area that you're covering?

**Ms. Jennifer Lalonde:** Very large. We go from Preston Street, in the centre of Ottawa, all the way out to Lanark county for some of our programs, and as far south as Manotick and Barrhaven for some of our services—really, the western half of the city.

**Ms. Cindy Forster:** Were you or your association consulted about Bill 148 as part of the broad consultations that the government had?

**Ms. Jennifer Lalonde:** I don't know if the association was consulted. I know we were not. I hadn't realized that the changes were happening until about a month before, when I read in the paper that it was coming and a report had been done.

**Ms. Cindy Forster:** Already, it's a precarious work situation for personal support workers, not necessarily in terms of the wage, but certainly in terms of the scheduling and the hours of work. So you have a fear that you're going to lose many of those to other sectors where they have more stability, perhaps a full-time job.

1700

**Ms. Jennifer Lalonde:** That's right. And the way the funding model is currently, we don't control how the funds come down, and so we're in a position where we're going to be required to pay increased costs and have three-hour shift minimums, and not be in a position to control how that work is divvied out.

**Ms. Cindy Forster:** What are the wait-lists currently in this geographic area for seniors waiting to actually get a little bit of home care?

**Ms. Jennifer Lalonde:** They are quite significant, depending on the program. Some of our programs have wait-lists of over 300 people, which means that the chances of them receiving service are low in their lifetime.

**Ms. Cindy Forster:** Thank you very much.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll move to the government. MPP Milczyn.

**Mr. Peter Z. Milczyn:** Good afternoon and thank you for coming in to present.

Just to follow up a little bit on Ms. Forster's comment, we did have a Changing Workplaces Review, which went on for about two years. I don't know whether your sector was at that table or not, but it was a very lengthy consultation process about employment standards and the labour laws in general. That was the question that she asked. I wasn't sure whether you necessarily understood what the process had been.

Looking at your submission to us here, you believe that the emergency leave days would have to be paid out whether they were used or not?

**Ms. Jennifer Lalonde:** No. What I'm suggesting is, because right now there are no parameters and no restrictions—usually if there's vacation days, you have to get through your probationary period before those are implemented.

**Mr. Peter Z. Milczyn:** How long is the probationary period?

**Ms. Jennifer Lalonde:** For us, it's three months.

**Mr. Peter Z. Milczyn:** Three months.

**Ms. Jennifer Lalonde:** But the way I read the legislation, and I could be reading it incorrectly, there's no restrictions; there's no delays in implementing those.

**Mr. Peter Z. Milczyn:** Oh, I see.

**Ms. Jennifer Lalonde:** I have 16% of my workforce that doesn't make it past probation, for various reasons, and so that means if there was excessive absenteeism, they would be able to be paid for the first two days of that. Theoretically, they may or may not be working as many days as they're taking off.

**Mr. Peter Z. Milczyn:** Do you have high rates of absenteeism right now? Or what is your rate of absenteeism? That's the more appropriate question.

**Ms. Jennifer Lalonde:** Right. I don't actually know that off the top of my head, what my absenteeism rate is. I do know that a 16% rate of attrition in the first three months is not uncommon for our sector. It's a tough role to be in and it's not for everyone, so you do see a lot of self-selecting out in that first three months of employment, and those individuals have a relatively high level of absenteeism in that first three months.

**Mr. Peter Z. Milczyn:** So that's related more to the individuals, that maybe it's not a job that they are cut out for or that they actually enjoy.

**Ms. Jennifer Lalonde:** Exactly.

**Mr. Peter Z. Milczyn:** Are you a member of Home Care Ontario?

**Ms. Jennifer Lalonde:** No, I'm not.

**Mr. Peter Z. Milczyn:** Because I just got a note that they in fact were at the table during the Changing Workplaces Review.

So the minimum wage issue for you is simply one that, right now, there's approximately a \$5—\$4.85 or whatever it is—differential between the minimum wage and what most of your employees make, and you're concerned that if that differential is compressed, you're going to have trouble attracting and retaining employees.

**Ms. Jennifer Lalonde:** It's two-fold. The first is that there was a real push from the government a couple of years ago to increase that rate, the minimum wage for our PSWs, to value them and put them in a position where they were attracted to go into the sector, because there was a shortage of personal support workers. With the increase to the general minimum wage, what you're doing is you're decreasing that differential, which could potentially lead to fewer people going into the PSW program and wanting to be PSWs at the end of the day.

We find in the sector there is a lack of PSWs. It is hard to find good, qualified PSWs, and we only anticipate that shortage to get worse. This, in my opinion, could poten-

tially make it more difficult for people to want to go into that program.

**Mr. Peter Z. Milczyn:** Can you quantify the amount of unfulfilled hours of service that you have now?

**Ms. Jennifer Lalonde:** Currently, depending on the program and depending on the area of the city, it can be quite significant. I can't quantify it for you, but it can be. In some of our southern rural areas, it's very difficult to find qualified PSWs.

**Mr. Peter Z. Milczyn:** Have you been seeing increases in your funding?

**Ms. Jennifer Lalonde:** No. There have been no increases to base funding for the community support sector for about five years.

We have seen increases in targeted funding, so—

**Mr. Peter Z. Milczyn:** For specific programs.

**Ms. Jennifer Lalonde:** Yes, exactly.

**The Vice-Chair (Ms. Ann Hogarth):** Thank you. We'll move to the official opposition. MPP MacLeod.

**Ms. Lisa MacLeod:** Thanks very much, Jennifer. I appreciated your presentation. I have to be perfectly honest: I wasn't expecting it. I didn't quite understand what type of impact this bill will have on your organization.

I'm adding up the numbers here. This is going to cost you about \$1 million.

**Ms. Jennifer Lalonde:** About \$1 million.

**Ms. Lisa MacLeod:** In terms of your funders, that is strictly all provincial government? Or do you get money from the city as well?

**Ms. Jennifer Lalonde:** Most of our funding is provincial government. We're three quarters funded through the Ministry of Health and Long-Term Care, and then we have other pots—so through co-fees. A lot of our programs have a copayment with clients. Then we have a small amount that comes from the city.

**Ms. Lisa MacLeod:** So, effectively, in order for this piece of legislation to come into effect, we're going to need the government of Ontario to come up with another \$1 million to offset all of the changes that are going to impact your organization.

**Ms. Jennifer Lalonde:** That's correct.

**Ms. Lisa MacLeod:** Would a group like rural Ottawa seniors' support—ROSSS—deal with the same types of issues?

**Ms. Jennifer Lalonde:** They would.

**Ms. Lisa MacLeod:** Nepean, Rideau and Osgoode Community Resource Centre, which also services my community: Would they be impacted?

**Ms. Jennifer Lalonde:** As far as I understand—and I could be wrong—I do not believe that they are funded through the LHINs, through the Ministry of Health and Long-Term Care. But I don't know if they receive other provincial funds.

**Ms. Lisa MacLeod:** Okay. So is your money allocated to you through the local health integration network?

**Ms. Jennifer Lalonde:** It is.

**Ms. Lisa MacLeod:** How many other organizations are like yours in the city of Ottawa?

**Ms. Jennifer Lalonde:** The number that gets banded about is about 58, but I think it's slightly less than that. So you're probably looking at about 50.

**Ms. Lisa MacLeod:** Would yours be the largest?

**Ms. Jennifer Lalonde:** No.

**Ms. Lisa MacLeod:** No. What would be the largest organization such as yours?

**Ms. Jennifer Lalonde:** I believe it's Carefor.

**Ms. Lisa MacLeod:** So Carefor could be even over \$1 million?

**Ms. Jennifer Lalonde:** Yes.

**Ms. Lisa MacLeod:** Not to mention all these other little smaller groups, particularly in the rural areas—which I know has been a bit of a challenge in terms of elder care in the province, particularly in growing areas, like I represent: Barrhaven, Manotick, Riverside South, Findlay Creek. We're seeing a lot more seniors, but we're also seeing a greater population, and very diverse.

*Interjection.*

**Ms. Lisa MacLeod:** Yes, this is just Ottawa.

In terms of your network across the province: Have they decided to come out as a body and explain what this might mean to the entire system?

**Ms. Jennifer Lalonde:** I have been speaking with members of the Ontario Community Support Association, and I know that they are working with the Ministry of Long-Term Care to raise these issues. I know that they are planning to bring them forward as concerns.

**Ms. Lisa MacLeod:** Do you guys have any specific amendments to this legislation that you'd like to see?

**Ms. Jennifer Lalonde:** I'm part of the association, but I'm not part of the leadership of the association. I don't want to speak for them. But certainly from my personal perspective, I would love to see some sort of exemption for the three hours' minimum in some shape or form, because it just decreases the ability to really be responsive and client-focused.

Also, around the two days of emergency leave, if there could even be some delay in implementing that so that it's not day one that you're—

**Ms. Lisa MacLeod:** Well, there are staff here from all political parties, I'm sure, who are looking at what types of amendments we need moving forward. So I would encourage my caucus colleagues to look at that.

Finally—and I know my colleague wants to say a few words as well—in terms of consultation: I think it was you who said you didn't know anything about this until you read about it in the newspaper, and that it's going to have such a wide-ranging and costly effect on your organization and so many others throughout Ontario.

Do you believe, at this point, that you might be able to get some changes into the legislation so that it doesn't drastically affect you?

**Ms. Jennifer Lalonde:** I'm hoping so.

**Ms. Lisa MacLeod:** You're hoping. So you're persuasive.

**Ms. Jennifer Lalonde:** Yes.

**Ms. Lisa MacLeod:** Okay. Call your local MPPs, eh?

**Ms. Jennifer Lalonde:** That's right.

**Ms. Lisa MacLeod:** Yes, excellent.

Mr. Yakabuski has a few words.

**Mr. John Yakabuski:** Thank you, Jennifer, for joining us today. We're talking basically the home support sector, the 58 or 50 or so in the Ottawa region.

**Ms. Jennifer Lalonde:** That's right.

**Mr. John Yakabuski:** So, potentially, if you're an average-sized one, we could be talking \$50 million.

**Ms. Jennifer Lalonde:** Right. Theoretically.

**Mr. John Yakabuski:** Theoretically.

**Ms. Jennifer Lalonde:** Yes.

**Mr. John Yakabuski:** Well, if they're all affected the same way, and they basically do the same work, that's not an unlikely number.

I've talked to people, for example, in the lab business where, again, their sole source of income, essentially, is the provincial government. This is being foisted upon them, affecting them in a similar way with regard to their obligation to pay without a commensurate increase in funding from the province. We could be talking, in the health care sector alone, in the hundreds of millions of dollars if we extrapolate that across the board.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Time is up. Thank you for your presentation.

**Mr. John Yakabuski:** Thank you, Jennifer. Again, I ran out the clock.

**The Vice-Chair (Ms. Ann Hoggarth):** If you have any further written submissions, they need to be to the Clerk by 5:30 on Friday, July 21.

**Ms. Jennifer Lalonde:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** At this time, we'll deal with MPP Forster's motion.

**Ms. Cindy Forster:** Thank you, Chair.

I move that the committee accept an oral presentation from Lee Paquette of Justice for Janitors at the end of this afternoon's public hearings.

**The Vice-Chair (Ms. Ann Hoggarth):** This motion is debatable. Is there any debate?

Are we ready to vote? All those in favour? All those opposed?

Unfortunately, the two official opposition members are not subbed in to vote. You can speak, but you can't vote this afternoon. You were subbed in this morning.

That motion is lost. Thank you.

At this time, I'd like to adjourn the committee, and we will reconvene tomorrow in Kingston.

Thank you, everyone.

*The committee adjourned at 1712.*





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