

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-30

**Journal  
des débats  
(Hansard)**

F-30

**Standing Committee on  
Finance and Economic Affairs**

Fair Workplaces,  
Better Jobs Act, 2017

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

Thursday 20 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

Jeudi 20 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**

Thursday 20 July 2017

Jeudi 20 juillet 2017

*The committee met at 0930 in the Sheraton Hamilton Hotel, Hamilton.*

**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.

A reminder: This room is an extension of the Legislature. The same decorum is expected here: no clapping, no cheering or heckling, and no political attire or material.

Are there any questions before we begin? Thank you.

**HAMILTON ORGANIZING  
FOR POVERTY ELIMINATION**

**The Vice-Chair (Ms. Ann Hoggarth):** I'm going to call the first witness: Hamilton Organizing for Poverty Elimination. Good morning.

**Ms. Deirdre Pike:** Good morning.

**The Vice-Chair (Ms. Ann Hoggarth):** If you could state your names for the official record, and your five minutes will begin.

**Ms. Deirdre Pike:** My name is Deirdre Pike.

**Ms. Alana Baltzar:** My name is Alana Baltzar.

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

**Ms. Deirdre Pike:** So here we are. We are co-chairs of HOPE, Hamilton Organizing for Poverty Elimination. HOPE is a grassroots organization made up of people with first-voice experience with poverty—oh, you're just getting the reports now?—as well as allied service providers and community members. We come together to

look at taking action around government policies that create barriers and leave too many people languishing below the poverty line, any which way you measure it.

**The Vice-Chair (Ms. Ann Hoggarth):** Excuse me. Could you move just a little bit back from the mike?

**Ms. Deirdre Pike:** Oh, yes, that's right. I heard about this, and I still ruined it.

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

**Ms. Deirdre Pike:** Between Alana and I, we have held 15 minimum wage jobs. One or the other of us has worked as a cook, a child-minder, a telemarketer, a trophy maker, a motel room housekeeper, a lifeguard, a cashier, a convenience store manager, a stock boy, a house cleaner, a Shabbos goy, a hospital data filer, a newspaper reporter, a door-to-door food marketing tester, and a church secretary. All 15 jobs were minimum wage jobs.

Given that I have a couple of decades on Alana's age, and we have faced some different circumstances, I will own up that 11 of those jobs were mine; four were Alana's.

Today, we will learn more about Alana's experiences and how the recommendations of Bill 148 could have assured her a better workplace, a better job, a fair workplace in each of her precarious employment opportunities, and how some additions to Bill 148 could make it even better for her as she readies herself for a future go at re-entering the job market.

I would add here that I have been precariously employed now for 15 years at a living-wage, not-for-profit employer, the Social Planning and Research Council of Hamilton, as a social planner. I'm now a senior planner. I'm here today in that role as well, but I am not someone with a current first-voice experience, and this is what's essential. That first-voice experience is brought to you today by Alana.

Given our 15 minimum wage jobs, we felt we'd start with the number 15 and why it's necessary to raise Ontario's minimum wage to \$15 an hour sooner rather than later.

Alana, what kind of difference would a minimum wage more closely aligned with the cost of living have meant to you when you were employed?

**Ms. Alana Baltzar:** Good morning, honourable members of the panel.

The \$15 wage would have made an incredible difference at that time in my life. I would have been able to work my way off Ontario Works and would be in a much better position financially today if that had been possible.

I would have been able to move to a better apartment, where I wasn't paying \$500 to \$600 in hydro bills every two months due to electric heating. I wouldn't have had to walk 6.2 kilometres to and from school each day because I didn't have the transportation money for school. Occasionally, I'd be too tired to walk and I would have to miss school entirely for that day. I was 20, trying to work my way through high school at that point.

**Ms. Deirdre Pike:** Thank you. As HOPE members, we know, through our support of "thawing the freeze on minimum wage" campaigns for more than a decade that a higher minimum wage needs to be put in place as quickly as possible. The government's plan is trying to compensate for 12 years of frozen minimum wages in a 20-year period. It may seem robust for that reason, but it isn't fast enough.

We know that poverty wages being paid to 30% of Ontario's workforce is no way to keep families or local businesses afloat, but it certainly will fill emergency rooms. One of the only winners from a low-wage economy is Walmart.

We applaud the government's plan to implement this increase in two phases by 2019, allowing businesses time to update their plans to accommodate the new wages. After that, from the data we have received from Alberta and the United States, where significant wage increases have occurred recently, they will soon need to update their business plans to accommodate for the increased profit that they will achieve through higher staff retention, resulting in less training costs; less shoplifting from both workers and customers, as workers have an increased morale and become more committed to their employers; and staff members who can actually afford the products sold by their employer or other stores around them because they have disposable income to feed back into the community.

Will you give you me a one-minute warning?

**The Vice-Chair (Ms. Ann Hoggarth):** You've got 10 seconds.

**Ms. Deirdre Pike:** Make minimum wage effective sooner rather than later. If you're going to cut me off, that's that. Read the rest. Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. This morning's questioning will begin with the government. MPP Colle.

**Mr. Mike Colle:** Good morning, Deirdre and Alana.

**Ms. Deirdre Pike:** Hi there.

**Mr. Mike Colle:** Hi there. It's me; it's over here. Okay.

One of the key reasons the government has opened up the Labour Relations Act for the first time in 25 years and is looking at the \$15 minimum wage is because of the increasing amount of precarious work—you've both been there and lived it—and also the increasing amount of temporary work. That is a growing trend and has certainly changed over 25 years. That's why there is an urgent need to update our labour standards act and to update our minimum wage. That's why we're here today. I think we just want to put that reminder there.

The opposition to changing and updating the Labour Relations Act and increasing the minimum wage say it's too much, too fast, and that we've got to wait. You're saying just the opposite. Do you want to expand on that?

**Ms. Deirdre Pike:** I'd say, first of all, anybody who thinks that this is a new call to action just hasn't been engaged in community living in Ontario for at least a decade, because the \$15 and Fairness campaign has been on for a long time. I was co-chair of the living wage campaign originally in Hamilton that started in 2006, so we know locally this has been a need that businesses have heard for a long time. The chamber of commerce locally has been engaged in this conversation since back in 2006, knowing that this is a call. So anybody who is surprised by the action, I think, wasn't really paying attention.

Who was paying attention, it seems, was the government in this case, and they've now—after quite some time, though. That is the reason that it seems so fast, because there was quite a delay and this freezing of the minimum wage. But now it is a robust plan. It comes more quickly than people would have liked, but I think the call was there for business all along. They could have been preparing and having business plans ready to accommodate this and to stop paying their workers poverty wages.

Do you agree?

**Ms. Alana Baltzar:** Absolutely. Nearly 30% of Ontario's workforce earns less than \$15 an hour, which means they're already below the poverty line, even if they work full-time. Poverty wages are bad for workers, and bad for the economy, because their low wages prevent them from being customers at local shops, supporting the local economy or the provincial economy beyond the bare necessities.

**Mr. Mike Colle:** We've heard that from other presenters too, that when you increase the disposable income of low-wage earners, they're going to spend the money on essential services locally. They're not going to go out of the country; they're not going to invest in offshore properties. They're going to spend more on clothing, shoes and food.

**0940**

Most of the people in the low-wage-income strata can't really be that mobile because, as you've said, of the transportation thing. Is that what your experience has been in working and being part of the precarious workforce? Am I correct in assessing it that way?

**Ms. Alana Baltzar:** I can't move much at all. Transportation is a huge issue for me. Currently I'm on ODSP. I can't afford to go anywhere. I can't afford to go away for camping for a weekend, as many people can during the summer. I can't even go to a temp agency right now, because not only does that require transportation to and from the employment, but my phone isn't working this month because I couldn't afford the top-up card for it.

The other thing is that I'm a huge supporter of local businesses. I love supporting the local businesses we have here in Hamilton. We have amazing ones. The prob-

lem is that my finances don't allow me to support them. I have to support the big businesses like Walmart because they're cheaper.

**Mr. Mike Colle:** Yes, and that's obviously a very challenging thing for local Canadian and Hamilton businesses. You're competing with these international conglomerates that basically bring—

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

**Mr. Toby Barrett:** Yes, thank you, Chair. Thank you to HOPE, Hamilton Organizing for Poverty Elimination. Thanks for telling your story. You've made it clear: You're advocating for a \$15 minimum wage sooner rather than later.

There's no question that over the last dozen years or 15 years, poverty has increased, in spite of what we hear about jobs. There's a big distinction between those people who have jobs, as you've indicated yourself with your career history, and those who don't have a job at all, or have a great deal of difficulty getting a job.

I think you mentioned Community Living. Unfortunately, oftentimes when we think about poverty, we think about people who are on disability, for example. Their poverty levels are very high. Their unemployment levels are, regretfully, very high.

There are opportunities, however, and I know Frances Lankin talked about this in her report. The opportunities, even with the increase in temporary work and part-time work—there is seasonal work; that's tough unless you're in good physical shape. But there are opportunities there as well.

The concern—and we have heard from the chambers of commerce and various members in almost two weeks of hearings—is that raising the minimum wage this quickly is a job killer. We're worried that the first to go will be those who are on disability or maybe Ontario Works who are trying to pick up the entry-level work. Any comments on that? They would be frozen out completely.

**Ms. Deirdre Pike:** I think that's a scare tactic that isn't going to hold a lot of water. We know right now that 60% of people on social assistance are working at least part-time jobs. But again, it's about the amount that they earn and, on another level, about how much is withdrawn from their paycheque when they receive that, and that's another committee conversation.

If they were earning a minimum wage that would allow them to participate more fully in community, that's what we're really here to talk about. I think that the concern about losing jobs—I mean, we hear all the time that wages going up is going to result in job loss. Yet some of the biggest companies around Canada are constantly paying out CEOs who leave, and that sort of thing way, more than the amount of money that raising the minimum wage would cost, and they don't say, "Oh, well, the price of our goods is going to go up because we had to pay out these things." This is just a call that isn't really substantiated in the business community. I know my partner talking about living wage next will be able to assure you about that as well.

**Ms. Alana Baltzar:** As well, in most services, the cost of labour is only a small portion of the price of a good or service that's currently provided. Other factors such as rent, marketing, advertising, oil prices, electricity, the actual supply of goods and services being sold, executive compensation, the general presence or absence of demand for goods and services being sold, and even the extent of market monopolies all contribute to the price of a good or service at any moment in time. Fluctuations in any of these factors, including the price of labour, can be offset as business models continuously adjust to changing circumstances within the services and goods market.

**Mr. Toby Barrett:** Okay. My colleague has a question.

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

**Mr. Randy Pettapiece:** Thank you for coming out today. Ms. Baltzar, you brought up a point in your preamble to my question. You've been in the same apartment for a number of years, where you live?

**Ms. Alana Baltzar:** No, that was a previous apartment I had been living in in high school, when I was working, trying to get through. Currently I am with city housing.

**Mr. Randy Pettapiece:** I see. The apartment that you were living in, I'd like to ask you a question about that. As costs go up, certainly we get into the wage increases to help offset these costs. You mentioned this apartment was heated by electricity. Did you know that when you first moved into the apartment?

**Ms. Alana Baltzar:** I did. I was told it was the reason why the apartment was \$550. At the time, my landlord did not have a one-bedroom or a bachelor to move me into. It was the only thing he had—

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

**Mr. Paul Miller:** Good morning, Deirdre and Alana. I don't know about you, but this has been going on a long time. I do remember, a few years ago, taking the food bank challenge. Do you remember that?

**Ms. Deirdre Pike:** I sure do. Do The Math.

**Mr. Paul Miller:** A few of us at the Legislature took that, and I think I lasted two out of the five days, when I ran out of food and I was very hungry.

This is not a new concept by any stretch of the imagination. Costs to the people, particularly in Hamilton, I can speak for—they have suffered for a long time. Some 20% of the people in my riding live below the poverty level, so we're well aware of what's going on.

I hear constantly that small business is worried about an increase for their employees and costs to them. Do you feel that most of your wages at \$15 an hour would go to essentials in small business? Would it be safe to say that you're not buying RRSPs and mutuals? Would that be a fair question?

**Ms. Alana Baltzar:** Absolutely, 100%.

**Mr. Paul Miller:** Thank you. In any studies I've seen throughout North America, it appears that the spending at that level has gone up considerably in states that have

raised the minimum wage. I don't hear a lot of complaints from the small businesses in those areas. Again, would it be safe to say that it would benefit small business and not hurt it?

**Ms. Alana Baltzar:** Absolutely. Small businesses would be receiving more customers. A lot of people in the city of Hamilton, in particular, are well aware of the awesome businesses we have and would love to support them.

**Ms. Deirdre Pike:** One of the key things that I'm aware of in some conversations that we've had, even with some local workers at Tim Hortons, for example, is that they cannot afford the product that they sell. They work selling you your caffeine addiction every day, and they cannot afford—they don't bother to make that their priority. They have to make their own coffee at home because that is within their wages. There are so many changes that could happen through Bill 148 to make that better, including unionization, which I'll talk about later.

**Mr. Paul Miller:** Also, these people would not be going to Costco and buying in bulk, because they can't afford to do that either.

**Ms. Deirdre Pike:** There's no transportation to get out to Costco, and they can't afford the membership etc. Yet Costco already knows. In their business model, they pay a living wage. That's why they're so successful and Walmart has to run food banks for their employees.

**Mr. Paul Miller:** My final question would be to Alana. Do you feel that people in your situation would benefit nutrition-wise and health-wise, and people would be spending less time in hospitals, which would help our system save a lot of money, too? Would that be a fair question?

**Ms. Alana Baltzar:** Absolutely. I would agree 100%. If I personally had the proper funds to eat healthy, I wouldn't have as many bone and joint issues, dental issues as I've had. It would cost \$10,000 to \$15,000 to fix my teeth, and there's not even a guarantee my teeth are saveable. That could have been prevented with proper nutrition.

*Interjections.*

**Mr. Paul Miller:** It's a little noisy to my right, but that's okay. We can live with that.

Thank you.

0950

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

**Miss Monique Taylor:** Deirdre and Alana, nice to see you both. Thank you so much for all of the work that you continuously do here in the city fighting poverty, because now it's starting to happen, right? With the wages changing and bringing people out of poverty, it's important.

I want to change it a little bit, though. I want to know how important sick days would be to you. As a minimum wage employee, as someone who is on ODSP, there are things that happen in your life. Some days you're just not able to get out of bed—maybe not you specifically, but we know of folks that are like this. How important are paid sick days to you?

**Ms. Alana Baltzar:** They're incredibly important. When I was a convenience store manager, I was the

victim of an armed robbery—I thought I was going to die—and my boss refused to give me the next day off. I was exhausted. It was traumatic. You're thinking, standing there on the floor—the guy's got a weapon to your head—"I'm going to die on this dirty floor, and I forgot to mop it today." Thankfully I didn't, and everything went okay. But it is crucial for incidents like that, any incidents that require paid emergency leave, to be there for them. That way, they're not forced to work when they can barely focus.

**Miss Monique Taylor:** Thank you. And going to work sick: What does that do to the people who work around you, and your actual productivity?

**Ms. Alana Baltzar:** It drags down the people around you because you're not in a good headspace. You're not communicative; your customers are noticing changes in your attitude, that you don't really want to talk to anyone, you don't want to be there. They pick up on it.

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

**Ms. Deirdre Pike:** Thanks very much. Thanks for your questions and time.

#### HAMILTON ROUNDTABLE FOR POVERTY REDUCTION

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenter is the Hamilton Roundtable for Poverty Reduction. Do you have a written submission?

**Mr. Tom Cooper:** We do.

Good morning. My name is Tom Cooper. I'm director of the Hamilton Roundtable for Poverty Reduction. I'm joined by Tim Simmons, who has been a contributor to the round table, a former chair of the Hamilton-Wentworth District School Board and a small business owner.

In Hamilton, there are 29,335 people who go to work every single day and are not earning enough at their jobs to ensure that they or their families can move out of poverty. They are Hamilton's working poor. These workers are making impossible choices. As a community anti-poverty activist, I've seen more and more working families struggling with hunger, unaffordable housing and social exclusion.

Over the past four years, we've challenged employers to set a higher standard. Today, more than 30 businesses in Hamilton and close to 200 across Ontario have chosen to become living wage employers. I've distributed a letter that we've provided to your party leaders from 15 local and regional living wage employers. These businesses have discovered that paying workers more isn't just helping to pull their own employees out of poverty; it's good for their bottom line as well. Higher wages are a win-win-win: Higher wages are good for employees, they're good for businesses and they're good for the local economy, as you've already heard.

Cake and Loaf Bakery became a living wage business in 2015. Since that time, they have opened up a second

location. They have hired seven new employees. Their employees feel valued and engaged. As Josie Rudderham, owner of Cake and Loaf, has said, “I’d like to be able to go home every day and know I can afford groceries and shelter and transportation, and I cannot go to work and look at my employees and know that they don’t have the same security.”

Dan Peace is the owner of Dominion Pattern Works in Stoney Creek. He said, “Paying a living wage is good for business. Staff turnovers plummet, service quality and employee morale increases and productivity improves. The return on investment is significant.”

The Hamilton Chamber of Commerce also became a living wage employer here in Hamilton, the first chamber of commerce in Canada to do so. The chamber recognized that being recognized as a living wage community would help drive Hamilton’s economic growth.

Where living wages have been implemented here in Canada, in the United States and the United Kingdom, studies show productivity improves, and there’s a significant reduction in training costs and worker absenteeism. The local economy is also helped, as employees who earn more spend that money in the community. Paying a living wage is about giving people opportunities to participate in society and shape their own lives.

In March 2003, the Hamilton-Wentworth school board also became a living wage employer. Tim Simmons will talk about that experience, and his experience as a small business owner.

**Mr. Tim Simmons:** Thank you.

In 2013, I was chair of the Hamilton-Wentworth District School Board. In March of that year, board members voted unanimously to make the HWDSB the first public organization to sign on to living wage.

A school board’s job is to give young people a quality education that will prepare them for living and working. It is important to set an example to students that supports their hopes and goals in life. After all, who has the goal to finish school and walk into a job that guarantees a life of poverty in perpetuity? In my view, it would be hypocritical of a school board to provide those kinds of jobs. School boards all across the province should be finding the means to be part of a living wage.

I’m also a small business entrepreneur. I own and operate a second-generation family business, Heritage Weddings and Coordinators. I have noticed over the years how low wages and reduced pensions have upset the balance of this relationship, how they affected the demographics of our clientele, and the benefits of paying our employees a living wage.

A living wage will help to bring the balance back, because it will help to level the playing field for entrepreneurs and small business beside the large, multinational retailers and chain stores. When the larger retailers also have to pay their workers a living wage, they will incur the same costs as those who are self-employed, and then customer service over price becomes the focus for customers.

The consumers will also have more expendable income to put into the local economy. Paying my employ-

ees a living wage means I have less turnover, which saves me money and brings a level of stability to my business and continuity for my clients. It also means my employees feel appreciated and invested in the operations of the company.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. We’ll now go to the official opposition. MPP Barrett.

**Mr. Toby Barrett:** Thank you for testifying, Hamilton Roundtable for Poverty Reduction.

With respect to poverty, we know there have been significant increases in poverty provincially, right across the province, over the last 12 to 15 years. You mentioned hunger, unaffordable housing and social exclusion. I’d add a few other things to that list: the price of electricity, the price of natural gas; the price of gasoline, which is very significant in rural areas, such as just outside of the Hamilton area, for example.

We have talked to a lot of small business owners on this committee. They’ve come forward to testify. They are, as we speak, making adjustments and planning. They indicate to us they were blindsided by this. Many feel betrayed by the \$15. This wasn’t in the consultation agenda.

But they’ve made it clear that cutting back on hours; no Christmas bonuses for existing employees—there’s only so much money in the pot, and the additional money would go to new-entry. They’re talking about layoffs. They’ve set deadlines—Christmas, for example—as the first round kicks in on January 1.

You’re talking about people who are working. My concern is the people who aren’t working, which is much of the contributor to poverty, or the people who will not be working when this kicks in. Any comments on that?

**Mr. Tom Cooper:** I have faith that business will adapt and they will do the right thing. History is replete with challenges for small businesses, medium-sized businesses, larger businesses, whether it’s health and safety standards 50 years ago or whether it was ending child labour a hundred years ago.

**1000**

Businesses understand that they operate in communities. There needs to be a recognition that in this province today, 1.7 million of its employees are earning less than \$15 an hour. Those workers are making impossible choices. They are certainly not able to afford the basic necessities of life, let alone participate in their community and ensure that they can have some semblance of social inclusion. So while I certainly empathize with the role—we have found here in Ontario more than 200 examples of living wage employers who have said yes to higher wages, who have said, “Yes, we can do it.” As a result, they’re seeing a significant improvement in their business’s bottom line.

**Mr. Toby Barrett:** I know my colleague has a question.

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

**Mr. Randy Pettapiece:** I can understand your reasoning on the statements you just said. The small busi-

ness owners that I've talked to and, in fact, even the owners of large companies were surprised at the quickness and the amount of the jump all at once. That's one of the issues that they have. It's something like a 30% increase by January of this year. It's very difficult for anybody, let alone a business or a private person, to accept a 30% jump in costs and keep their business going. That is one of the biggest concerns that they've had. This probably could have been put in over a longer period of time. Even the Premier said that a couple of months ago. That seems to be one of the biggest concerns, the jump in wages all at once.

What they're faced with, and as you plan your business year out—I was a small business owner before I got involved in this line of work. You have to plan a year ahead or so. Now, all of a sudden, you have an increase in costs like this. It's difficult to do that. I would think that if you looked at that, that probably would have been a better plan, if it had been increased over time.

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

**Mr. Randy Pettapiece:** Your comments on that?

**Mr. Tim Simmons:** I think when Stephen Harper brought in the HST, it was much more difficult for businesses to adjust in the service industry than what we find with this. What I'm finding is the clients who come to me who want to book weddings are trying to do it on a Tim Hortons budget. They have to save for two or three years.

Twenty-five years ago when we were—

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

**Mr. Paul Miller:** Good morning, Tom and Tim.

Tim, in your experience as board chair in the Hamilton region, would you be able to tell us roughly how many kids go to school with lack of nutrition, and their ability to learn is tempered?

**Mr. Tim Simmons:** Well, I haven't been on the board for three years, but I remember that we were looking at somewhere in the neighbourhood of a third of the students going to school had some sort of nutritional need. It takes a lot of energy for a school to feed those kids every day.

**Mr. Paul Miller:** Tom, there was some mention about this quick increase of the minimum wage. Would it be fair to say that employers would want a productive person in their employ who is not taking time off for sickness or who is eating properly? The turnover of employees could be high, plus the fact that the replacement of those employees at the last minute may be very difficult for small business owners. What do you feel about that?

**Mr. Tom Cooper:** I agree. The seminal report, I believe, on this issue was done by the Harvard Business Review in the United States, looking at the difference between Costco, which is a living wage employer, and Walmart, which is not. As a result, Walmart had a turnover rate of around 60% annually. Costco's after the first year was 16% and lowered to 8% thereafter. Their profit margin exploded.

In the United States, we've seen many jurisdictions move forward with a \$15 minimum wage. Seattle is a recent example. But let's think about that as well. When we factor in the exchange rate, the \$15 minimum wage in the US is actually closer to \$19 here.

They're making it work. I think we can too.

**Mr. Paul Miller:** Thank you. Back to Tim: Do you feel that there would be less absenteeism from school and maybe less trauma in the classrooms, because the kids are eating properly?

**Mr. Tim Simmons:** Well, you can't concentrate if you're hungry. None of us can do that. That's why they have to have full stomachs when they're at school if they're going to learn. It may be some factor in why some of the poorer kids maybe don't do as well, because their concentration levels are on thinking about eating as opposed to math or English. It's important that everybody has a full stomach in class, so that they can do well.

I also find that when I'm dealing with my clients at work, if they live within the poverty level—because everybody wants to get married eventually, or a lot of people do; it doesn't matter, their social class—they have to think about giving up some of their meals in order to help pay for a wedding, or reducing their meals to help pay for a wedding. I hear it from them. And it takes them two or three years to save up for that wedding.

**Mr. Paul Miller:** My last question to you, Tim: As a small business owner, and for many years in Hamilton, did you find it very difficult, when you raised your employees' wage to a livable wage, to pass on the costs or absorb the costs? Obviously business people pass it on to the consumer in some way, form or shape. Do you feel that that was absorbed easily?

**Mr. Tim Simmons:** Well, yes. All businesses have a flexibility to expand and contract if they're going to be a healthy business. You look at ways: "Well, where can we cut some costs in some areas in order to give it to the employees?" And then, where it's remaining, you look at passing that off to your clientele.

But if all the big chains are also charging a living wage, it levels the playing field. As entrepreneurs, we all have to make a living wage, because this is our livelihood. It would be nice if the big chains also did the same thing.

**Mr. Paul Miller:** Thank you.

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

**Mrs. Cristina Martins:** Good morning. Thank you, Tom and Tim, for being here this morning and for your presentation.

We heard the member opposite, my colleague from the PC Party, saying that—and we've heard this before—the minimum wage was not part of the Changing Workplaces Review. This was an extensive review that the government undertook. It took two years to travel across the province to hear what people had to say about these unprecedented changes that we're making to the Employment Standards Act and the labour relations board.

I know that when I ran in 2011, I had people from \$15 and Fairness in my campaign office. Shortly after I got

elected in 2014, \$15 and Fairness was at my constituency office. So they've been around, and this notion of a \$15 minimum wage has been around, for some time. We've been hearing this in our constituency offices or as we travelled the province with the Changing Workplaces Review. The presenter before you sort of alluded a little bit to this, and was actually commending the government that we have a government that is listening to what the people of Ontario are saying. Do you have any comments on that?

**Mr. Tom Cooper:** Well, certainly hats off to the Workers' Action Centre for their incredible base of volunteers and advocacy in raising this issue. As you've heard already this morning throughout your hearings, there are 1.7 million workers in this province who simply aren't able to make ends meet, and this has been an ongoing public policy discussion. We're very pleased that this is moving forward and that Ontario is starting to take a lead in recognizing that aspects of decent work need to be part of public policy.

Fifteen dollars an hour is not excessive. Many living wages across the province are \$3 higher, and many employers are saying yes to those, and finding they're having significant returns on that investment, as well. So we recognize \$15 as a floor, with cost-of-living increases, but we're still going to continue to challenge employers to step beyond, and also talk about living wages and improving conditions within their own communities.

**Mrs. Cristina Martins:** I wanted to congratulate Tim, as well, for being a livable wage employer. We had an opportunity to meet some of the ones that you have included here in this letter. Not on here is the young woman from Ottawa who ran an artisan bakery, also paying a livable wage.

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What we're hearing from many businesses that are presenting is that they're going to have to lay people off. They're not going to be hiring that part-time student. They're actually going to be hiring perhaps more full-time individuals, creating more full-time jobs in the province of Ontario.

But they're saying it's very difficult to be able to try—it's too fast, too soon—to get up to this \$15 minimum wage. You've been able to do that. What do you have to say to these businesses that are saying it's impossible to do?

**Mr. Tim Simmons:** If you were paying attention—we've seen this coming down for years. You mentioned that this is nothing new. The school board did this back in 2013. This shouldn't be a surprise to anyone.

Any healthy business is always in a state of contraction or expansion, and you have to have the structures in there to do either. So, if they're good business owners, they should have a way of adjusting their business to meet this.

Like when other changes came in, like the HST, you have a period of adjustment until things settle down and it becomes the new normal. Once it becomes the new normal, it just carries on.

I know what we're going to see is what we were seeing 25 years ago, when people came in and they had expendable income. They could discriminate on where they put their money. If you're making the minimum wage, the only place you can shop at is a dollar store, right? You're going to buy cheap goods, and maybe the goods come from places with child labour and other problems. Now they're going to be able to discriminate. They'll have consumer choice in the local economy and support local businesses.

**Mrs. Cristina Martins:** Thank you. I'm not sure if my colleagues have any other questions.

**The Vice-Chair (Ms. Ann Hoggarth):** There's 30 seconds. MPP Dong.

**Mr. Han Dong:** I really liked your comment about how a good business should be in healthy shape, ready for things that they may not be able to foresee. But like you said, this was in the works for many, many years.

In my riding of Trinity-Spadina, there are a lot of working poor, a lot of precarious labour in the hospitality industry. In your mind, do you think that this is going to help or harm the hospitality industry?

**Mr. Tim Simmons:** I think it will help it, because—

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

**Mr. Tom Cooper:** Thank you for your time.

**Mr. Tim Simmons:** Thank you.

MR. JOSEPH KAZUBEK

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to call on Joseph Kazubek. Good morning. If you would state your name for the official record, and then your five minutes will begin.

**Mr. Joseph Kazubek:** Sure. I'm Joseph Kazubek. Good morning.

As a small business owner, I was against many parts of Bill 148. My first thoughts were that I wouldn't be able to afford to pay my workers—

**The Vice-Chair (Ms. Ann Hoggarth):** Could you speak up, please?

**Mr. Joseph Kazubek:** Sorry.

My first thought was that I couldn't afford to keep my workers, with the increase in wages, the vacation pay, the sick pay etc. Then I realized I'm already doing this. I'm already paying my staff this way. It's just in other ways.

After realizing that I'm already doing most of Bill 148, I started to meet with my clients and co-workers, to get their thoughts on the bill, just to get an understanding of other people.

The only thing I heard was that I would have to cut staff, raise prices and reduce hours. I can't blame them. I was like that the first time I read over the bill. But then, after we discussed it and went through what they're currently paying and how they're doing it, we realized that most places are already paying \$14 an hour plus.

I work in the culinary industry. We work with food, and tip out and stuff like that, so we are paid close to this.

I've worked many jobs, low-paying and high-paying. I find, in all of the jobs, that we all have the same problem: It's never enough. The cost of food is going up; the cost of living is going up. In the area I live in, the average rent is \$1,800 a month, plus utilities and stuff. It's getting to be too expensive. The wage increase would only help. It would help local businesses, it would increase spending, and it would encourage people to go out and spend more at restaurants, which would only increase the hours for my fellow cooks and waitresses.

So, yes, that's it.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. This round starts with the third party. MPP Taylor.

**Miss Monique Taylor:** Thank you for coming to the committee today. We definitely appreciate your input and the situation that you have faced and are facing yourself. How many employees do you have?

**Mr. Joseph Kazubek:** Right now, I work on an as-needed process, so I usually keep around three to five. I do catering and restaurant consulting. With the current economy, my business has slowed down. I've had to cut my staff down to on-call only.

**Miss Monique Taylor:** You mentioned that where you live, it's \$1,800-plus for rent.

**Mr. Joseph Kazubek:** Yes.

**Miss Monique Taylor:** Is that doable on the current minimum wage?

**Mr. Joseph Kazubek:** It's not. I work multiple jobs. I currently work full-time and part-time, and I also go to school full-time. It's a barely-getting-by lifestyle.

I did some research this morning and I found that in Hamilton, in just this area, out of about 600 places for rent, only five were under \$1,500 a month for three bedrooms. So it's everywhere; it's not just in my area.

**Miss Monique Taylor:** For sure, and then the cost of hydro on top of that.

**Mr. Joseph Kazubek:** Yes, the cost of the hydro, the food. We spoke lightly on food banks. They don't have the ability to help the people who need it. I believe the wage increase would only help give relief to the food banks and other systems that are available for people.

**Miss Monique Taylor:** The current situation, as things are right now, with minimum wage being low, the cost of apartments being high, the cost of hydro being unaffordable, how is that for the workforce, for the people who are currently living in that situation and working for you?

**Mr. Joseph Kazubek:** Right now, you can do it. You have to work a lot, you have to work multiple positions, and 16-hour days are very common in my field. But if you get sick, if you get injured, there's no help. You fall behind, and then you're going to need welfare and other systems.

It's only hurting the government by not doing this, because we're taking away from other services that the money could be used for.

**Miss Monique Taylor:** It's unfortunate. We're sitting around this table having this conversation that we've

been having for years. When the PCs were in government, for eight years, no wage increase. We've had the Liberals in government for 14 years; life has been harder and harder, and now we're seeing ourselves before an election and this bill is before us.

I think that people deserve better. I believe that everyone deserves to be able to have that little bit of extra cash in their pocket and not have to work 16 to 18 hours a day. What's quality of life like when it comes to that situation?

**Mr. Joseph Kazubek:** I have two kids. They don't know me because I'm always at work. I leave before they wake up and I'm home when they're asleep. I work seven days a week. If I'm lucky, I might get a Saturday morning off, but those are far and few. It's difficult to raise a family on this current system we have because you have to work. It's not by choice.

**Miss Monique Taylor:** What about if you get sick? How important are paid sick days to you?

**Mr. Joseph Kazubek:** Do you know what? Currently, if you get sick and you fall behind and you don't have benefits, you go into a payday place, you borrow their money and you pay their high interest rates to catch up on your bills. It puts you into a cycle of getting further and further behind. It starts with one place, then the second place, and eventually you have three or four loans out at a time. If you had sick time available, it would eliminate the need to go to those places. I think they're good places; I just think it's not good that you're put into a situation where you have to go there when you devote your life to something.

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**Miss Monique Taylor:** And quickly, how important would vacation time be to your family, and do you think the five years is fair that you have to wait to get those proper vacation times?

**Mr. Joseph Kazubek:** To wait five years to get three weeks' vacation—that's a lot to wait for. You work at a place—a lot of people can't afford to take vacation to start with. I do understand that there were recently changes where it's mandatory to take vacation, and that's great, because people are working themselves into the ground.

**Miss Monique Taylor:** Vacation is important for mental health, yes.

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

**Mr. Han Dong:** Good morning, Joseph. Thank you for coming to today's consultation and sharing your thoughts with us.

This committee has been travelling for the last week and a half across Ontario. I just wanted to let you know that this is a non-partisan committee, and that the purpose is that after its first reading, we are consulting with Ontarians about Bill 148. This is not normal. Usually this type of consultation happens after second reading. But the government felt that this is quite a significant bill, and we need to hear from all sectors and all Ontarians. That's why we're travelling with this bill.

I see this as a great opportunity to gather information from Ontarians like yourself. When I hear comments about 14 years in government and we're not doing anything to help and life gets harder and harder, I can't help but think about 14 years ago, 2003, and what the minimum wage was back then, and now we're at \$11. As a governing party, we feel that this is not enough. It is time to move to a higher standard, which is \$15 by 2019.

With that, I just want you to clarify to the committee: Are you supportive of the minimum wage increase to \$14 next year and \$15 in 2019?

**Mr. Joseph Kazubek:** Yes. I believe that ultimately \$15 is the end goal. It might be too much, too fast, as I've heard from some sides, but it is needed. We are struggling, as Ontario people are falling behind. With 30% of Ontarians making minimum wage, it's only going to get worse.

**Mr. Han Dong:** Right. That's good. You mentioned that you are also a part-time student?

**Mr. Joseph Kazubek:** A full-time student.

**Mr. Han Dong:** A full-time student?

**Mr. Joseph Kazubek:** Yes.

**Mr. Han Dong:** What do you study?

**Mr. Joseph Kazubek:** Paralegal.

**Mr. Han Dong:** Good for you. Will you be able to take advantage of the free tuition for middle- and low-income families? Will you be able to take advantage of it later this year?

**Mr. Joseph Kazubek:** No. I believe I make too much to get help, but I'm too poor to survive.

**Mr. Han Dong:** I really respect what you're doing, going to school and being an entrepreneur and starting up your business.

You mentioned that an increased minimum wage will put money into local business. Could you expand on this?

**Mr. Joseph Kazubek:** Sure. I've noticed over the last few years—I've been a cook working in restaurants for the last 15 years. There has been a decrease in sales—not in the amount that we're making, but in the amount that we're getting, in the way of fewer people who can afford to eat out because it's becoming more expensive to eat out. I remember that when I first started, a burger would cost you \$5. Now you go to an average restaurant and a single burger can cost you over \$20, if you're getting one at The Works or one of those nicer places.

With an increase of the wage, people would be able to afford to enjoy some luxuries in life that other people get without thinking about it.

**Mr. Han Dong:** I can tell you that from my time on the committee, I hear that the opposition to the minimum wage increase often talks about how this is going to hurt small business. But we know that we've seen studies—in fact, studies have been submitted to this committee to show that 75% of jobs, or even more, that pay under \$15 are happening in the larger corporations. Small businesses, they're a smaller portion.

Still, it needs fair consideration. That's why the government has indicated, through Premier Wynne, that we are actively looking for suggestions from the small business sector on what we can do to help them. But this

doesn't change the fact that the minimum wage has to be increased. The standard of living has to be preserved in Ontario.

What you said about people not being able to spend money, I think that's very true because with increased rent and an increased percentage of income going to a mortgage, people don't have enough disposable income.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We go to the official opposition. MPP Pettapiece.

**Mr. Randy Pettapiece:** Good morning. You've been in business for how many years now in your own business?

**Mr. Joseph Kazubek:** About five.

**Mr. Randy Pettapiece:** About five years. Other than what we're talking about today, what other costs have increased to be a detriment to your business? Do you have any idea of that?

**Mr. Joseph Kazubek:** Sorry, in what way do you mean?

**Mr. Randy Pettapiece:** Other costs such as operating costs, that type of thing.

**Mr. Joseph Kazubek:** Oh, sure, sure. My business is more for people who can afford the luxury side of it, so for the increase of cost, my customers usually don't have a problem with the increase of food costs, operation costs and insurance costs. It hasn't been hard on my business as a caterer.

But when I work with the smaller businesses, the food costs going up are making it difficult for them to keep a price that is desirable for the average person. The average meal markup has to be 50% to 70% because a restaurant cannot survive on anything less.

**Mr. Randy Pettapiece:** What is affecting these food costs, do you think? What is your opinion on the increase in food costs?

**Mr. Joseph Kazubek:** The costs of getting the food and the cost of storing the food; we're getting a lot of products from overseas and stuff.

Personally, in my business, we only do locally grown, which is more expensive for that product because of it being organic and fresh. That's just what it is. I really don't know how the price—

**Mr. Randy Pettapiece:** That's very admirable. I appreciate you doing that to support the local economy, but I guess what I'm getting at is there are costs other than wages for locally grown food or any food. Do you have an idea of why the increase in costs to food, or why any other part of your business has increased?

**Mr. Joseph Kazubek:** For the cost of food, I do not know. I don't grow foods. I don't know how it increases.

For other cost increases, it just goes with the cost of living, is all I can see.

**Mr. Randy Pettapiece:** Just with the cost of living. I'm going to suggest a few things here, and say whether you agree or not. Fuel costs, to get it to your place: Would you agree with that?

**Mr. Joseph Kazubek:** Yes, the delivery charges are astronomical now as to where they were before.

**Mr. Randy Pettapiece:** Are they? Okay. There are other costs such as—we heard before about apartment

rental. In fact, you've talked about apartment rental being whatever it is plus utilities. Part of the utility cost is hydro, or electricity. Would that affect your business, do you think, to an extent?

**Mr. Joseph Kazubek:** Yes, the daily operation of using a restaurant—the increase in hydro, water supply etc.—all that also goes towards it.

**Mr. Randy Pettapiece:** Okay. So when you first opened your business, were you expecting these dramatic increases in costs?

**Mr. Joseph Kazubek:** You know what? I did expect some, as everything always goes up, but it's been a huge jump in increase, to a point where I can't afford to have my own space. I rent out—restaurants are closed during off-hours—just to subsidize my costs.

**Mr. Randy Pettapiece:** Okay. Maybe you could understand that the dramatic costs in wages, 30-some per cent, in a very short period of time is kind of difficult. In fact, it is difficult for small business owners such as yourself, because you weren't expecting all these increases with other things when you started your business.

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I was a small business owner too. It was very difficult. It would be very difficult for me when we were estimating jobs—because that's what we did; we were in the renovation business—to go to a homeowner and say, "We have a big increase coming in January, and we're going to have to increase the cost of doing this work." Unless we were the only person in town doing this work, which we weren't, it would have been very difficult for homeowners to say, "Okay, go ahead. We understand that."

**Mr. Joseph Kazubek:** Yes, in the catering business, we do get orders that are two and three years off for weddings and banquets. So anyone who has something booked right now has their pricing at today's pricing. In contracts, we don't speak to increased costs. When it comes time for that event, we will be doing it at a discounted rate, because we were not aware of this increase to come.

**Mr. Randy Pettapiece:** Yes, and that seems to be the theme, that—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. Thank you for your presentation. There's a deadline to send in a written submission to the Clerk by 5:30 on Friday, July 21.

**Mr. Joseph Kazubek:** Thank you for your time.

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

Just a reminder to the committee members: I don't know whether it's because of the size of this room or whatever, but when you have side conversations, it interferes with others being able to hear the presenters. I would ask that if you want to have side conversations, you go outside the room. Thank you.

#### SOCIAL PLANNING NETWORK OF ONTARIO

**The Vice-Chair (Ms. Ann Hoggarth):** I call on the Social Planning and Research Council of Hamilton. If

you would identify yourself for the record, and your five minutes will begin.

**Ms. Deirdre Pike:** I am still Deirdre Pike.

**Ms. Joey Edwardh:** My name is Joey Edwardh. This is my colleague, Deirdre Pike. We are here from the Social Planning Network of Ontario, which is an incorporated, non-profit organization of 20 local and regional social planning councils across the province. Each of us has an extensive network in the not-for-profit and social sector. It's that sector that we wish to address today.

Some context: More than a quarter of all not-for-profit organizations in Canada are located in Ontario. That's approximately 55,000 organizations, and they employ one million people, which is one in six of all employed people. Our sector contributes an estimated \$50 billion annually to the Ontario economy, and most importantly, its product is the foundation of social infrastructure for human well-being in our communities. Of the sector's revenue, approximately 50% is primarily dependent on government grants and contribution agreements, and the rest is through charitable funding.

Employment in the not-for-profit sector is characterized by low wages, few benefits, short-term contracts, job insecurity and temporary, part-time status in the workforce. Before "precarity" became a term describing working conditions across the economy, the non-profit sector was the canary in the coal mine in the push for low wages and precarious work.

SPNO has a number of thoughts on Bill 148 there on page 4 of the document you have. I'm going to touch just on two requests here; the rest, I hope, we'll touch on in questions.

We recognize that the non-profit sector is also subject to the concept of fissuring, which is a process where a lead company—but in this case, government—offloads responsibility for employment standards by outsourcing service provision to smaller non-profit organizations. This allows government to maintain control over service quality and delivery standards without having the responsibility for workers. Government continues to regulate and rigorously supervise the non-profit sector, while absolving itself, as funder and contractor, of the responsibility for working conditions.

The last thing I'm going to bring up—and there are a number of points that have been spoken to this morning—is that the role of government as funder and regulator of the sector creates a unique and different situation that demands changes in government practice to allow for the creation of fair and decent jobs in the sector.

In terms of a non-legislative commitment, SPNO recommends that the Ministry of Labour convene and join a table of representatives from the non-profit and the funding sectors to support and promote decent employment in our sector.

We have a strong position on unionization. Deirdre?

**Ms. Deirdre Pike:** Yes, I want to speak about one particular area of Bill 148, and that's through the work that we have done locally around precarious employ-

ment. I was the lead researcher on a case study where we gave cameras to people in one area of Hamilton and said, “What has been the impact of precarious employment on your livelihood and on your neighbourhood?” We have pictures about that that are not pretty.

We know one area that could be really helpful in addressing those negativities would be increasing the way that unionized work could be part of Ontario. We know that unionized work is characterized by higher incomes, pensions, benefits, time off, full-time hours, stable income etc., and in our research of almost 3,000 people, we know that even precariously employed people, when they are unionized, still have some of those key things. They have pension plans, benefits and paid time off.

In Bill 148, you put forward that there would be—

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

**Ms. Deirdre Pike:** It’s all in there. Read it.

**The Vice-Chair (Ms. Ann Hoggarth):** This round of questioning will begin with the government. MPP McMeekin.

**Mr. Ted McMeekin:** I’ll yield a couple of minutes so Deirdre can finish her point.

**Ms. Deirdre Pike:** Thank you. There are two main things in Bill 148—that one-step card certification has been introduced, but only for some groups of precarious workers; we’d like to see that extended to all. And one area that is not addressed in the bill is around broad-based organizing. That would allow for Tim Hortons workers, for example, across the company to be able to join one union, not just one shop at a time.

There are other areas. The Toronto social planning council, one of our partners, has put forward a whole chart that I’ve offered for you in your package to review. That compares what Bill 148 has put forward around unionization with what we think it needs to do. I’d invite you to consider that. Thank you.

**Mr. Ted McMeekin:** Thank you both. I know you both very well, and I’ve appreciated your work through the years, Joey and Deirdre.

I’d be interested in your comments. There are some who say—and I heard part of the radio show on CHML this morning. He went on before, from the CFIB, saying, “This is far too much, far too fast. Slow down. This is going to kill our economy. What are the two pitfalls? One is that students are going to be hurt, and the other is that it’s far, far too pro-union.” Could either of you comment on those and share what your thinking would be on both of those points?

**Ms. Deirdre Pike:** Sure. I’ll start for a second. Once again, I’d like to remind the panel and any businesses that this is not a new conversation. This has been something happening in the province for over a decade, asking for low wages to be reformed so that workers in Ontario can participate fully in community life.

The majority of workers who would earn this increased minimum wage are over 20—80% are over 20—so the whole student thing is a conundrum to me. I don’t have children, but I know that if I had them, I would

want them out of my house as soon as possible, and the way to do that is to have them being paid well. So I don’t understand the parents who own businesses fighting for their kids to receive poverty wages; I don’t get that.

Joey, would you like to add anything?

**Ms. Joey Edwardh:** I’m just going to add a quick little thing. If you slowly move to a \$15 minimum wage by 2019, you will have a minimum wage that is below the LIM, which is our measure—not my measure; our government’s measure—of low income.

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Today, if you earn the minimum wage, you live a couple of thousand dollars in poverty. So it’s another kind of question we’re asking ourselves. If we are a country, a province, communities where work is part of how we excel and participate in community, you want to make sure that, together, the people who are working earn a living such that they can actually live, they’re not in distress, their children can be educated, and they can participate. It’s a bigger question—

*Interjections.*

**Ms. Joey Edwardh:** Gentlemen, this is a political question, and it’s based on hard evidence that I’m not hearing a lot of today. There is strong evidence that supports moving to a minimum wage. When I hear some of the questions, I’m asking, what is the evidence that has come before this table?

In terms of our sector, we have a joke in the not-for-profit sector, because we’re a low-wage sector: (1) We get sick faster, because of the nature of the work that we engage in, and (2) we’re the clients of the future. We don’t earn enough to save for retirement. We don’t have pension plans. So you, as government and as donors, have created a situation where we have a sector that takes care of our people, and they themselves will suffer the costs of that.

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

**Mr. Randy Pettapiece:** Thank you for coming in this morning. I want to thank Ms. Pike for being here twice.

**Ms. Deirdre Pike:** Thank you. That’s very accepting.

**Mr. Randy Pettapiece:** We’ve got a lot of things that contribute to what it costs to live here in Ontario. When we’re contemplating increasing this cost, which will be mostly to small business, we have to be very careful of what we do, because we are going to be looking in the future to increase costs, certainly with energy in this province.

I don’t know whether you do much travelling around the province. I look at buying fuel for my car if I go somewhere. In some places, it costs this much; in some places, it costs that much, or a different cost. So it’s difficult to plan these things out as to what the cost is going to be to go somewhere for a vacation, or travel on business or whatever else.

I think this is something that is resonating with small business. I spoke to the last presenter on this, or I asked this question. This has come as a real surprise. When you’re trying to deal with operating your business—the

size of the initial jump in the minimum wage that is being proposed here is going to be a difficult one, when you talk about a 30% increase. I have different reports here saying that most of these businesses that I have here don't really oppose the rise in the minimum wage. It's the quickness of how this has come along. That's from what I have here.

I wonder what your thoughts are. Shouldn't this have been phased in over time, a longer period of time?

**Ms. Joey Edwardh:** If I might start on that one, there has been a discussion in community that started in the community I work in, which is Halton, and across the social planning council networks, which is all of Ontario, about the minimum wage being raised to \$15. In 2012, we started this. The purpose of that was to have a minimum wage that was 10% above the poverty line. Think of that: people working full-time, full-year, earning, at a minimum wage, 10% above the poverty line.

If we delay the move to a minimum wage, by the time it reaches \$15 an hour, it will then be below our poverty line, what we call formally the low-income cut-off, or the low-income measure. In fact, all we're negotiating here is to continue keeping workers poor—keeping workers poor. This, I believe, is an ethical and a political question for all parties: Is this what we want for workers in our province? The social planning council is saying no.

If people have adequate income, they can buy the necessities of life, they can participate in their communities, and the evidence from other jurisdictions, in Canada, in the States and in Europe, suggests businesses will flourish.

If there is this continued cry that it will restrict business, I suggest you create some more real tables that go through the evidence—a civic panel. We've used civic panels in Halton to discuss critical issues and brought people from every walk of life to the table, and you know what? People can come together and make good decisions about the lives of people in their community.

I think it's a non-issue, given the evidence that I've looked at and given the weight I would put on it in terms of wanting a province that's based in human decency. I want us to work hard and I want us to be paid so that we can live with dignity. Fifteen dollars an hour—I bet there's nobody around this table who has lived on that in a long time. Think about what that would mean—

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

**Ms. Cindy Forster:** Thank you, Deirdre and Joey, for being here today. I've been at most of the committee hearings over the last two weeks, and this is the first time that I've heard about the non-profit sector specifically.

Just for the record, we're talking about people who work for Community Living, people who work for non-profit housing providers, perhaps non-profit mental health agencies, United Way, Goodwill—

**Ms. Deirdre Pike:** Counselling and all kinds of mental health organizations, child care—you people love your kids so much, and yet you won't pay them anything worthwhile to look after them well. I don't understand

that. We don't talk about that in all your worries about your small businesses. Are you worried about the amount that people looking after your kids are getting?

**Ms. Cindy Forster:** The non-profits get about 50% of their funding through grants, through the provincial government, through—any through the federal government?

**Ms. Joey Edwardh:** Yes, sometimes. It varies; government, in general.

**Ms. Cindy Forster:** Then the rest for these very important programs that we need in our communities—they have to go out and try to raise the other 50% through charitable donations, at the same time as they're trying to provide an important service to their clients.

What I heard, and I'll be blunt, is that the government offloads responsibilities for workers in the non-profit sector. They take no responsibility or accountability, other than to make rules and regulations. They don't ensure that there's enough funding to these non-profit agencies to provide good employment with pensions and benefits for the workers, which would be very different if these non-profits were actually part of government; right? If they were government employees, they would at least be paid above the minimum wage and they'd have a pension at the end of the day. You should actually be provided with enough funding to do that.

And then the issues around the temp agencies as well: The non-profits use temp agencies. Why is that? Why are they using temp agencies as opposed to hiring those people on as direct employees?

**Ms. Joey Edwardh:** Non-profits use temp agencies because they can't hire permanent employees. They have short-term demands that are sometimes placed on them, so they'll turn to a temp agency and they don't have to worry about the commitment to that particular worker.

I might add, in our sector we've observed the extraordinarily negative reaction of other staff to temp-agency staff because they come in, they come out and they don't become a part of the culture of the mission of the not-for-profit organization. Remember, it's not a thing we're creating; it's a social good that not-for-profit organizations are working for.

1050

**Ms. Cindy Forster:** Right. We've heard over the last few days there are some good temp agencies and there are some bad temp agencies. Clearly, one of your recommendations here is to—I'll let you fill us in on that.

**Ms. Deirdre Pike:** We know that temp agencies need to be limited in the scope they have. They are being normalized as a human resource department for so many companies, so it's limiting that, so that it's the exception of how we do business in this province, not the rule. That's what our recommendations move toward.

**Ms. Cindy Forster:** Because in many cases—I know in health care, for example, when there was a cyclical shortage of nurses periodically, temp agencies were being paid \$100 an hour to bring in a registered nurse when they could have actually brought in a registered nurse, perhaps on overtime, for 60% of that. So the temp agency is actually getting \$50 an hour in administration fees for providing one nurse for one shift.

**Ms. Deirdre Pike:** Bill 148 addresses some of this, by moving toward equity around the definition of employment, but not in all sectors, and that's really a lack there.

**Ms. Cindy Forster:** Right.

**Ms. Deirdre Pike:** And also, within even the not-for-profit sector, this whole idea of making it easier for unionization is also something that needs to be stressed.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The deadline for a further written submission to the Clerk is 5:30, Friday, July 21.

**Ms. Deirdre Pike:** Thank you very much for your time.

#### UNIFOR

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to call on Unifor. Good morning. Do you have a submission to hand out?

**Ms. Naureen Rizvi:** Good morning. No, we don't.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. If you would state your name for the official record, your five-minute presentation will begin.

**Ms. Naureen Rizvi:** My name is Naureen Rizvi. I'm the Ontario regional director for Unifor, representing 160,000 members in Ontario. With me is Robert Whitelaw. He is the president of Local 266, representing energy workers, and he's here today to talk about the views of his members on Bill 148.

**Mr. Robert Whitelaw:** Good afternoon. Briefly, I'm going to talk a little bit about the history of myself to let you know the context I come from. I've been an owner of a plumbing shop. I've been an owner of a family business in plumbing and heating. I've been technical support, a maintenance manager, a maintenance supervisor etc. These are where I come from as an individual.

The context I'm going to speak about is that we've sort of lost our way. That's the title of what I'm trying to get across. First of all, contract flipping in itself reminds me of what happened in the mortgage market regarding housing, with Fannie Mae and Freddie Mac.

**The Vice-Chair (Ms. Ann Hoggarth):** Sir, we're having some difficulty hearing you. Could you move back a bit from the mike?

**Mr. Robert Whitelaw:** Sorry. It reminds me of the mortgage problem they had with Fannie Mae and Freddie Mac. When that happened, we saw that rampant selling of real estate and no accountability whatsoever, and it brought us into chaos and the public had to pay for it in the end.

The same thing is happening now with contracting out or contract flipping. This is becoming more rampant throughout Ontario. Pearson airport is one of them. Halliburton in St. John's is another example of it. Larger industries are being put to the test with contract flipping, lowering the wage, lowering the value of the workers and lowering their benefits. This may all be great for the bottom line, but long-term thinking goes out the window—right out the window. It doesn't stay at all, and you wonder what the company is actually there for.

These are institutional companies, but they forget where they came from.

We come to the situation now, when we look at, "What are we going to do about it?" Most of this can be resolved by stabilizing the workforce in a number of ways.

The first way is fair wages and economically sound planning for all of these companies. Contracting out, for us and our industry itself, will only result in long-term layoffs. These long-term layoffs result in more contracting out. In our industry itself, within Roxul in Milton, Ontario, it has really lowered the value of the workers. The tension and the insecurity that this brings to the workers lead to all kinds of other social issues, regarding taking time off because of sickness, and everything, and the tension that they don't know that they're going to have a job tomorrow and they're not going to be able to feed their family.

When we're trying to relate back to the \$15-an-hour minimum wage, this comes right into play—this is a ridiculous statement: We've never tried a higher wage anywhere, whether it be in the States or in North America. Dr. Phil once said, "You keep doing the same thing over and over. How's that all working out for you?" Well, has it really worked out for the public? Have we increased the middle class? We have never increased it. Have you seen in the paper lately that the middle class is getting too big? It's the other way around. The middle class is getting smaller, and that's a result of wages. We can't afford to buy. A quote from Henry Ford that he said way, way back when is, "I gave them a good wage, because they had to buy my cars. They had to buy my products." The same thing could be said now.

Fifteen dollars an hour is a start. We need to go further to allow it to go to a living wage. I defy anybody in this room—or a father, mother and child—to live on \$15 an hour. It can't be done. If it can be done, show me; I want to see it. It's just not true.

Right now, we're asking you, with Bill 148, to make this start, for this to happen quickly, because education is—I'll quote from one of my friends. He's a psychologist. He says, "How's it all working out for you when we start from the same line, the line of life, when you say go?" Most of us are starting behind that line.

Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much. This round will begin with the official opposition. MPP Harris.

**Mr. Michael Harris:** Good morning, Robert and—Naureen, is it? Yes. Good morning, folks.

Robert, you're an employee at Roxul, was it?

**Mr. Robert Whitelaw:** Yes.

**Mr. Michael Harris:** Now, how many employees? Roxul's a big operation.

**Mr. Robert Whitelaw:** Roxul has approximately 300.

**Mr. Michael Harris:** Three hundred. Now, Roxul is a North American company with operations in the United States?

**Mr. Robert Whitelaw:** We have one company, and there's another one coming, in the States. But it's a world

company. We have it all over Russia and stuff like that, all the way around. It's quite large.

**Mr. Michael Harris:** Any expansion recently here in Ontario at all at Roxul?

**Mr. Robert Whitelaw:** There has been expansion at Roxul for the last five years.

**Mr. Michael Harris:** Here in Ontario?

**Mr. Robert Whitelaw:** Here in Ontario—at this specific plant in Milton, Ontario, for sure.

**Mr. Michael Harris:** And all members of Roxul are affiliated with or through Unifor?

**Mr. Robert Whitelaw:** Yes.

**Mr. Michael Harris:** Any operations in the United States at all?

**Mr. Robert Whitelaw:** Yes, there's one, in Memphis, and they are building another one in the States as I speak. That's going to be starting in about half a year.

**Mr. Michael Harris:** Are those also unionized employees in Memphis?

**Mr. Robert Whitelaw:** No, they're not.

**Mr. Michael Harris:** So what would be, roughly, the hourly rate? It's similar work, I'm assuming, between the plants.

**Mr. Robert Whitelaw:** In Memphis? As a matter of fact, it's pretty well the exact rig. In Memphis, I have no idea what their hourly rate is. I know our hourly rate is middle-of-the-road.

**Mr. Michael Harris:** Right. So there are clear recommendations you are making to the committee. Specifically, I guess, it's more or less on the contracting-out portion.

**Mr. Robert Whitelaw:** On the contracting out, and within contracting out, it's how we're going to be treating older workers when it talks about contracting out. It seems to be, when the older workers get old—I'm speaking of 50 and above—they want to replace them. The contracting out and every means possible to get rid of them is there. That's an issue that we're going to have to address too.

When we don't have large retirement plans, which companies eliminate when they contract out, the end result of that is we've got pensioners who are 65 now having to work at other jobs. Not to degrade those jobs, but I think when you worked to 65 years or you worked for 30 years and then you have to go work for \$15 or \$13 or \$10 an hour, it's a little bit degrading and demoralizing. But they do it anyway, and they do a damn good job of it too.

1100

**Mr. Michael Harris:** With regard to Bill 148, are there aspects of it that you would recommend—are there things within Bill 148 that you're not seeing that you would like to?

**Mr. Robert Whitelaw:** I don't see the elderly addressed, meaning programs specifically for them to get jobs. I really think that it's coming to a point when they're getting some sort of age discrimination. We're all going to that age. I think we have four workers in our plant who are over 70 years old and working still, and

working hard. That's because, again, the pension funds aren't there anymore.

Are we sharing wages—like, you give me 1%, I put in 2% and we grow as we grow as a company. I've experienced that a couple of times in my lifetime. That proved to be good. SC Johnson in Brantford, when I was there, I think they did 8%: “You put in 8%, and we'll put in 8%.” Their retirement plans are tremendous.

“You're making a profit. Why don't we share the profits?” We've totally disbanded that. When you go with the contracts, I have never seen a contract company have a good pension plan; it doesn't exist. So why is that? Maybe that legislation needs to come down the road to make sure that happens. And is contracting a stable influence on our economy and on our social networks that we have today? I don't think it is, but it's becoming the norm.

I can say this directly: When I was at a meeting with our human resources manager and he was looking for the fit for our plant for workers, he gave me a list of 20 or 30 people from a contract company. I had no idea how you would ever find your fit. Sometimes you've got to be face to face when you do these things, but we're not doing that anymore. We've lost that. We've lost our way when we talk about that.

**Mr. Michael Harris:** Thanks, Robert.

Naureen, do you have anything you would like to add?

**Ms. Naureen Rizvi:** Yes, thanks so much. I think you've heard from Unifor members throughout. We've been really involved in the process of CWR for the last two or two and a half years. We've made many submissions. Our written submission has gone in today. But, of course, at the end of the road where we are right now, and where you are, you have a huge job ahead of you to help Ontarians really change the trajectory of how they live and work in this province. So we absolutely have streamlined our asks. I think that you've heard throughout, from Thunder Bay onwards, our members asking about—

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

**Mr. Michael Harris:** Thanks, Naureen.

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

**Ms. Cindy Forster:** Naureen and Robert, thanks for being here. If you want to answer the question about your asks, go right ahead.

**Ms. Naureen Rizvi:** Thank you so much. Our position, obviously, is that having access to unions really helps to create a stronger middle class and provides better benefits and wages. It really raises the ceiling. In doing so, our asks were: card-check certification to all sectors, not just the four that are found in Bill 148; broader-based bargaining, specifically to the franchise model, which responded to the proposal for how we deal with a fissured workplace that the special advisers had put forward; and successor rights, as Robert had spoken about, with the contract flipping. We represent 2,000 school bus drivers, and in having their contracts flipped every time, not only do they lose their collective agreement but they

go right back down to the minimum wage and start all over again, doing the exact same route for the same operator with different rates.

And of course, although a \$15 minimum wage was not part of the review, we absolutely commend the government for putting this in. You've really responded, I think, in a responsible way to the call to action that has been around in the province for the last two years, with the mobilization of the \$15 and Fairness.

Earlier on, I heard comments: Is the 18 months too short a phase-in time for small businesses? What I would really ask the committee here to think about is this: How long has that time been for workers in this province to allow that \$15 minimum wage to phase in; not simply what that means for small businesses, but how long have they been working for \$10.50 or \$11.50? If you think about it going back 10 years, and you're asking them to get to another 18 months before they can possibly let go of that third job or take their child out for a movie or a dinner, I would really like for that question to actually come forward, too. Thank you, Cindy.

**Ms. Cindy Forster:** Oh, you're welcome. I'm going to answer the question that you were asked about the wage in Memphis, perhaps at the factory that you work at. The minimum wage in Tennessee is \$7.25 an hour, and it has sat there for the last nine years. The youth rate for under 20 years old is only \$4.25 an hour. It would be interesting to—

**Mr. Robert Whitelaw:** I'm sure it's more than that.

**Ms. Cindy Forster:** Yes, I'm sure it is, but I'm just trying to compare those rates. It's \$3 an hour less for a worker under 20.

The government has also introduced a vacation pay increase to three weeks for workers, but the kicker in it is that they have to be employed with the same employer for five years. You used your example of the bus drivers whose contract flips every two or three years, whenever that contract runs out, and they go back to their minimum wage. They're never going to get three weeks' vacation, nor are many precarious-type workers in this province. Do you want to comment on that?

**Ms. Naureen Rizvi:** Absolutely. That is the reality for the 2,000 bus drivers that we have, but also the 20,000 retail workers for whom on average the term is four and a half years. That five-year mark that is required really doesn't satisfy giving families the time off that they need and deserve from working gruelling hours. We all work crazy hours, but we also get time off that's decent. Retail workers don't have that. So, absolutely, I agree.

Just on the last piece, one of our other positions, as well, is that you consider a separate leave for victims and survivors of domestic violence outside of that personal emergency leave. Women and men who are actually struggling and experiencing this currently would really, really appreciate the committee making a strong recommendation to help them somehow strategize and map out of those.

Again, if those are the types of jobs they're in, they're not going to get that third week of vacation, either.

**Ms. Cindy Forster:** Right. That was the recommendation in Peggy Sattler's bill, our member from London, and certainly that was the recommendation of all of the stakeholders who came forward to support that bill when it was passing second reading in the Legislature.

I thank you very much for your comments and your presentation today.

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

**Mr. Han Dong:** Thank you, Robert and Naureen, for sharing your thoughts this morning—

**The Vice-Chair (Ms. Ann Hoggarth):** Would you just wait a second until your mike comes on? Sorry.

**Mr. Han Dong:** Sure.

**The Vice-Chair (Ms. Ann Hoggarth):** There it is.

**Mr. Han Dong:** Okay. Thank you.

I know your organization has been very much involved with the Changing Workplaces Review in the last two years, so first of all, I want to thank you for doing that. Do you feel that your concerns were addressed by the report put forward by the special advisers?

**Ms. Naureen Rizvi:** I have to say that the review itself was exemplary in the way that it was extremely transparent, and it was given to a third party to assess, to make recommendations. The special advisers were very open about meeting with us after our submission, so we had an opportunity. I do feel that the initial Changing Workplaces Review final report that was given to the government for consideration did capture a lot of what we said.

You can't always get everything. We bargain, we negotiate contracts, so I know exactly what that's like. You ask for everything you possibly can to make things better for workers in the province, knowing that somewhere, we're going to land.

The Changing Workplaces Review had some really strong recommendations from labour and specifically from Unifor. They didn't all make it to Bill 148. For example, broader-based bargaining, which I was speaking about earlier, and the fragmented workplace: That is where you see vulnerable workers. That's where you see most part-time workers.

If you look at the Tim Hortons model or the McDonald's model, where you have a franchisor—who really is the common employer, by definition, because they really do control so many aspects of how that franchise is run—and then you have these privately owned franchises all over the place, those workers don't get access to unions in the same way. They don't get the opportunity to bargain for better, decent wages. That piece was not addressed in Bill 148.

**1110**

The idea of the Changing Workplaces Review was not just to look at precarious work and employment, but the most vulnerable workers in that sort of scenario. Your most vulnerable workers often are retail, service and hospitality. Those are your Tim Hortons; those are your McDonald's workers. Those are usually youth. We, as parents, would want to give them a better platform.

That's what we do with education. Why wouldn't we do that with employment? That is missing in Bill 148.

Card-check certification is missing in Bill 148. It's offered for four sectors, I understand, but I'm not understanding why it's not given to everybody. I think that's a really important consideration.

Lastly, again, speaking on behalf of so many women—we do a tremendous amount of work for women, and women who are in precarious situations, not only in their jobs. For example, if you take health care workers, they experience violence at work, and they come home and sometimes have violence at home. This committee really has a responsibility to step away and see that Bill 148, in fact, does not put forward the leave that is required—which, by the way, is not going to solve their situation, but shows the government's responsibility in making employers help those workers.

**Mr. Han Dong:** That's a very good point you just brought up. In my riding of Trinity–Spadina, I've met with representatives from various organizations, and those points were brought up in these conversations as well. Unfortunately, in the bill, as you know, we can't—we hope we can capture everything and cover everybody, all of these precarious employees who are working below minimum wage in my riding. I hope that there is a solution to bring everybody up.

This bill is being consulted on after introduction at first reading. We've heard a lot of different opinions on this, especially on the minimum wage aspect. We know that over three quarters of the 1.8 million people working below \$15 an hour are employed by larger corporations. There is a fear that raising the minimum wage to \$14 next year and \$15 the year after might—

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

Thank you for your presentation. The deadline to send in a further written submission to the Clerk of the Committee is 5:30 on Friday, July 21.

**Ms. Naureen Rizvi:** We've met the deadline. Thank you very much for your time.

#### BETTER WAY TO BUILD THE ECONOMY ALLIANCE

**The Vice-Chair (Ms. Ann Hoggarth):** I call on the next presenter, the Better Way to Build the Economy Alliance. Do you have a written submission?

**Ms. Amanda Terfloth:** Yes.

**The Vice-Chair (Ms. Ann Hoggarth):** The Clerk will take it and distribute it.

If you could state your name for the record, and your five-minute presentation will begin.

**Ms. Amanda Terfloth:** My name is Amanda Terfloth and I'm the researcher and coordinator.

When speaking about improving wages, working conditions or job security, the immediate response is often, "Well, what about small business? What about price increases and potential job losses?" They're understandable and, I would say, historically very familiar questions, and I'm here today to address those concerns—

**The Vice-Chair (Ms. Ann Hoggarth):** Excuse me. Could you move away from the mike a bit? Thank you.

**Ms. Amanda Terfloth:** Yes—through the example of employers who have incorporated higher standards and experienced long-term benefits and growth.

The Better Way to Build the Economy Alliance is made up of employers who represent a variety of sectors, including food, retail, manufacturing, consulting, service and non-profit. They range in scale from four to 7,000 employees, with most in the 50-or-fewer-employees range, and have been around from three to 75 years. They all pay at least \$15 an hour, favour full-time over part-time positions when possible, and consider an environment that forces employees to come in sick a safety and error risk not worth taking, not for their bottom line or their reputation. Prevention is always cheaper than reaction.

Many have argued that what is possible for a tech company is absolutely unreachable in the sectors with the lowest wages. Our small business partners in food and retail would disagree. They already offer three to seven paid sick days and scheduling from two weeks to a month in advance. Businesses have daily and seasonal rhythms. They've learned theirs and planned accordingly.

Far from being fat cats, many of our partners started from a non-extravagant place. Both the bakery you heard from last week and the owner of a 10-outlet retail store started as hospitality workers before they became business owners. Our construction firm partner started as an employee with the company, loved how it was managed and went on to purchase it after working there for multiple decades. Grosche International was started in the laundry room of a house 10 years ago. Their perspective as employers who have been employees is a great first-hand education in how to maximize the performance of your company through good working conditions. For these employers, it's not a lofty goal that can't be achieved; it's common sense.

Many small businesses have no doubt experienced expensive turnover and the difficulty of recruiting dedicated employees at the current minimum wage rates. Despite the narrative we hear, according to Campaign Research, currently 62% of small and medium businesses support the minimum wage increase to \$15. For these small businesses, there is a palpable frustration at how far the bar has fallen, both in ways that could affect their future bottom line and threaten their communities. Rampant turnover, retraining, safety risks, risks of error, reputation and the potential to lose customers through negative experiences: These costs are considerable and can be mitigated through better wages, secure scheduling and improving working conditions.

These costs don't get the airtime that labour costs do, and our partners have learned that the investment is worth it in the long run, both financially and from the peace of mind that results when you're running a business with fewer hiccups. Staff retention rates of our partners are substantially above industry averages. They save money, and customers build relationships. It's busi-

ness and human nature: When we feel valued, we go above and beyond. When we're treated badly, we have an exit strategy and a willingness to warn potential employees and customers to stay away.

What the "too much, too soon" debate is not adequately addressing is what happens to local economies if people don't have spending power in the first place. The demand side is ignored. Local businesses need a robust customer base in order to even exist. What type of mass spending power is healthier: that of potential customers staying in yet again and trimming their own hair, or that of a customer who goes out and gets that haircut? With approximately one quarter of Ontarians making under \$15, spending power has been constricted on such a mass scale, and it's bad for widespread business growth. With such a large percentage of people unable to participate in the activities that create more jobs, improving minimum wages and standards is long overdue and it should concern anyone in the business of selling.

I understand a criticism of the Alliance is that it is voluntary: It's great that those companies did it, but it's unfair to bring others up to fairer staffing practices. When we look at universally applied standards, we need to ask ourselves, what kind of economy do we want to build in Ontario: one driven by well-managed businesses—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We will start this round with the third party. MPP Taylor.

**Miss Monique Taylor:** Would you like to finish your comments?

**Ms. Amanda Terfloth:** Yes, please. I'm almost done.

What kind of economy do we want to build in Ontario: one driven by well-managed businesses that invest in their workforce and spur local spending power, or one that relies on lowest-common-denominator standards and constricts widespread growth? The temp agency and dollar-store-chain market has certainly flourished, but what about building an economy that encourages businesses that offer more and cost us all less?

We've all been in a store or a restaurant where the staff either seemed exhausted, disengaged, openly sick or non-existent. Now contrast it with a great experience at a business where you felt the staff actually wanted to be present. Which business left a better impression? Which one would you refer to others? Once you look at the underlying causes of these differences, you can't un-see them. Ultimately, a good jobs strategy is good for business and necessary. Thank you.

1120

**Miss Monique Taylor:** Thank you very much, and thank you for the effort that you put into being here today, for bringing your voice to the table.

What I'm gathering from what you had to say is that it's better employee recognition to be paid a decent wage; correct?

**Ms. Amanda Terfloth:** Correct, and the turnover rates of our partners are substantially lower. The construction company—most of their turnover only happens in retirement. That's unheard of. He himself has been

there 30 years. The company has been around for 75 years. Treating people fairly allows you to retain the best staff and it allows you to attract more when you grow and when you expand.

**Miss Monique Taylor:** How important do you think it is to have proper vacation time?

**Ms. Amanda Terfloth:** Incredibly important. The five-year rule does limit; it's the fact that most people are not getting to the five-year point, especially, I would say, in the under-40 age group. Rest is important in order to be able to make appropriate decisions, reduce your risk of errors and, frankly, do a better job.

**Miss Monique Taylor:** Absolutely. You talked about morale; you talked about positivity, being a good waitress or whatever that may be. If you're not getting the time off and being able to spend time with your family, do you feel that would definitely hinder that?

**Ms. Amanda Terfloth:** Exactly. And fatigue is huge.

On the issue of scheduling, what our partners have realized is that people who are full-time employed do have more flexibility in terms of their schedule, as well. If you have a lot of people on very short, minimal or zero-hour contracts, they're juggling other jobs. If you have a sudden lapse, you might not be able to call them in. For them, offering secure, good positions has actually mitigated a lot of those risks.

**Miss Monique Taylor:** And when you're sick and you want to stay home from work, how does that make you feel about whether you can afford to stay home or not?

**Ms. Amanda Terfloth:** Most people will just go in. I think it's key that our partners are already offering more paid sick days than what is currently in Bill 148. For them, it's not worth the risk to not offer them. If any employee makes a risk or has an accident, the workers' compensation cost to them is more than an entire year's salary. This is incredibly important. How is that cheap? It's more expensive.

When you look at food and beverage specifically, there are communicable diseases. It takes approximately four days to get over the flu. If you're running to the bathroom, throwing up, running back and making a pie, I don't think most customers would appreciate that. It's not good for the individual and it's not good for the business's reputation.

**Miss Monique Taylor:** Thank you.

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

**Mr. Paul Miller:** Thank you for being here today. It's very encouraging, from a human resource management company, that you have this attitude that workers should be paid properly.

Do you find in your clients that they really encourage loyalty to their company? When you're in precarious situations and you're not making good wages, it must be very difficult when you're splitting your loyalties between two or three employers. It becomes very confusing and very tiring, and obviously it lowers productivity. Would that be a fair statement?

**Ms. Amanda Terfloth:** Exactly. With the partner you spoke to yesterday, who runs the manufacturing, when he

was working with temp agencies and had low wages when he first started, his turnover in one case was 15 people in one year. Following increasing his wages and improving working conditions, that turnover dropped substantially and he only had to replace approximately three workers over five years, as opposed to 15 in one. It's incredibly expensive to get people up to speed.

**Mr. Paul Miller:** In your experience and exposure to businesses, would you feel that the minimum wage will encourage spending? Because a lot of these people would not be spending money on pension plans or savings, they'd been spending it in the economy—

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

**Ms. Amanda Terfloth:** Yes.

**The Vice-Chair (Ms. Ann Hoggarth):** We'll now go to—

*Interjections.*

**The Vice-Chair (Ms. Ann Hoggarth):** Just a second. I remind the committee members that if you wish to have a conversation, please go outside. It's very distracting when presenters are speaking. Thank you.

The government: MPP Martins.

**Mrs. Cristina Martins:** Thank you very much, Amanda, for being here. You seem to be following us around as well, perhaps not physically, but at least watching this online and getting a sense of what people across Ontario are saying with regard to Bill 148.

You probably know there was a study that was released last week that spoke to women and to immigrants—often those who are in these precarious jobs, often those who perhaps are not aware of what their employment rights are because they don't have English as a first language—women who are trying to juggle two or three jobs to put food on the table for their kids, and that they would really be the hugest beneficiaries of us raising minimum wage.

There was another op-ed that came out last Friday that spoke to the fact that when women thrive, their communities thrive, their workplaces thrive and their families thrive, and that oftentimes, they're the breadwinner in their homes. Do you have any comments about that?

**Ms. Amanda Terfloth:** Exactly. What most of our partners have found is that most of their employees are of working age. Many are supporting families. This notion that it's just a teen pulling a couple of hours of work after school is patently false. The rise to \$15 is as likely to impact baby boomers as it is teenagers. I think it's really important to make that clear.

In terms of the people who are working these kinds of jobs, I mean, we've all gone out to the store, and primarily, especially in certain grocery and retail, you're seeing a lot of women of childbearing age who are clearly caring for people at home and trying to juggle that as well. A peer of mine who works with customers has basically worded it that, "People need to actually look at the faces of the people who are serving them," and you very quickly will get a different picture than what you're being fed in this debate.

**Mrs. Cristina Martins:** We talk about minimum wage, but there are so many different things that this bill touches on, and one of them is scheduling.

We were in Niagara Falls yesterday, so for dinner the night before, we went up Clifton Hill to one of the local restaurants, one of the chain restaurants, and I was speaking to the waiter there and just asking him if he knew about this bill. Actually, he was asking us what we were doing in town, so we told him that we were travelling with this bill, and talked about minimum wage and scheduling, and I asked him, "What's the scheduling practice here?" This was Tuesday evening, and he said, "Well, we actually got the schedule today for next week, but it usually comes out Wednesday or Thursday." So you have employers who are putting up a schedule on a Thursday so that the employee knows if they're working on that Sunday and what their schedule is like for the rest of the week.

What this bill proposes is that there is at least two weeks' notice in advance of what the schedule is, or that it is posted. What would that mean for that mom who is trying to juggle daycare and trying to get someone to take care of the baby and figure out who is going to take the child to soccer, if they can even afford to go to soccer? Or for any other area—a working student having to juggle some of their courses—what will the scheduling piece of this bill mean for those people?

**Ms. Amanda Terfloth:** Two weeks' advance scheduling is huge. It used to be a norm. I personally entered the workforce in 2000 at Zellers. I got my schedule two weeks in advance then. I know people in their thirties who—it's Sunday night and they don't know if they're working Monday morning at the coffee shop or the restaurant, and then they have another employer calling them to see about their availability and they cannot give it to them because they're waiting for it on the employer end. Not having advanced scheduling makes it very hard to balance when you are juggling multiple jobs, but even simple things like health care decisions, making a doctor's appointment—and it's not good for the productivity side for the employer. If you're at your shift and you've realized that you have a shift conflict with your next job, how productive are you going to be? How engaged are you going to be? What kind of customer service are you going to offer?

Do we really want people juggling two to three jobs? That's an entirely different question. I mean, when you look at the issue of fatigue, the costs are huge.

**Mrs. Cristina Martins:** I'm just going to correct my record: It's not two weeks' notice in the bill; it's actually 48 hours, which is perhaps still not where we need to be, but it's better than where we are today, perhaps, with that individual you just described only knowing the day before.

You spoke about what type of economy we want and, I guess, what type of society we want. There was a solution from the PC side last week in committee that said that maybe we just need to leave things at status quo, and what we really need to do is actually increase social

assistance, and that was the way we're going to be able to have a fairer Ontario. Is there any comment on that from you?

**Ms. Amanda Terfloth:** I think if we're trying to cultivate an Ontario where you're working and still need to use a food bank, that raises a lot of serious questions about the viability of our future.

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

**Mr. Randy Pettapiece:** Thank you for coming in today. I'm going to read a short statement from one of the businesses that submitted a statement to me and wanted it read into the record. If I could find the thing, and I've got my papers all—here we go. Unfortunately, I have a whole file of similar—

**Ms. Amanda Terfloth:** I have a whole file of supportive employers, so it's great that we're both getting—

**Mr. Randy Pettapiece:** I'm sorry?

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**Ms. Amanda Terfloth:** I have a file of supportive employers, so it's great that we're both getting feedback.

**Mr. Randy Pettapiece:** Just let me read this statement, because we've been talking about this a little bit with the previous presenter. I just want to read the statement. We don't need to argue about it much.

It says, "My company will be retiring 50% of its employees this year, and will not be replacing these positions in Ontario. We will be forced to outsource these jobs outside of Canada, as it is too expensive to employ people in Ontario."

It is that simple, unfortunately. That's the statement—and these will be submitted to the committee, so everybody will have a chance to look at them. That's something that bothers me. This is a company in my riding that submitted this.

The other one I wanted to talk about was non-profit organizations. I don't know if you're aware of Community Living, but they look after developmentally disabled people, as does Participation House. This is quite an interesting statement that they have presented: If these changes are all made or come into effect, it's going to cost them—this is an agency in my riding, in the city of Stratford—about \$650,000 per year to implement these changes. They have no extra income coming in to do that, and they're very worried that what's going to happen is layoffs of people they have employed already. Participation House, which is a very similar agency throughout southwestern Ontario, has the same concerns. Your comments on that?

**Ms. Amanda Terfloth:** Many of our partner employers are non-profit, so I can see where the concern lies, but they're also very big on working on issues internally to create more decent work. I think with non-profits, when so much of the funding comes from government, what the government needs is a healthy tax base of people who are making enough to even pay taxes to begin with. That's what will support non-profits.

On the issue of outsourcing, I find it a rather fascinating argument when most low-wage jobs are in sectors

that are incredibly difficult to outsource. I don't believe we'll be outsourcing brunch by 2019. I don't think I'm going to send away to get a sandwich made, or to get a child care worker or a personal support worker.

The automation debate often comes up a lot, as well. The sectors that are the hardest to automate are often the service sectors, the food preparers, people who deal with other people and people who are caring for other people. The caring positions are incredibly hard to automate.

I think we also really need to look at the kind of future that we want to create in this province. Working poor people using a food bank: How is that good for an independent grocer? How is that good for a restaurant? There's a quote that I love: "Paying restaurant workers enough to eat in restaurants is not bad for the restaurant business." I think we really need to exercise the same imagination for the kind of economy we could create, instead of the "the sky is falling" distractions that we're focusing on today. If inaction was working and if we should wait longer, we wouldn't be in this room today.

**Mr. Randy Pettapiece:** Well, I would submit that it's disturbing to get statements like this, that a company is going to move out. That is already happening now.

But I do get concerned about Community Living and Participation House when they come and say, "We don't have the money to incorporate some of this stuff, to go along with it," and—

**Ms. Amanda Terfloth:** And having a workforce that is able to contribute is important.

**Mr. Randy Pettapiece:** Excuse me. Let me finish here, please.

There has been no extra government support for this, and that's the disturbing part. And yet, they're going to be required, if this legislation passes, to go along with the legislation. That is quite disturbing, because it's going to put a lot of vulnerable people in jeopardy if your staffing levels have to go down to look after these types of people. I don't think that's something that was recognized by the government, and it's certainly something that hasn't been recognized by a lot of people who are—

**Ms. Amanda Terfloth:** And government funding does come from taxpayers—I'm aware of that, as well—which would strengthen the government's ability to properly fund the non-profits to provide decent jobs. I think if you were to take any of those non-profit workers aside, they've heard a lot of stories from workers in their communities—

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

**Ms. Amanda Terfloth:** Thank you.

#### CANADIAN FRANCHISE ASSOCIATION

**The Vice-Chair (Ms. Ann Hoggarth):** I would now call on the Canadian Franchise Association.

Good morning. If you would identify yourself for the record and proceed with your five-minute presentation, please.

**Mr. Ryan Eickmeier:** Good morning. My name is Ryan Eickmeier, and I'm the vice-president of government relations and public policy at the Canadian Franchise Association. I'm pleased to appear here before the Standing Committee on Finance and Economic Affairs today in your study of Bill 148.

CFA is the recognized authority on franchising in Canada. With over 600 members and their 40,000 franchisees, CFA represents a diverse cross-section of franchise systems, as well as companies that provide services to the franchise sector. Franchising is a strong and important contributor to the Ontario economy. Franchise businesses directly and indirectly employ hundreds of thousands of people across the province, in communities of all sizes and in all locations.

When most people think of franchising, they think of large brands. However, franchise businesses vary greatly in size from small local start-ups to mature, well-known multinational brands. In fact, franchises can be found in over 50 different industry sectors and are predominantly made up of small business owners.

The CFA has been actively involved throughout the Changing Workplaces Review, and we agree with the mandate to modernize labour and employment laws to better reflect the changing workplace. We also want to commend the government for what we thought was a robust consultation over the last two years.

However, there are a number of provisions that were put forward in the bill that have caused significant concern to our members, Ontario business owners. In order to understand these impacts, we went about conducting a survey of our membership. In our submission that I've just distributed, you'll see the detailed response, but I'll provide an overview of them today.

Regarding minimum wage, the CFA and its members support a minimum wage policy that is fair, predictable and transparent, accompanied by open communication and consultation with stakeholders. We are not opposed to fair increases to minimum wage, but we want to ensure that increases are reasonable and don't adversely affect businesses. We want to ensure that, in turn, employees aren't hurt as well.

According to our survey results, a 32% increase to \$15 an hour in 18 months will have a dramatically negative impact on our members and their businesses, potentially resulting in hiring freezes, price increases and reduction of employee hours. On top of this, the compounding effect of a minimum wage increase on payroll taxes will further cut into margins. These are not circumstances in which small businesses can thrive.

Perhaps most damaging, 33% of our membership indicate that if a \$15 minimum wage were to go through, they would need to close their business. These, again, are difficult situations for businesses. Another 20% have indicated that they're not sure if they're able to survive under these conditions. To sum up much of the commentary received, to accommodate these proposed changes, many businesses will be forced to pass on increases to the consumer or decrease the amount of staff currently employed.

Given the challenges identified, CFA members were asked what type of government-provided offsets would help them and their franchisees cope with a minimum wage increase. Ultimately, the leading recommendation was to increase the period of implementation. Staggering the increases over additional years would allow businesses to better plan to absorb these costs, and the consensus among our members is that this is simply too much, too soon.

Regarding employment standards, 64% of our members are concerned about the effects of it on their business. There are sectors in the Ontario economy that will experience more of an impact than others. Notably, what was brought forward were the increases in minimum vacation time to three weeks; scheduling rules requiring three hours of wages be paid if a shift is cancelled; and removal of the 50-employee threshold to personal emergency leave. These changes could also result in a reduced head count and fewer hours for employees. I'd be happy to get into more detail about those in our question period.

Regarding unionization, to meet the needs of the evolving workplace, it's essential for Ontario to create policies that support entrepreneurship and small business growth. Our members are deeply concerned with Bill 148's policy that would best serve the interests of large unions. CFA maintains the position that secret ballot voting represents the fairest and most democratic way of labour organizations. In fact, many franchises are already unionized, as we sit here today, under that model.

Bill 148 proposes to make it easier for unions to organize by establishing card-based certification in three additional sectors. This is an area of significant concern for our members.

In conclusion, the majority of our members believe that, collectively, all of these things together—an increase in minimum wage by 32%, changes to make unionization easier, removal of the flexibility of scheduling and the implementation of increased vacation and paid leaves—will hurt the economy. We urge the government to consider our members' best interests before implementing the bill by conducting a non-partisan economic impact study so we really know what the impact on the economy is going to be.

I thank you for the opportunity to present today and I'd be happy to answer any questions.

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

**Mr. Mike Colle:** Thank you very much for the very comprehensive submission. I appreciate the breakdown and the charts. I think they're really worthwhile contributions you're making here today.

Ryan, I just want to make sure: Who do you represent?

**Mr. Ryan Eickmeier:** We represent the franchisors, but by extension, the franchisees are members as well.

**Mr. Mike Colle:** The people in the shops are the franchisees, and you're the franchisor representative, so you represent the corporate Tim Hortons.

**Mr. Ryan Eickmeier:** As well as their franchisees. So it's the entire spectrum.

**Mr. Mike Colle:** Yes, and McDonald's. I know that we traditionally think of franchises in terms of fast food and the giants. What are some of the other major franchisors that you represent?

**Mr. Ryan Eickmeier:** Sure. We're seeing franchising pop up in over 50 different industry sectors. Ones you would recognize on a daily basis would be oil change shops and marketing companies. We're seeing a big shift into home-based health care franchises. Really, in any sector where there's a business model that can be replicated, a franchise is possible there.

**Mr. Mike Colle:** Yes. I know we had some history with this about 10 years ago with Tony Martin, the NDP member from Sault Ste. Marie. We were trying to bring in some legislation to protect the franchisees, and I remember the hearings we had at that time. The franchisees felt very squeezed by the franchisors. They could only buy certain products. They couldn't even buy ketchup on their own. Then they have no control over where their—they might have, let's say, a Tim Hortons franchise, and then down the street, Tim Hortons sells another franchise that's competing with them. They have no say over that. I'm just recalling some of the complaints they had.

But we had a person here, and he was a very legitimate, very positive small business person who came to Kitchener. I remember I asked him, "You're a Tim Hortons franchise owner. How many do you own?" He said, "Nine." I said, "How much does it cost for a franchise?" He said, "Oh, \$1.5 million each."

I see this trend. I'm not picking that out; I'm seeing a different trend here where it's no longer the mom-and-pop person who saves for a lifetime and buys one of these great franchises. Somebody will argue with a McDonald's or whatever it is, but they're good corporate citizens. Tim Hortons is a good corporate citizen by every means, but on the other hand, it's no longer the one-person owner. You're talking about a person who's basically a corporation. If you own nine \$1.5-million operations, you're not a mom-and-pop operator.

The question I have is have the franchisors looked at ways of helping the franchisee with their costs, so they get a break when they buy the product from the franchisor and the mother company, so that they can possibly help and absorb what are going to be potential wage increases? They are legitimate concerns; I'm not underestimating it. Have the franchisors—Pizza Pizza or whatever it is—looked at ways of giving the franchisee a break?

**Mr. Ryan Eickmeier:** Yes, absolutely. That was part of our survey as well. There are ways to go about doing it, but you can only cut so much before each business is losing money.

I just want to clarify that the majority of franchisees are single- or one- or two-location unit-holders. There are certainly the examples of folks who have grown naturally in the model and own nine or 10 units, but most franchisees are folks who operate a single location. There are

ways for the franchisor to help. There aren't ways to offset that 32% increase. It's simply not possible.

**Mr. Mike Colle:** I appreciate some of the recommendations you made of ways that the government might be able to help, and the serious impact it might have because of the cost in increased wages, but are there any specific strategies that the people you're representing have looked at, whereby they could say, "Well, we see this coming"—because as we've heard here today, it's not a surprise. And you guys are, gee, our experts. Since 2006, there has been a serious province-wide campaign to go to \$15 an hour, so it's not coming out of the blue. As MPPs, we've had people at our doors for years saying we've got to—

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

**Mr. Michael Harris:** Thanks, Ryan, for coming today and presenting to the committee.

Just following up on MPP Colle's comment about the province-wide campaign that has existed for some time, you had mentioned that you were a part of the Changing Workplaces Review consultation. I don't know if you want to explain to the committee what that actually consisted of.

**Mr. Ryan Eickmeier:** Sure. On the question of, "Did we see a \$15 minimum wage coming?", certainly folks have been talking about it for a long time. It was exclusively stricken from the Changing Workplaces Review. It was not part of what we were told the review was going to look at. It wasn't until about a month or a month and a half ago that the government came out and said that a \$15 minimum wage was a potential reality, so it did catch us by surprise. It caught businesses by surprise, and the rate at which the minimum wage is proposed to be implemented has certainly caught them by surprise.

Being part of the Changing Workplaces Review, we participated in the consultations. We've met with government. We've met with all parties. We thought that the workplaces review was a robust consultation. We had the ability to bring our thoughts forward. We had the ability to respond to the report from the special advisers and have our concerns taken into account. Really, we have no concerns with how that process unfolded, but the surprise announcement of a minimum wage increase certainly was shocking.

**Mr. Michael Harris:** Just to get this correct, because I think a lot of folks perhaps aren't aware of that process leading up to Bill 148: The special advisers you met with—did you ask at any time to make comment about potential increases to minimum wage at all? Were you asked by the special advisers to comment on potential increases to the minimum wage?

**Mr. Ryan Eickmeier:** No.

**Mr. Michael Harris:** Did the special advisers' initial report encompass any discussion or any feedback from stakeholders on the increase in minimum wage?

**Mr. Ryan Eickmeier:** It did not.

**Mr. Michael Harris:** So I'd ask again, perhaps in the final report, was there any mention, consultation or feed-

back from your sector on a potential increase to the minimum wage?

**Mr. Ryan Eickmeier:** There was not. We had no opportunity to respond to it.

**Mr. Michael Harris:** Why do you think the government then, after going out for two years and not encompassing that portion of its review on the minimum wage—other than, obviously, employment standards and the Labour Relations Act review—did include the increase to the minimum wage?

**Mr. Ryan Eickmeier:** I won't venture to guess why they did it. All I can say is that it certainly has caused a lot of angst among our members. They are hopeful for the opportunity to have their voices heard and to have a reasonable, as I said, independent study of this if it's the will of the government to move to \$15.

Minimum wage increases; it increases across the country. We've seen it in Alberta as well. The reality is that we need to look at this independently. We need to understand the impact on business before we set an arbitrary date and move forward with it.

**Mr. Michael Harris:** Have you asked your members or have your members provided feedback in terms of what they can think of as likely one of the largest input costs to their businesses rising by 20% to 30% in a matter of, really, just months? Have they made comment on, in their experience, any other input costs that have risen that dramatically in that short period of time?

**Mr. Ryan Eickmeier:** No, and they've never seen such a dramatic increase. The reality is, if your payroll costs alone go up by 32%, you're hopeful that your revenue goes up by 32%, simply to offset it. The reality of that happening is quite low for the majority of sectors. People do not spend more on restoration if they get a higher minimum wage. So there are a number of franchise businesses out there that are going to see their costs dramatically increase, and their revenue will not increase alongside of it.

**Mr. Michael Harris:** We talk about the increases to just the minimum wage, but you did allude to some of the additional payroll costs. Can you just kind of add on what those additional payroll costs would be? We hear about just the minimum wage and the scheduling provisions, but what other costs would potentially be added to that?

**Mr. Ryan Eickmeier:** Sure. All of the other costs that an employer would pay on an employee's paycheque, those rise exponentially as minimum wage increases as well. It's 32% by 2019 to start with, and everything else is growing at that same rate as well. It creates a scenario where your costs are going up by much more than 32% and you're hopeful that your revenue follows, but it's unlikely to.

**Mr. Michael Harris:** So CPP increases, obviously, with the payroll increase, EI etc.

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**Mr. Ryan Eickmeier:** Yes, and some of the comments we got from our members were that as those increase and that money goes into government coffers, there is an opportunity, again, if it's the will of the gov-

ernment, to take that money and put it back into the economy to help offset some of the damages that will be caused to business. There is a detailed list of ideas in our submission.

**Mr. Michael Harris:** How long do I have?

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

**Mr. Michael Harris:** I've got nine seconds.

Thanks for coming in today. I hope the government listens to some of your suggestions on what is an important aspect of our Ontario economy.

**Mr. Ryan Eickmeier:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. If you have an additional written submission—

**Mr. Paul Miller:** Whoa, whoa.

**The Vice-Chair (Ms. Ann Hoggarth):** Oh, I'm sorry. Mr. Miller.

**Mr. Paul Miller:** How could you forget?

**The Vice-Chair (Ms. Ann Hoggarth):** I'm sorry. I move now to the third party. MPP Miller.

**Mr. Paul Miller:** I'm feeling left out, Ryan.

Good morning. Thanks for coming in. Thanks for your submission. Ryan, you stated earlier in your comments that you had done a survey of the members of your organization. Is that correct?

**Mr. Ryan Eickmeier:** Correct.

**Mr. Paul Miller:** In those surveys, did you do anything with the employees in reference to affecting the employer—absenteeism, productivity, living conditions, health or the nutrition of those said employees? Did you do any of that?

**Mr. Ryan Eickmeier:** We didn't focus on that, no.

**Mr. Paul Miller:** Okay. So that wasn't handled.

Would it be fair to say that most of your members—I think probably all of them—are socially responsible? Would they value their employees and their health and well-being?

**Mr. Ryan Eickmeier:** Absolutely.

**Mr. Paul Miller:** Thank you. In your studies, did you delve into the success stories in some of the states I've studied for businesses being successful in their ongoing process, even though they've raised the minimum wage to \$15? I know some states have. Their productivity and their gross national product have gone up since that. Why do you feel it would be a negative impact on the businesses in Ontario?

**Mr. Ryan Eickmeier:** Sure. We have looked at the studies that are out there. We have looked at the letter from the 50 economists that just came out recently. We've seen case studies coming out of Seattle; we've seen case studies coming out of New York City and most recently coming out of Missouri, where they've rolled back their minimum wage.

The reality is, you can take each of those studies, whether for or against, with a grain of salt. The economic conditions in Ontario are different than all of these jurisdictions. That's why we're calling for an independent study to look at Ontario. We don't want to try to draw a correlation from a US state, again, for or against, that we

can definitively stand behind. I don't think it's the same economic condition for us to reasonably make decisions on, so that's why the business community—

**Mr. Paul Miller:** I don't believe I would consider some of the studies with a grain of salt, but that's your opinion. I believe you have to look at both sides of the margin to see where it's going. I do believe there should have been more input for your organization to speak to the government about your concerns; I agree with that.

I don't know if part of your study was also the profit margin lines. What, in your humble opinion, would be the suitable profit margin for some of your members: 100%, 150%, 200%? What do you feel that those—I don't see any studies on that.

**Mr. Ryan Eickmeier:** No, and because we have such a broad membership base, it's difficult to actually nail down what profit margins they're working on. We have folks who are surviving on 2% to 3% margins until they're able to grow their business.

We won't set a number that's appropriate because every individual location is different. An operation in your riding is much different than an operation in your colleague's riding.

**Mr. Paul Miller:** I'll ask you one final question and I'll pass it on. Would you feel, representing the franchises, that they are probably traditionally one of the lowest-paying groups of all the employers in our province? Would that be fair?

**Mr. Ryan Eickmeier:** No, I would disagree with that. Many of our members actually pay above \$15 right now. You traditionally associate franchising with quick service in the restaurant industry. We have contracting, we have construction franchises that have been paying above \$15 for years. It's certainly not a case where franchises pay less. They pay based on their ability to be successful as a business.

**Mr. Paul Miller:** Thank you, Ryan.

Do you have a question, Cindy?

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

**The Vice-Chair (Ms. Ann Hoggarth):** MPP Forster, a minute and a half.

**Ms. Cindy Forster:** You mentioned that one of the recommendations from your association would be that the government take the additional revenues that they'll get in employer health tax, EI and CPP and use those perhaps as an offset to franchisees and anyone else. Are there other things that the government could do in terms of decreasing your hydro rates, decreasing business tax and those kinds of things?

**Mr. Ryan Eickmeier:** Yes, absolutely. In the submission, one of the comments was that a member felt that they're getting squeezed on every front. They identified minimum wage, taxes, utilities and red tape as a kind of collective tsunami of cost increases for them. Wherever the government can help reduce the costs for employers, it's going to help alleviate some of the impact of these changes.

**Ms. Cindy Forster:** I heard, actually, this morning, driving in—I don't know; I guess it was on the news on

Talk Radio 640—that Ontario now has the highest hydro rates in North America. So of every jurisdiction, we have the highest hydro rates. We've heard from the Financial Accountability Officer and we've heard from the Auditor General recently that those rates are going to continue to rise at the same time as—

**Mr. Mike Colle:** They're going down 25%.

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

Thank you, again, for your submission. If you have a further written submission, you can get it to the Clerk by 5:30 on Friday, July 21.

**Mr. Ryan Eickmeier:** Great. Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** This committee is recessed until 1:30 this afternoon.

*The committee recessed from 1155 to 1330.*

**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 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.

A reminder: This room is an extension of the Legislature. The same decorum is expected here: no clapping, cheering or heckling, and no political attire or material.

Are there any questions before we begin? Thank you.

#### HAMILTON \$15 AND FAIRNESS COMMITTEE

**The Vice-Chair (Ms. Ann Hoggarth):** I will call the first witness: Hamilton \$15 and Fairness Committee. We've already handed out your submission. If you would identify yourselves for the record, your five minutes will begin immediately.

**Mr. Ritch Whyman:** My name is Richard Whyman.

**Mr. Chris Grawey:** Chris Grawey.

**Mr. Ritch Whyman:** Our committee is the \$15 and Fairness Committee here in Hamilton. We just want to go over a few points.

First, we support the changes and are encouraged by the changes being proposed in Bill 148, for the majority. We feel the bill represents a good step forward, but it has room for improvement.

We ourselves, and many of the Hamiltonian workers and families who have signed our petitions and have been part of our campaign, support the increase to \$15. We don't have much to add to the facts you've already heard.

We do wish to say, however, that contrary to the business lobby and those who have opposed the increase, we do not feel that this is too quick. We feel it is appropriate that minimum wages be raised. In fact, the reason they have to be raised so quickly is as a result of business lobbies, the Conservative party and the previous Liberal leadership, which froze minimum wage for over a decade. All we're really seeing here is the minimum wage getting back to where it should be, based on inflationary costs.

Here's what we feel about the thing. We feel that the exclusions—

**The Vice-Chair (Ms. Ann Hoggarth):** Sir, could you just move a little bit back? There. Good, right there.

**Mr. Ritch Whyman:** Apologies. Sorry, I'm yelling in everybody's ear.

We feel that there are exclusions and discriminatory wage differences that need to be removed or addressed in Bill 148. If we want a just and equal society, then all workers, regardless of their job or status or age, should be treated equally. We feel that the current legislation, as proposed, misses an opportunity to correct the current discriminatory exclusions from both the minimum wage and the Labour Relations Act.

We feel that having separate lower wages for liquor servers is based on the erroneous notion that tips, which are not guaranteed, are steady and regular. Of course, as anyone who has ever worked in the restaurant industry knows, this isn't the case. Further, the abuse of tips by employers has been well documented to the point that the current government had to introduce rules and fines for employers who can't seem to keep their hands out of the tip jar.

The exclusion of agricultural workers from the Labour Relations Act needs to be changed. This exclusion disproportionately affects workers of colour. In Hamilton, 24% of the agricultural workforce is made up of workers who identify as a visible minority. This, of course, does not include the thousands of migrant workers who also are employed in the region.

We understand the province doesn't have jurisdiction over immigration policy, but it has a chance now to end that discriminatory practice of relegating agricultural workers to having to accept worse conditions and less rights than other workers. The same could be said about domestic workers: once again, an area of work done disproportionately by workers of colour.

One cannot talk about creating workplaces that ensure equal pay for equal work and then exclude whole groups of workers from the same rights as others. To not address this and maintain the status quo contributes to the growing inequality in Ontario and reinforces the idea that some workers are second-class citizens.

I'll let Chris take it up from here.

**Mr. Chris Grawey:** A separate minimum wage for students under the age of 18 discriminates against young people and affects poorer families in a disproportionate way. Workers deserve equal pay for equal work. Currently, students under the age of 18 earn \$10.70 an hour compared to the general rate of \$11.40, a 70-cent difference. This hourly wage differential will increase to 85 cents in 2018 and to 90 cents in 2019. That wage differential is a step in the wrong direction. It will amount to hundreds or potentially thousands of dollars a year, depending on the amount of hours the student works. This makes it difficult for low-income families trying to get ahead, as a few hundred dollars, to a low-income person, can make a significant difference in their life.

The argument goes that young people deserve a lower minimum wage because they still live at home. However,

this argument quickly falls apart, as the majority of young people in Ontario begin college or university when they are 18 or 19 and move out of their parents' homes, meaning that their expenses rise exponentially. Most students incur significant debt loads during post-secondary—over \$25,000 on average for graduates in Ontario.

Under these conditions, it's not possible to legitimize the existence of a separate minimum wage for students under the age of 18. The loss of a few hundred dollars a year could potentially leave students and low-income people trying to get ahead with a choice: pay for schooling and bills, or pay for food.

Importantly, the final report from the special advisers recommended that the student minimum wage be eliminated because it is inconsistent with current legislation in other jurisdictions across Canada. Research indicates that of the 13 provincial and territorial jurisdictions in Canada, Ontario is the only one with a student minimum wage. We feel that Bill 148 should abolish a discriminatory student minimum wage. Ontario should have one general minimum wage for all workers, regardless of age or status. Workers deserve equal pay for equal work.

**Mr. Ritch Whyman:** We also feel that the legislation should up the amount of paid sick days to seven. If you look at surveys done in the city of Hamilton and the Toronto-Hamilton area, a survey done of over 8,000 workers found that 57% of workers in the city of Hamilton had what they considered to be insecure jobs: jobs that don't guarantee hours, schedules, regular work or benefits. Of those workers, fully 80% said they do not get paid if they are sick or miss work due to illness. This leaves—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll move the first round of questioning to the official opposition: MPP Harris.

**Mr. Michael Harris:** Thanks, gentlemen, for coming in today. In the first part of your presentation you did talk about, perhaps, some repetition that we've already heard at this committee. I think it's incumbent that I state that I've now been able to participate on this committee for the third day, and even during the breaks, before committee starts and throughout the committee process, there are a lot of folks who have been able to attend committee who have not been able to get in front of the committee and present as an official delegation. They've shown a lot of frustration with the fact that they had submitted on time to appear before the committee and they weren't selected.

In subcommittee, it was agreed that each party was able to pick six presenters. I know the committee has travelled for 10 days, but I think it's incumbent that we get it out to the government that there have been multiple delegations that have appeared multiple times throughout the committee process in one form or another.

Perhaps at second reading the government will allow for a process that allows for more of a diverse perspective in presenting folks—small businesses here, and individuals—in terms of how this bill will actually im-

pact them. They feel they haven't had an opportunity to have their say, to have their voice heard. I just feel it's incumbent that we get that out on the record, that so many of the people in attendance, whether it be here or in Kitchener yesterday or in London—I know my colleague heard from a constituent of his who did everything they could to get into the process, but was not selected. I feel that there could be a better way that this committee could have been structured to actually allow for more of a diverse voice on such an important matter.

I guess, with that, I'll ask my first question of you. As we heard, the review panel did travel the province for maybe up to two years, tasked with the study of the Changing Workplaces Review. Even the panel said that the minimum wage increase was not part of the original scope. In fact, they did not allow for groups to comment particularly on that change, although then, when Bill 148 was tabled, we saw, to our surprise, that the wage increase was included in the bill. Why do you think that was not part of the original review's scope, and yet the government then added it to the bill?

**Mr. Ritch Whyman:** You're a politician from a political party that has run on a platform and then instituted legislation that was completely different to what you ran on, so you understand that things change.

1340

There has been a mass movement that has been continually pushing for this to be included. We know for a fact that business lobbies all the time for things to be enacted that were not put to the voters, where there were not consultations. So I apologize if your political view feels that you were left out of this process, but I will tell you this: There are dozens of individual working people who applied to appear at these hearings to talk about their individual situations, and they were not chosen to speak.

Franchise associations, councils of businesses, your chambers of commerce: They have all presented at these. They had ample opportunity in the first run to present to government. If they did not do so, then shame on them for not understanding that the people of Ontario are sick and tired of their priorities being put below those of business.

We're starting to say it's time for us to get a share of the prosperity that you keep telling us we're living in. I apologize if political circumstances have changed, but you're a politician. You know that things change, and that means legislation changes. If it didn't go through the process you want, you're the ones who have the power to change that, not me.

**Mr. Michael Harris:** No, I concur with that. The review panel was tasked with commissioning a report, and from that report, legislation would then be put together. That review didn't encompass these necessary consultations on the specific change, and that was the discrepancy, I suppose.

Gentlemen, thank you for your time. I appreciate it.

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

**Ms. Cindy Forster:** Thank you, Chris and Ritch, for being here today. If you want to take a couple of my

minutes and finish your presentation, go ahead and do that.

**Mr. Ritch Whyman:** Oh, sure. Thank you very much.

Some of the other points we wanted to talk about with Bill 148 were the inclusion of the two paid sick days. We think this is a wonderful start. It begins to address a serious problem for working people in this province. But we feel it needs to be amended to be up to seven days so that workers—and as I was mentioning, 57% of workers in Hamilton feel they have insecure jobs, where they don't have access to pensions, benefits or paid sick time. If you think about the choices people have to make, particularly single-parent families, or two-parent families that are working different shifts, trying to deal with a sick child or a personal emergency becomes a choice between going to work and paying your rent and putting food on the table, or taking care of your sick child. All of these things are incredibly important. If we want to have a healthy, vibrant, good society, it means that it's incumbent upon employers to provide seven paid sick days.

Finally, we feel that there is a need to beef up the enforcement mechanism of the Employment Standards Act. The proposed addition of staff is more than welcome—we think it's much-needed in this area—but there still remain lots of weaknesses. The weakness of enforcing fines and awards: We have all read in the paper repeatedly, time and time again, that employers are found to have violated the act and then walk away from paying anything. I can tell you this: If a worker is caught stealing a loaf of bread from a grocery store, they face the full effect of the law, usually by their employer.

We would like to see theft being treated as theft. If an employer steals your wages, they should be charged with theft and treated accordingly. If they refuse to pay, then there should be forfeiture of assets and the same sorts of penalties that any other working person in this province faces when they get caught doing something like this.

We also feel that the complaints-based system of bringing forward complaints needs to be changed. We're very happy that there are more blitzes, but we think some of those blitzes should be done in coordination with workers' organizations—not explicitly unions, but workers' organizations in those industries—to help guide ministry investigators to where to really look for the dirt in particular industries. And there is a lot of dirt still in this province, even if we get the changes that are included in this.

Thank you.

**Ms. Cindy Forster:** Thanks very much. I want to just zone in on the student issue and the tuition issue. We've been hearing from the government for the last eight days that the combination of free tuition, along with the increases in minimum wage, are going to go a long way to actually help families.

But what I've heard from students in my riding at college and at Brock University—I'll give you one example, a young woman who's going into her fourth year at Brock University. She doesn't live at home. She hasn't lived at home since she was 16 years old. They used her

parents' combined income and her income, and now she may well be over the \$50,000. She's not getting any free tuition, and the impact of that free tuition now has actually increased her costs going into her fourth year, because her ODSP tax credits are now only \$6,000 instead of \$9,000. Can you comment on that piece for students?

**Mr. Chris Grawey:** Sure. Thanks, Cindy. As I pointed out, the student debt load in Ontario is over \$25,000 on average right now. There was a report released last year that more and more students are having to make a decision on paying for rent and books, or paying for food. There's increasing evidence that students are only eating one or two meals a day, and then there's also evidence that more and more students are having to rely on food banks. That's obviously a significant problem and one of the reasons why we feel that the two-tier wage system really is discriminatory against young people, because they do need that money.

**Ms. Cindy Forster:** Right. So although free tuition is a good thing and it's getting, perhaps, more lower-income students into the mix, the government may need to change that formula to look at the fact that lots of students are not living with their parents. Why should their parents' income form part of their revenue for OSAP?

Does anyone else want to ask a question here?

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

**Miss Monique Taylor:** I just want to say thank you for the work that you have done pushing us to this point, but knowing, quite frankly, that we wouldn't be here talking about \$15 an hour if the government didn't feel that they were at risk in the next election. I mean, we've seen it. We know that the government had just created a plan with small business, that they were going to have a minimum wage and tie it to inflation, and now, when they see themselves in trouble, they have given the people of the province the \$15—

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

**Mr. Mike Colle:** I just want to respond to the extraordinary, unbelievable comment made by the Conservatives, saying, basically, that these people who just presented don't have a right to speak. Basically, that's what you—

**Mr. Michael Harris:** No, no, no. Clearly that's not what I just said.

**Mr. Mike Colle:** Wait a minute—okay.

**The Vice-Chair (Ms. Ann Hoggarth):** Come to order, please.

**Mr. Mike Colle:** He obviously doesn't like what he's hearing.

He has said that the presenters haven't been diverse enough. That was the word he used: "diverse" enough. Well, I'm sorry; there are people who disagree with our position, and we've heard them: The chambers from Kitchener-Waterloo, the chambers from Ontario, the manufacturers' association. They all come and speak their minds. We don't say, "Well, you're not diverse enough."

I'm sorry, but there are people here who have the right to present because, as the system has been going on, each party selects members from people who apply, and they have the right to speak. We may not like what they say, but to say, "Well, they're not representative," or "They're not diverse enough" is an insult to this committee and to these people who come and present in good faith, whether we like what they say or whether we don't like what they say.

We've heard a lot of people who don't like this bill at all, day after day. I can list them. But we haven't said, "Well, you're not diverse enough." All I can say is that this organization here represents the \$15 and Fairness campaign, which represents 1.6 million Ontario people who work for low wages, and you—

*Interruption.*

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

**Mr. Mike Colle:** By saying they're not diverse, you're saying they have no right to come and speak on behalf of the 1.6 million people who probably would be here today, but they can't get off work because they would be losing that buck or two. Or if their employer found out they were here, who knows what might happen? At least they're here to speak on their behalf.

I hope you would withdraw that comment that you made because it's an affront to this committee and to the people who come here to present and will present in the future. I want to put that on the record.

If I could get back, the constant refrain we've heard from many people who oppose this change is, "Where did this come from? This has just come out of the blue. We never heard about this \$15 an hour." Can you give us a bit of the history and the work you've done with the \$15 and Fairness campaign?

**Mr. Ritch Whyman:** There are many campaigns across the province. They started from different points, from different people, but it has been going on now for years, a campaign to push the minimum wage up coupled with increased changes to labour legislation, the Employment Standards Act in particular, to create fairer workplaces, to address what's going on in modern workplaces and things like that.

This has been a long time coming. I don't think you can turn on the TV for more than two days and not see something somewhere in the world, whether it's here in Canada in Quebec, in BC, in Alberta or in the United States in Seattle, New York state—all over the place. In the United States, workers are going on strike to demand \$15 minimum wages.

**1350**

This is a global movement, here. It's not just people in Ontario; it's not just people in Canada or Quebec; it's people across the world saying, "It's about time somebody took our priorities into consideration, because we're tired of the consideration and the priorities always being determined by business." Every single time we ask for increases to the basic standards in our society, going back to 1966—I'm looking at an email a friend sent me of repetitive quotes saying, "If this happens, we're going to

go bankrupt. If this happens, there will be no restaurants. If this happens, the sky is going to fall.”

Well, I'll tell you this: The sky has been falling on working class people in this province for decades now, facing frozen minimum wages and struggling to get ahead. You walk down the streets of the city and you'll see the effect that 10 years of frozen minimum wages had. All we're saying, not just here in Ontario but around the world, is that working class people have had enough. We deserve to have our priorities, our ideals and our lives respected. That's what we're asking for, nothing more than that. I think that's a pretty simple demand, that the majority of people in this province have their livelihoods respected. To me, it's a simple thing.

**Mr. Mike Colle:** Thank you.

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

**Mr. Ritch Whyman:** Thank you.

**Mr. Chris Grawey:** Thank you.

#### CANADIAN MANUFACTURERS AND EXPORTERS ONTARIO

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to call on the Canadian Manufacturers and Exporters of Ontario. If you would state your name for the official record, please, and you may begin your five-minute presentation.

**Mr. Ian Howcroft:** Thank you very much. My name is Ian Howcroft, and I'm senior vice-president with Canadian Manufacturers and Exporters. With me is Paul Clipsham, our director of programs and engagement.

On behalf of CME, we're pleased to present to the standing committee on Bill 148. CME supports the intent of the government's actions to create more opportunity and security for Ontario workers; however, we are very concerned that the unknown cumulative impact and cost of Bill 148 will impose significant and negative unintended consequences on Ontario manufacturers in the short and long term. We're very concerned about the competitive impacts that it's going to have.

I'd like to highlight or point out that manufacturing is the largest and most important sector that we have in the Ontario economy. It directly accounts for about 12% of GDP. Last year, it had over \$300 billion of output. It counts for 80% of our exports. In achieving this, manufacturers in Ontario employ about 750,000 workers directly, and there are another 1.5 million workers whose jobs are indirectly dependent on manufacturing.

Consequently, we are calling on the committee to make specific changes to the bill to mitigate the impact of Bill 148 on good-quality manufacturing jobs in Ontario. We are also urging the government to work with CME to create stronger, more competitive business environments that will allow manufacturing investment and jobs to grow in the sector. We want to ensure that we're all taking advantage of what manufacturing is providing to the economy.

We directly represent about 2,500 leading companies, with over 85% of them being SMEs in Ontario, and they are going to feel huge impacts because of Bill 148. Despite the size and importance of the sector in Ontario, we are facing increased and intense global competitions and a high degree of economic uncertainty. Member companies are already grappling with the high volume of regulatory changes, including new environmental regulations, the cost of cap-and-trade, the highest electricity prices in Canada and generally in North America, and now the cost increases and the uncertainty with regard to Bill 148.

So those are the high-level ones. I'll turn it to my colleague, Paul, who will go over some of the specifics.

**Mr. Paul Clipsham:** Thanks, Ian. Thank you. While more detailed information is appended, our top concerns in this regard are as follows.

Minimum wage and other increased costs: CME and its members support high-skill and good-paying jobs in the province and want to see more jobs at higher wages. Manufacturers already compensate their employees well above average wages; however, the ability to pay those salaries is wholly dependent on company profitability and cannot be raised as rapidly as proposed without consequences. A sudden escalation without corresponding growth in corporate revenues and profit could have significant unintended consequences, including loss of employment, loss of paid hours and a decrease in hiring under-represented groups in the workforce such as women and youth who typically start careers at those positions.

The same concerns apply to other new mandatory costs that will likely flow from the bill, including additional vacation entitlements, paid emergency leave and equal work for equal pay. All of these are well-intentioned; however, they amount to potential new costs that will have a cascading effect throughout the Ontario supply chain.

If wage and other increases are going to move ahead as proposed, manufacturers will need immediate and corresponding relief and support to offset the increased costs, including tax reductions and support for hiring, training and retaining employees.

Secondly, the elimination of flexibility in labour relations: Many manufacturers in Ontario are tied into highly competitive and integrated global supply chains. This is why manufacturing accounts for over 80% of exports, as they send parts, technologies and services to customers around the world, particularly to the US. In order to maintain that competitive position, companies must maintain a maximum degree of labour flexibility while maintaining the rights and needs of employees, which, for the most part, it currently enjoys.

Several of the proposed rules would undermine this delicate balance and strip companies of current flexibilities. This includes changes to shift scheduling, shift timing, work location, expanded leaves, public holidays, SME thresholds and temporary work pay schedules, to name a few. As currently written, the sector will be

impacted by the proposed changes, which will ultimately remove the necessary flexibility from operations. We recommend that manufacturers be given a full exemption from these sections dealing with labour relations and to maintain the existing regulatory framework.

Finally, the recognition of workplace rights of all parties: As currently drafted, we believe that the bill will significantly reduce an individual's right to freedom of association by introducing a greater risk of undue influence. Specifically, we're concerned about the ability of unions to access—

**The Acting Chair (Mrs. Cristina Martins):** Thank you very much. Your time is up.

We will begin the questioning now with the third party. Mr. Miller, please.

**Mr. Paul Miller:** Good afternoon, gentlemen. I've got a couple of questions. Does your family of companies that you represent feel an obligation to their employees in reference to livable wages, health, nutrition and morale, as such? Can you answer that one?

**Mr. Paul Clipsham:** Absolutely. For the most part, as I said, manufacturers pay well above average wage. In fact, only about 4% of manufacturing employment is at the minimum wage. We're really concerned about the cumulative impact of the cost of doing business in Ontario and what impact all of these changes will have on that very fine balance that—

**Mr. Paul Miller:** In your studies and your inquiries, did you do any impact studies on any of the companies' employees, your opposition to a \$15 minimum wage and their reaction to it?

**Mr. Paul Clipsham:** What we looked at was the data associated with what happens in manufacturing in terms of overall employment numbers when you raise the minimum wage. Unfortunately, the overall employment numbers go down in manufacturing when you raise the minimum wage, and if you do it at a dramatic rate such as this—we're very concerned this is uncharted territory. We're worried about not just the minimum wage; that's sort of the lightning rod. But it's all of this, in addition to the other points that Ian talked about: electricity, taxation, competitiveness.

**Mr. Ian Howcroft:** I just wanted to add to that—

**Mr. Paul Miller:** I'd like to ask another question quickly.

In reference to companies in the United States, we've studied states that have raised the minimum wage to \$15 an hour. Their GDP has gone up. Small businesses have benefited in many cities because people have more disposable income in their hands. A lot of these people at that rate, at \$15 an hour, are not buying RSPs; they're not buying mutuals. They're spending their money in their local communities. We've seen nothing but a positive effect. Have you done any studies to see some of these places in the States that have gone through this transition?

**Mr. Ian Howcroft:** I'll start on that one, Paul. We haven't done any studies recently on the minimum wage. We have been involved in this current review for the last

two years. The minimum wage wasn't in the terms of reference, so because of that, we were focusing on the terms of reference that the panel took to us to comment on.

We've done some work over the years on the minimum wage. We've reviewed that. We've seen studies that support what you've said, but we've seen studies that also have shown contra indicators to what you're saying. That's what we have been saying. We need to see some economic analysis done on this before major changes are made that are going to significantly impact the business community and, in our case, the manufacturing sector.

**Mr. Paul Miller:** Obviously, the bottom line is very important to companies for survival. Could you explain to me why some of the larger manufacturers in our country use temp agencies and pay people half or less than the person working beside them? A lot of your companies do that. Do you think that's beneficial to the overall morale of the company and to the productivity of the employees?

**1400**

**Mr. Ian Howcroft:** I think a lot of companies use temporary agencies because of the uncertainty of the marketplace. With increased needs for production, they can take advantage of temporary agencies for a temporary surge in sales. But it doesn't have to maintain the continuation if that number is not maintainable. There are ups and downs and cycles in the economy. The temporary agencies are used to best deal with that.

I think adding more regulatory burdens and more cost to employment is a disincentive to hiring more and more workers.

**Mr. Paul Miller:** I think we're quite surprised that everyone keeps coming forward from the business areas and manufacturing saying this is a shock and a surprise. Minimum wage has been going on for years in this province—to increase it to a livable wage. Even at \$15 an hour, would it be safe to say—and if it goes longer and gets implemented in 2019—that it will not even come up to the poverty level? It will be less. So the longer we wait, the farther they fall behind. Would you agree with that?

**Mr. Ian Howcroft:** What I would say is that manufacturers pay, for the most part, far above the minimum wage. What we're worried about is the full impact. As you take \$15—what about those working at \$18 or \$19? That's going to have an impact on those wages. Many of these are entry-level jobs. It gives people the opportunity to get into the workforce, to get into manufacturing, and move up to higher-paid jobs.

**Mr. Paul Miller:** I'm quite surprised with your statement about better-than-average wages because we certainly have a lot of strikes going on in this country. People may not share that opinion. Thank you.

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

**Mr. Mike Colle:** Thank you both for your very complete review of the act, and your comments and suggestions. I appreciate the work that went into this because I

know it's not an easy task to undertake given the complexity. It is valued by all members of the committee, I'm sure.

Probably a lot of the members of the public would say, generally, people who work in manufacturing, as you've stated, get paid pretty well compared to people who work, let's say, in the hospitality industry, in food and beverage and so forth. So I guess the question is: Why so much concern about the minimum wage and changes to the labour laws, especially when the labour laws haven't been updated in 25 years? Are you saying there is no need for an update? I know you made some good, salient reasons why you don't want certain things to go through, but could you just comment on those two things, about why manufacturers would be concerned about the minimum wage increase when you do pay good wages, generally speaking? And the second thing is about the changes in the labour law.

**Mr. Ian Howcroft:** Sure. I'll start. Throughout the workplace review, we were told on many occasions that manufacturers aren't the target here: "You shouldn't be worried about this." They're going after the sectors that you just described, Mr. Colle. What we're worried about are those unintended consequences: that we get caught up in laws that aren't intended for manufacturers because we're already meeting or exceeding most of those requirements in those areas that you're talking about. But now you're going to add more cost and more regulatory burdens for those who are already doing more. It's the complexity we see before us here.

The labour relations issues: We're very concerned about them ourselves and for the workers. If the government is giving out private information to a union that has 20% of the people signing the cards, there is great concern about that. That's why we are here, voicing our concerns about these particular changes that came forward in Bill 148.

**Mr. Paul Clipsham:** I would just add, if I may: I would encourage you to go through the specifics—we obviously don't have a lot of time—of things like mandatory scheduling requirements. For the most part, manufacturing is very predictable, very regular work, the type of work that you want to encourage. Again, it's well paid and everything.

But given the nature of operational realities, you also need to have that flexibility to ramp up quickly, to add a shift on a Saturday. What's important, though, is everybody knows the rules of the game. Employees are okay with it because they get time and a half or whatever. Conversely, if there is a part shortage or an issue somewhere and they have to cancel a Saturday shift, they get that Saturday back. Again, for the most part, it's very regular, but that operational flexibility is really critical. We're a bit concerned about these new scheduling requirements, for example, that are going to impede that type of operational flexibility. There are a number of examples in the appendix there which we hope will be addressed through this committee.

**Mr. Mike Colle:** Yes, and that's one of the reasons why we're having these committee hearings, so we get

this input back and forth. There are things that can be brought forward and can be looked at. That's what this is all about, so we do appreciate that.

It's very helpful, because there are different realities. We had a strawberry farmer in here yesterday talking about the impact there—seasonal workers and such. There are obviously particular variances in every industry, and that's why it's important for you guys to come forward today on behalf of all the manufacturers.

Generally speaking, you have a pretty good reputation in Ontario as providing good-paying, steady jobs, as opposed to, as you mentioned, the area of home care workers and people who work cleaning buildings, who generally work from place to place. That's one of the reasons why we've also advocated for card-based certification, to make it easier to unionize, because it's hard to unionize people when they don't work in the same place from day to day. That's why we looked at that. It was one of the considerations we had, because there is a difference in certain sectors in the ability for people to perhaps form a union.

But again, I just think that you've presented some good specific impacts that we'll look at more carefully. As you know, this is the first round of hearings on this—

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

**Mr. Michael Harris:** Thank you, gentlemen, for being here today. Of course, as alluded to, many manufacturers right across this province tend to pay their employees much more than what we're talking about here, the minimum wage. I wonder if you can tell the committee, from your perspective—we've seen a lot of unfortunate job losses. We heard this week about Siemens, west of here. Coming from Kitchener-Waterloo, we've shed a lot of good manufacturing jobs.

In the last 10 years, how many actual manufacturing jobs have we lost in the province of Ontario?

**Mr. Ian Howcroft:** I'd say about 300,000 since 2002, where we maxed out, I think, in the province.

**Mr. Michael Harris:** And a lot of those would be picking up and moving south to Mexico or the United States?

**Mr. Ian Howcroft:** I think there's a variety of reasons for it. Some of that is true. Part of it was productivity improvements. During the 1990s, manufacturing in Ontario increased its employment dramatically. That's how we were increasing productivity, by hiring more and more people. Other economies, such as Germany and the United States, were investing in technology and capital investments and increasing productivity that way.

In 2002, we saw the trend change. Fewer people were being hired and more people were being let go in manufacturing. Then we had the recession, which was devastating. We saw what happened there. It was a combination, a confluence of factors that impacted that.

**Mr. Michael Harris:** Many of your members would have operations in Ontario, other provinces, of course the United States, and even Mexico. What are two or three of the main factors that they look at when looking to make a

new investment in a jurisdiction? What are some of the top three factors that they look for to make a decision, ultimately, in terms of where they would build a manufacturing or processing facility?

**Mr. Ian Howcroft:** It gets down to where the cost/benefit is going to be most advantageous for the company. The electricity price is a key one right now. Regulatory burdens and other costs are crucial. We also hear about getting the skills and competencies you need to operate your facility.

**Mr. Michael Harris:** I've heard from some folks that the unpredictability of all the different rules and regulations—you know, the government will say that the laws haven't been updated in 25 years, but most would say that the laws we have on the books, in fact, haven't been enforced, many of them for 25 years plus. So let's just enforce the ones we have on the books.

But you ended your presentation with card-based certification. I'm wondering if you can explain to us—I know that this provision wasn't extended to your sector, but it could very well be. I'm wondering if you can make further comments, particularly on this Labour Relations Act change.

**Mr. Ian Howcroft:** We oppose card-based certification. Our priority, our position, is that it should be up to the workers, and the only way and the best way is to support the democratic principle of a secret-ballot vote. In our view, that is the only answer that is reasonable and makes sense when you want to get the true wishes of an individual.

**Mr. Michael Harris:** You also list here access to employee lists, which is a unique provision. I don't know if it's actually in any other jurisdiction within Canada, at least; perhaps I'm mistaken. But in your notes you talk about the fact that this is a clear violation of an individual's right to privacy. I wonder if you could speak more to this?

**Mr. Paul Clipsham:** In Ontario we have something called PIPEDA, which protects privacy and information and data, and then we have legislation that says that if a union can demonstrate that they have 20% support of workers, the employer is required to hand over personal contact information for the other 80%, as well as that 20%. To me, that is a red flag for privacy concerns right off the bat.

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**Mr. Michael Harris:** Should employees have to consent to their information being made public like that?

**Mr. Paul Clipsham:** That could be something that could mitigate what would otherwise be a violation of privacy.

**Mr. Michael Harris:** I'm not sure, gentlemen, if there was anything else you wanted to add that you didn't already get to.

**Mr. Ian Howcroft:** I guess we just want to emphasize the importance of manufacturing. As the sector that was not the target here, we have asked for some setoffs, for some exemptions to allow manufacturing to continue to grow. We've seen quite a bit of growth in manufacturing

over the last five or six years. It helps to generate growth in other sectors. We should be doing all we can to preserve that, to create more opportunities, not to limit those. I think the best way to do that is to support a strong manufacturing sector here in Ontario.

As we say, good things grow in Ontario. We want to celebrate and embrace good things made in Ontario. Anything we can do to make it easier for manufacturers to continue to grow, to hire more people to support our standard of living and quality of life would be good. We hope the committee will take that into account when it's analyzing changes that we think need to be made.

**Mr. Michael Harris:** I'm noticing that manufacturing is just-in-time in a lot of the cases. That scheduling provision: Would there be instances where manufacturers would have to add shifts that potentially employees could say no to that would disrupt the manufacturing process and perhaps even down the supply chain?

**Mr. Paul Clipsham:** Yes, I think that's part of the concern, that you need to be able to respond to your customers.

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

*Interruption.*

**The Vice-Chair (Ms. Ann Hoggarth):** I have already stated that there is to be no clapping.

#### CONGRESS OF UNION RETIREES OF CANADA

**The Vice-Chair (Ms. Ann Hoggarth):** The next presenters: the Hamilton, Burlington, Oakville chapter, Congress of Union Retirees of Canada. Good afternoon.

**Mr. Malcolm Buchanan:** Good afternoon.

**The Vice-Chair (Ms. Ann Hoggarth):** Your submission is being handed out by the Clerk. If you would please state your names for the official record and your five minutes will begin.

**Mr. Malcolm Buchanan:** Thank you. My name is Malcolm Buchanan. I'm the president of the Hamilton chapter of the Congress of Union Retirees. My colleague Doug Macpherson is our national vice-president of the Congress of Union Retirees.

First of all, thank you for the opportunity to make a presentation before the committee. We really appreciate that.

I want to make it very clear that our members will not benefit from anything that's going to come out of this legislation. We're here because we're concerned about our children and our grandchildren and the future generation of workers. That's why we're here.

HBO CURC represents the interests of over 6,000 retirees and their families in the greater Hamilton area. Many CURC members have been directly involved in labour negotiations and union organizing for many years and are painfully aware of the many deficiencies in the current Labour Relations Act and Employment Standards

Act. HBO CURC has long advocated for wide-ranging reforms to Ontario's antiquated labour and employment standards laws, as well as supporting a \$15 minimum wage.

HBO CURC supports in principle the package of reforms included in Bill 148: a \$15 general minimum wage within 18 months, equal pay for part-time, casual, temporary and contract workers, fairer scheduling and the modest improvements to vacation and leaves. But much more has to be done.

As stated, HBO CURC supports these recommendations in principle, but let's start with card-based certification. Bill 148 would extend card-based certification to three sectors: temporary help agencies, building services, and home care and community services. It is not clear what justification there is for limiting card-based certification to these sectors if the goal is to support employee choice to engage in collective bargaining, especially for vulnerable workers in precarious employment, including employees in part-time, contract and contingent jobs in the retail and service sectors and in smaller workplaces.

HBO CURC recommends that Bill 148 be amended to ensure that workers in every workplace should have the right to choose to form a union. A card-based system for the selection of a union ensures effective freedom of association, and helps minimize employer coercion and unfair labour practices.

Successor rights: Bill 148 only provides a limited set of provisions for successor rights. Services provided by third parties are periodically retendered in order to defeat collective bargaining. Under these circumstances, collective bargaining rights are not always carried through.

The Changing Workplaces Review identified the building services industry—security, food services and cleaning—and government-funded home care services as two sectors particularly vulnerable to this practice. CURC recommends that successor rights be extended to these sectors similar to how the Labour Relations Act sale-of-business provisions operate.

Vacations and leave entitlements: CURC recommends that workers in precarious employment, part-time and contract work should have access to paid sick and personal emergency days. Precarious workers must be granted a reasonable number of paid days to cover illnesses and personal emergencies. In fact, the proposals in Bill 148 fall far short of improving precarious workers' working conditions.

HBO-CURC is pleased that Bill 148 recommends emergency leave for employees experiencing domestic and sexual violence. However, the proposed legislation does not go far enough. We would recommend that victims of domestic and sexual violence be granted additional paid leave days, additional reasonable unpaid leave days and flexible work arrangements.

In addition, CURC also believes that the legislation must improve "just cause" clause provisions for all workers. That is an omission of the legislation and should be corrected.

Replacement workers: Bill 148 does not address a major injustice that has plagued the collective bargaining process for decades, the use of replacement workers by employers. Employers use this to either win major concessions or to bust a union during a protracted strike or lockout. The use of replacement workers during a strike or a lockout should be prohibited.

The present situation at the Max Aicher North America, or MANA, company in Hamilton illustrates vividly the injustice of the use of replacement workers—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. We will go to the government to begin this round of questioning. MPP Dong.

**Mr. Han Dong:** Please continue. Finish your sentence. I think you still have a little bit left there, right?

**Mr. Malcolm Buchanan:** Thank you very much.

The following is a report by the United Steelworkers local here in Hamilton, Local 1005:

"MANA was given a \$9-million loan from the Ontario government to help operate and purchase the bar mill from US Steel Canada. The bar mill ran on and off until September 2011 when they decided to cut back on production. The company reduced the hours of work and laid off workers repeatedly. The union never withdrew their labour and never had a strike vote and continued to work under the terms of a 2006 agreement. That wasn't good enough for MANA in 2013, but it was good enough in 2007 and when they purchased the bar mill in 2010. When the workers refused to accept their severe concessions they locked us out, again just prior for most workers being eligible for severance; cut off our benefits; directed supervisors to do the bargaining unit work and brought in replacement workers and brought in an injunction against the union to limit the number of picketers. Signed a collective agreement with another union [not recognized by the CLC/OFL] while locking us out at the end of June 2013. MANA is operating the plant with supervisors and scabs. MANA wound up the union's pension plan at the end of January 2015."

This is a chronic injustice. If we want a level playing field in negotiations and the collective bargaining process, there must be a balance between the rights of the workers and the employer to make sure that this type of abuse does not happen. Having no replacement worker legislation in the legislation allows the workers to be exploited by management. It's reprehensible and should be changed.

**Mr. Han Dong:** Thank you. It's Mr. Buchanan and Mr. Macpherson? Thank you very much for coming to the committee and giving us your presentation.

**1420**

You mentioned the vacation and the sick days in this bill. Again, in my riding—I don't know if you were here earlier—there are a lot of people working in precarious employment. To them, these are key, because they have no control over what might happen. One might get sick and then bring the sickness to the workplace. It's not healthy for the business. Could you elaborate on that?

**Mr. Doug Macpherson:** Yes. Clearly those who are not covered by a collective agreement in the province

suffer greatly from the inability to take time off when they're sick. Generally it would be unpaid, or a very small amount of time would be paid for. As you indicated, they feel obligated to continue to work, and they bring that sickness into the workplace and spread the illness, unjustly I guess, amongst their fellow employees. Allowing or permitting in this new legislation some addition to time off with pay and some time off without pay helps those workers who find themselves in this situation.

I would say, though, that the best solution—and this is demonstrated historically across North America and indeed across the world—is for non-unionized workers to get a union and have a collective agreement. If you go back, in the 1950s, 1960s and 1970s, in the province of Ontario particularly, we built and established a middle class. It wasn't the capitalist society that did that; it was the strength of unions.

We've seen the steady decline in the middle class since the mid-1970s and the mid-1980s, coincident with a decline in unions. Quite frankly, I believe that the best way to level the playing field and to bring more people into the middle class—as Prime Minister Trudeau keeps saying, those who are struggling to join the middle class—is to bring in card check and allow a level playing field for trade unions.

**Mr. Han Dong:** Well said.

You didn't get a chance to comment on the \$15 minimum wage—

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

**Mr. Toby Barrett:** Thank you for coming forward on behalf of the Congress of Union Retirees of Canada. As you mentioned, members in your group really don't benefit from any of these changes in the legislation.

We're told by so many employers, large and small, that as this goes through—they make mention of minimum wage, of course—many will be downsizing, many will close or fail, in spite of any efforts. We just heard in testimony that we've witnessed the loss of 300,000 manufacturing jobs. A lot of those would be steelworker jobs. I know the steelworkers organize and move into other areas now beyond steel.

But there is this other group of people, like retirees, who will not benefit from this legislation: the people who are working age, but they're not working. They can't get a job. I think of people on the Ontario Works program. I certainly think of people on the disability program, the ODSP. Many people—maybe not in the steel industry or in manufacturing, but so many of these people are able to pick up the part-time work, temporary work, sometimes referred to as precarious work. It gives them that sense of self-worth. In many cases, they're not doing it for the money.

Maybe from your perspective, to look back at the younger working-aged people who may not get that opportunity to get the kind of work that perhaps some of us have had in our career—any comments on that?

**Mr. Malcolm Buchanan:** If I may, a couple of points: These international trade deals that we get involved in, such as NAFTA and others, have caused the—

**Mr. Toby Barrett:** Sorry, NAFTA?

**Mr. Malcolm Buchanan:** NAFTA, yes, and some of these other international trade deals. What happens is that you have companies moving out of Canada. A witness mentioned that. They move down into the United States, into the right-to-work states, or into Mexico. Their labour rights are completely abysmal. Some of them can't join a union and they don't get well-paying jobs. You just have to look at the salaries the Canadian workers get in comparison to right-to-work people, and also in Mexico. That's why they move: because they cut costs. That's one reason.

When I started working as an educator, there were plenty of jobs available. Things were booming. There was no such thing as part-time work virtually. There were no Walmarts for that type of part-time work. It's a movement because of all these international trade deals and all these other factors that have created precarious work.

When you look at new technologies that start up, who are they employing? They're employing younger people, not with a contract. They're small companies, yes, albeit, but they're not being represented by anybody. They're all precarious work. They're working on a day-by-day or a week-by-week or a month-by-month contract and that's it. It's outrageous.

**Mr. Doug Macpherson:** If I may?

**Mr. Toby Barrett:** Yes, go ahead, if you wish, and I've got one other question.

**Mr. Doug Macpherson:** If I may just add to that, Malcolm has spoken about the free trade agreements and NAFTA and CETA and all the others that our federal government seems inclined to support. But they have resulted in huge losses. The manufacturer talked about the loss in the manufacturing sector. I would suggest that it was much higher: between 500,000 and 600,000 jobs were lost not the 300,000 that they suggested.

I would also suggest that any society that builds its success—and we have successes in Canada. We have the 1% who are very, very successful. We have the top 10% of our society who are doing very, very well. And then there are some of us in the middle class, which is shrinking, and an ever-increasing number of people who are being disenfranchised by our society. Any society that builds prosperity on a low-wage model I believe is doomed to failure. We can see that happening with people feeling that they are disenfranchised from society and they do not have the opportunity to participate—

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

**Miss Monique Taylor:** Thank you, Malcolm and Doug, for being here today and for the work that you do on behalf of retirees on a daily basis. I also wanted to ask you: In your years of service, once upon a time, we saw many jobs available to young people. We saw families being able to get a good start in life by getting a good job, and now we've seen wages frozen for years from the Conservatives, from the Liberals. What is the difference that you see now in today's generation compared to years

back when families would be able to get a good start in life from having a decent job? How do you see the difference in time?

**Mr. Malcolm Buchanan:** I'll start off, if I may. How many of you around the table have your children still living in your basement? I think that's a good measure because—

**Mr. Mike Colle:** I'll have to check when I go home tonight, when we get back.

**Mr. Malcolm Buchanan:** That's right. It's a reality, isn't it? They can't afford to buy a home because they're not earning the income. They don't have a stable job; they can't get a mortgage. These are some of the factors that are going on.

But I want to point out—and Doug has already pointed this out—that with the jobs being made available to many young people, you hear the manufacturers talking about and promoting the idea of a two-wage scale. New employees are coming in at a rate lower than the established workers.

They think this is a good thing. They're getting out of their pension commitments. People aren't putting the money in because they can't afford it. But you've also got companies cutting back on benefit programs, including pension plans. People are going to some type of RRSPs, if they can afford to buy them, which are expensive to do anyway. These are the types of problems that are right there for the young folks and it's pretty dismal.

1430

**Mr. Doug Macpherson:** I believe that the fundamental change that is happening in our economy is that we are in a serious position of transition and we are moving away from full-time employment to ever-increasing part-time and precarious employment. All of the statistics—in fact, Stats Canada just released the job figures for last month. I believe 74,000 jobs were created; fully three quarters of them were part-time or precarious employment.

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

**Mr. Paul Miller:** Hi, gentlemen. How are you doing today, Malcolm? You mentioned in your presentation that you had concerns about a particular company called MANA. Do you feel that the government—any government of any day, federal or provincial—should take into consideration the background information on the companies and their relations with the communities they're already in before they come here, and the relationship they've had with their employees, and that there should be built-in safeguards about time, production, how long they are staying here, and before you lend them \$9 million, like the provincial government did, and then they basically left town and left a skeleton crew—how do you feel about that?

**Mr. Malcolm Buchanan:** I think we are quite outraged. MANA is not the only one. Crown Holdings was another outfit, the can maker—same thing. You look at Caterpillar. They got \$5 million. And the companies move on. Yes, due diligence is not being carried out.

**Mr. Paul Miller:** Unfortunate. You also touched on, I believe, replacement workers, which has always been a problem in Ontario. In the 1990s we thought we had eliminated that, but the Conservative government brought it back. Anti-scab legislation would play a huge role in ending the duration of strikes and putting people back to work at decent-paying jobs. Do you agree?

**Mr. Malcolm Buchanan:** Yes.

**Mr. Paul Miller:** That was easy. Do you feel that the workers would be positively impacted by getting rid of temp agencies and the morale in the business would be much better if people were making equal wages?

**Mr. Malcolm Buchanan:** Yes.

**Mr. Paul Miller:** Thank you.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much for your presentation. Just a reminder of the deadline for a written submission, which needs to be to the Clerk by 5:30 on Friday, July 21.

**Mr. Doug Macpherson:** Thank you.

**Mr. Malcolm Buchanan:** Thank you very much.

## RESTAURANTS CANADA

**The Vice-Chair (Ms. Ann Hoggarth):** I call on Restaurants Canada. Good afternoon, sir. If you would identify yourself for the official record, your five minutes will begin.

**Mr. James Rilett:** All right. Thanks. My name is James Rilett. I'm vice-president, central Canada, with Restaurants Canada. Restaurants Canada represents foodservice operators across Ontario and Canada. This industry is the fourth-largest private sector employer in Ontario. It employs 472,000 Ontarians who serve 7.5 million customers every day. We are the number one first-job provider in the province. We open the door to young people, to new Canadians and to those facing barriers in employment.

I have provided a submission, but I would like to start with a couple of questions.

How many of you have ever had to confirm that there is enough money in your account to pay your employees? How many of you have had to borrow money to pay your employees?

These are questions that restaurant and foodservice businesses are asking themselves. Bill 148 will have a profound effect on our industry. That's not rhetoric; that's not hysteria; it's a fact.

It is unfortunate that some have chosen to characterize this as predicting doom and gloom. Those comments are illustrative of the rhetoric that has surrounded this issue. The fact is that our industry is a people industry. It's not the name on the sign; it's the people behind the doors. Owners and operators are representative of the face of the country.

Much has been made of the fact that the industry employs lots of new Canadians, women and minorities. This is true, but it is only half the story. These groups also make up a large percentage of the owners and operators in the industry: people who came to this country

with no money and a dream, who are now employers, people who started out as dishwashers and now own companies. They are a valuable part of your community.

This is a noble profession. Restaurants are proud of the role they play in society. They are equally proud that they can give people new to the job market the opportunity to get that much-needed experience and training. And now 98% of restaurant operators surveyed are concerned about the negative impacts of this bill.

While it is easy to brush aside these concerns as doom and gloom, I would like to put it in perspective for you. If you were told that your mortgage payments were going up 20% and then 30% over the next year, what would your response be? Would you be focusing on all of your expenses? Would you be afraid of losing your home and life savings? That is the frustration you have heard from foodservice operators. They have said that we are willing to increase wages, but we need time to restructure our business. Even economists who are supportive of the government's plan talk about increased employee productivity and innovation. These terms are economist-speak for "fewer employees," which is exactly what our operators are saying.

In this year's budget, the government stated, "Our priority is all about jobs, created by thriving businesses." Somewhere between then and now, has the government forgotten that commitment? We are just asking the government for time and recognition that there will be significant negative impacts.

The facts are clear. The average profit margin in our industry is 3.4%. Additional costs due to Bill 148 will increase expenses by 5% to 7%. Restaurants cannot stay in business by losing money. The foodservice industry is very labour intensive. Approximately 30% of costs are labour. In a mere six months, our industry must prepare for \$1.3 billion in cost increases. A year later, this will go up to \$1.8 billion.

In the restaurant industry, 65% of minimum wage earners are youth who are looking to gain job experience, work skills and extra income, and it provides valuable work experience that will serve them well in the future. I'm sure many of you learned these lessons in restaurants. These opportunities will be put at risk.

This is what we recommend:

- implement a reasonable time frame for future increases;

- depoliticize this issue by putting in place a proper study of the minimum wage's effects, including any positive or negative effects; and

- ensure wage incentives, such as differentials, recognize the benefit of youth employment and the fact that some employees receive a significant tip income.

The bottom line is that we need the government to truly consider the effect of this legislation. Thank you for your time.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The first round of questioning will go to the official opposition. MPP Barrett.

**Mr. Toby Barrett:** My colleague has several questions; I just wanted to kick it off.

I represent an area highly dependent on tourism, the seasonal hospitality industry and the restaurant trade, just in warm weather, primarily. I received an email from one restaurant owner. I know the facility quite well. He was explaining to me that the way they see it, in the environment down our way, that the minimum wage jobs are not meant to fully support a family. It's to bolster household income, start youth on the right track to gainful employment or supplement retirement income, perhaps. He's in a position now where he will be discontinuing his support and training of young people for a brighter future. So we're losing that stepping stone. I just wanted to make that point. I wanted to comment briefly.

I know my—

**Mr. James Rilett:** Yes, that's a common comment in our industry. That's what we saw in Seattle as well. People weren't hiring the people who needed the jobs most, the people who are in entry jobs. What they're doing is hiring people at the higher wages and saying, "We only want experienced people. Only experienced people need apply." So that's what we're seeing in other jurisdictions, including New York.

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

**Mr. Michael Harris:** Thank you, James, for coming and presenting today. Were you a part of the workplace review submission? Did you speak with the workplace review committee?

**Mr. James Rilett:** We did. We provided submissions both initially and as a response to the interim.

**Mr. Michael Harris:** At any time, was there a discussion or an opportunity to submit feedback with regard to the proposed minimum wage increase?

**Mr. James Rilett:** No. In fact, we actually tried to talk about it on occasion, because we knew that a lot of the other side was doing that. We were told specifically that we couldn't talk about it—not just by the CWR panel, but also by politicians. We tried to talk to the minister about it. We tried to talk to other cabinet ministers about it. We were told that it wasn't on the table. As late as March, the Premier was commenting that it wasn't on the table. So we saw no reason to consider that it was being considered.

1440

**Mr. Michael Harris:** You know, I remember reading on the CBC the Premier's comments about the fact that we need to depoliticize minimum wage increases. We had a predictable path for wage increases, which, frankly, all three parties have supported in the past, as of recently. That was until Bill 148 was tabled, which I think surprised a lot of folks, perhaps even including her own minister. Can you tell me why you think she said one thing in January about this, and then now in the tabling of the bill? Why the sudden change of heart?

**Mr. James Rilett:** I don't think it's any secret. It's a political decision. They looked at the polls. They decided that they needed to do something to move voters. The only thing that changed between when she said they're not considering it and when they announced it was the fact that they were down in the polls. I hate to be that

crude and I hate to put it that way, but most of the people you talk to who are in the political arena will admit that that was the reason behind it.

**Mr. Michael Harris:** We'll see if it works, I guess, next June.

**Mr. James Rilett:** Yes.

**Mr. Michael Harris:** Tell me: I know that we've had an opportunity to speak to different restaurant owners right across the province who have significant concerns. I spoke to one who said, "The folks who will be working in our restaurant will in fact be earning more than the owners themselves when this comes to fruition." Any recommendations specifically for the committee on the rollout or implementation of this large input cost? I believe you do have some specific recommendations. I don't know if you want to share that with the committee at this time.

**Mr. James Rilett:** Well, we'll work with the government on mitigation. We do think the best thing they could do is to extend the time frame. I know a lot of people have said that that's not possible, but every other jurisdiction has had a much longer time frame. Every other jurisdiction has recognized the need to restructure businesses. That, more than anything else—extending that timeline to five or six years like other jurisdictions have done—is paramount.

**Mr. Michael Harris:** What was the response of the government after the bill was tabled to your sector on why the increase to the minimum wage was put in? I'm sure you've had conversations with the minister and ministry officials. Have they given any reason why it was included after the fact to you publicly?

**Mr. James Rilett:** No, they just said the same things that you're hearing before the committee.

**Mr. Michael Harris:** Has the government committed to your sector, industry or association with regard to any potential incentives or help in the form of any measure that would help mitigate this?

**Mr. James Rilett:** Minister Leal has reached out to us—

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

**Miss Monique Taylor:** Thank you, James, for being with us today. I was a server once upon a time. In my time when I was in the industry, no smoking came into effect. Restaurateurs at that time thought, "The doors are closing. We're never going to survive." And yet, we see businesses thriving today.

Yes, it will take time to get there, and there are going to be some humps and hurdles to get over, but quite frankly, people who are working in the industry can't afford to spend money in the industry at the same time. If they can't have a living wage or a minimum wage that takes them somewhat out of poverty—and this is still going to leave them in poverty, by the time it's enacted; people will still be below the poverty line. By putting more money into people's pockets, it's actually going to be putting more money into your businesses, into the industry, because they're going to have that little bit

more to spend. Many people can't afford to take their families to restaurants with a lot of kids right now. Hopefully they'll have a little bit more.

I see you looking at me like, "Oh, yes they can."

**Mr. James Rilett:** Oh, no, I'm waiting for a question is all.

**Miss Monique Taylor:** But I just want to be on record saying that I understand the industry quite well, and that the sky was falling years ago when the government at the time said there was going to be no smoking, but they survived. They survived, they overcame, and they found different ways of doing things.

Do you have a thought on what the government could do to offset those costs for you? Is it tax incentives? What is it that the government can do to help industries, to help small business make sure that they keep their doors open through these changes?

**Mr. James Rilett:** Well, we're just getting into that now. As I was saying, Minister Leal has reached out and Minister Duguid has reached out, so we recognize that the government is trying to work with us, and we applaud that.

But to your point about the smoking, two things were done on that. One, it was phased in, and secondly, it was done the same way across the province. The government did realize—what restaurateurs were afraid of at the time was that people would say, "I can't smoke here in this community so I'll just go to the next community." That was the concern at the time. I don't think anybody—

**Miss Monique Taylor:** The sky was falling.

**Mr. James Rilett:** Well, that type of rhetoric I don't think helps the conversation. People are saying, "We're concerned." Simply saying, "the sky is falling," belittles the fact that people are worried. They're worried about a business that they spent their life creating. They're worried that the money that they've put in through their entire life is being put at risk. I don't think you should belittle that thought—and I apologize; "belittle" is probably too strong. But by your saying, "the sky is falling," you're saying, "You don't have anything to worry about." They do have something to worry about. They worry about their livelihood.

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

**Mr. Paul Miller:** A quick question: If I owned a small variety store, for example, and that would probably be some of the people you represent—well, whatever, whoever. If I owned a small variety store and they were concerned about going out of business or losing business and having to lay people off and all that, if I had a thousand items in that variety store and I were to raise it five cents on each item, which is not a lot of money—people don't even notice those types of raises; in fact, you don't even get change back with nickels anymore—that's \$5,000 a month. The entire cost of two employees at an addition of \$2 or \$3 might be \$250 a week on a 40-hour week. Let's say they spend \$2,000 in wages for that month with an increase of \$2 on those two employees, and they've still got an \$8,000 cushion.

I'm finding it a little hard to believe that that's going to put them under. How do you answer that?

**Mr. James Rilett:** I don't represent the convenience store industry, so I can't answer that. But what I'm saying is, currently, restaurants will have to either raise their prices by 5% to 7% or cut hours to meet approximately 3,000 hours a year for the average restaurant. That comes out of the system.

People in the industry are very price-sensitive. I think you all see the headlines. Whenever a cup of coffee goes up a nickel, it makes front-page headlines.

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

**Mr. Mike Colle:** Hi, Jamie. Just quickly—and then I'm going to pass it over to the member from Trinity–Spadina, who has the most restaurants of any member in the province here, so I'm going to ask him in a minute.

I appreciate it, really. This is something that is very helpful. It really is a good graphic and it's not too wordy, so thanks for the presentation.

We have heard the seriousness of this over the last number of days. There have been a lot of very passionate people who have come forward and explained the impact of these changes. I don't think any member here underestimates them. I come to the defence of my colleague from Hamilton Mountain. She doesn't either, because the sky-is-falling rhetoric has not come from us; it has come from the presenters who said they're going to shut their doors, that they're going to fire people. I just want to say it's not coming from us, because we're hearing it—not from everybody, but I'm just saying there's enough of that.

The member from Hamilton Mountain raised a good point. I remember the dire predictions when smoking was going to end in bars. They were dire. I sat through the meetings. I couldn't believe the predictions. Lo and behold, I'm now back in bars eating and drinking. I couldn't go anymore because of the smoke, and now I bring my grandkids to a bar. I never would have thought of that.

Anyway, I just want to say we've survived the no smoking, and I think we flourished.

One question I had: What percentage of restaurants open and close? We hear everybody wants to open up a restaurant. They all think it's easy. Ex-hockey players open up a restaurant, whatever. What percentage open and close?

**Mr. James Rilett:** Stats Canada has trouble tracking those because it would require going through business licences for municipalities, so we've never gotten a really good number. It is a fairly common statement that it has the highest turnover of any industry. I don't see any reason not to believe that, but I don't have an actual number on business closures.

1450

**Mr. Mike Colle:** Okay. I'll pass it over to our member from Trinity–Spadina.

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

**Mr. Han Dong:** Thank you, MPP Colle. Yes, Jamie, I remember they said we worked together.

I echo what MPP Colle said. If you look back to the history, in 2003 we had SARS. The hospitality industry

was hit hard. We continued to invest. All three levels of government invested in culture and tourism—perhaps not so much from the federal government after 2006—and they came back. In 2008, we had a recession. It was a big hit on the restaurants. In my riding, in Liberty Village, Queen West, the entertainment district—you name it—they all felt it. But we made a decision as a government—and at the time, the Conservatives went against it; you remember that—to invest in infrastructure to make sure that jobs are protected in Ontario. I think it's the same spirit here.

The restaurants, most of them, in my riding at least, are considered small businesses. They represent a quarter of businesses that are paying below \$15 an hour, so I want to make sure that you feel that we're not targeting the small businesses.

With that, I want to ask you two things. One is: Are you supportive of a livable wage? We look at \$15 by 2019. Secondly, any recommendations to this committee, to the government, on what we can do to off-set some of these costs? Any innovative suggestions on that front?

**Mr. James Rilett:** Again, we will discuss that with Minister Leal and Minister Duguid. We look forward to working on that. I don't have any offhand. We've put it out to our members to give us suggestions to bring forward. You did mention some areas. I don't think you intentionally compared this to SARS, but I get your point.

Business does recover, but you do see a lot of change. All we're saying is you have to understand that people aren't claiming the worst. They are worried for their business. In the instances you cite, there were closures. There was the time that they had to adjust. If you're okay with seeing the local coffee shop that's been open for 40 years closing, then that's fine. But that's what you will see. There have to be people who will close.

**Mr. Han Dong:** Well, my point was that—

**Mr. James Rilett:** Sorry, to your point, it isn't—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The deadline to send in a further written submission to the Clerk of the committee is 5:30 on Friday, July 21. Thank you, sir.

HEALTHCARE,  
OFFICE AND PROFESSIONAL  
EMPLOYEES' UNION, LOCAL 2220

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to call on Healthcare, Office and Professional Employees' Union, Local 2220. Do you have a submission?

**Mr. Mark Lewis:** Yes.

**The Vice-Chair (Ms. Ann Hoggarth):** If you could identify yourselves for the official record, and then your five minutes will begin.

**Mr. Mark Lewis:** My name is Mark Lewis. I'm general counsel for the Carpenters' District Council of Ontario, speaking here today for one of our locals, Healthcare, Office and Professional Employees' Union, Local 2220. We call it HOPE. With me today is the

president of HOPE, Paula Randazzo; the financial secretary, Tara Marenchin; one of my colleagues, Danna Morrison, counsel for the carpenters' council; and our research assistant, Grace Pinkerton.

You've heard from me before when I was speaking for the carpenters, broadly. Today, we're here for one of our locals, HOPE. It's a broader health care sector local. It represents employees across the province in long-term care, in retirement homes and providing home care. It is differently situated from every other local of the carpenters, and that's why they get to be here giving their own one.

HOPE is broadly in favour of this bill. It improves—

**The Vice-Chair (Ms. Ann Hoggarth):** Could you just sit back a bit from the mike, please? Thank you.

**Mr. Mark Lewis:** I apologize.

It improves the conditions of our members in three ways. It improves them directly, in terms of some of the benefits which they will gain through this bill, such as the extended leave and the two days of paid leave. It improves our ability to organize the unorganized in terms of, say, the card check system and improves our ability to get collective agreements. It also, by increasing the statutory minimums, helps reduce the financial competition that our unionized employers face from non-union similarly situated companies.

We particularly like card check for home care workers. That's a very, very difficult sector to organize. They are dispersed. They have traditionally not been involved in collective bargaining. We like that, and we like the sale-of-business provisions which allow for the possibility of us trying to extend the gains that we can make from bargaining. We like the mediation-arbitration and the greater access to first-contract arbitration. Obviously, as a union, we appreciate the constitutionally protected right to strike, but we realize that model doesn't work in certain areas. Home care providers cannot effectively strike and shouldn't effectively be striking. In those areas, for example, we really like that provision.

I'm cognizant of my time because of how badly I did last time I spoke to you.

There are lots of positives, I would say, but we have one word of warning, and this goes for all the MPPs, not just the government: Looking after the elderly, the groups that built this province and made it a wonderful place to live, and looking after people who need medical care in their homes are not optional. Those should be burdens that everyone in our society bears. We, as a province, collectively bear that financial burden. That burden should not be borne primarily by the women who work in that sector having to work so hard.

I know what hard work is. I represent construction workers, but I'm telling you that women in HOPE—primarily women—work every bit as hard, if not harder, than construction workers. They are injured just as often, if not more often, as their backs go and their knees go. We should make sure that whatever improvements are given in this bill and elsewhere don't constitute a false dawn or false hope for workers with increased labour

costs leading to pressures, particularly from our for-profit providers then decreasing the staffing levels, expecting the workers to do more for less, which causes an ongoing downward cycle.

While we welcome this, we would also caution everyone, please, please, please look at things like staffing levels in these industries. Look at the amount of work that people are expected to do. Monitor strictly the sometimes very, very severe pressures that are being put on employees to come back to work even when they're sick because of the financial constraints that the employers have.

But on a positive note, we welcome the bill. We think it will do good things for our industry and the workers that we represent. We look forward to its passage.

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

**Ms. Cindy Forster:** Thank you for being here again, Mark. We saw you last week, right?

**Mr. Mark Lewis:** You did, yes.

**Ms. Cindy Forster:** And everyone else: Paula, Nikki, Tara and Grace.

I understand that you're supporting Bill 148, but in fact there are some deficiencies in the bill. While card check is important for certainly community health care personal support workers and other workers, there are also many other segments of the workforce in this province that face precarious work who aren't included in this bill. Would you like to speak to that?

**Mr. Mark Lewis:** I guess I got cut off last time. We're a union. We welcome card check. It's the best system. We firmly believe that. That said, when the workers are centred in a workplace, we can organize them. We work hard. Paula and Tara—they'll tell you. We get out there. We leaflet. We do this stuff, and we win votes in those settings.

**1500**

Yes, we'd love it all, but our focus here is those workers who are dispersed and, for us, for HOPE, those are the home care providers, because they don't come to one central location. You don't know who they are. In this day and age, they get their instructions over email or by phone. How do you even try to get them to organize and keep them together until the time of the vote?

So, yes, we'd love card check for everyone, but we're really happy that those workers get it because they really need it.

**Ms. Cindy Forster:** Okay, thanks. You're right: Personal support workers in this province, although they've had some wage increases over the past couple of years—I got to experience home care, over the last year and a half, in my own home and got to learn a lot about that occupation. Many of them, whether they're working for the for-profit sector or the not-for-profit sector, generally are not getting travel time, they're generally not getting benefits, they're not getting a pension and they're not getting mileage. They're working split shifts, and those split shifts, most of the time, are 6 to 9 in the morning and then they're coming out again at 6 to 9 in the evening.

What happens for people actually needing home care in this province is that it ends up being a rotating door for the seniors or the clients who perhaps are discharged from hospital and who actually need to have some consistency as well in their care. It would be great to see more full-time jobs in this sector. I'm not the expert on how that can be accomplished, but I'm glad that you're out here advocating for this sector.

Can you tell me what the turnover rate is, from your perspective?

**Ms. Paula Randazzo:** I can't speak directly to the turnover rate in the industry you're speaking of. We just recently organized a bargaining unit at Bayshore in Brantford.

But I can tell you, to speak to what you were speaking to just before that question, we have employees who are scheduled to be with one resident for home care until 10 a.m. and another resident at—

**The Vice-Chair (Ms. Ann Hoggarth):** Excuse me. Could you identify yourself for the record?

**Ms. Paula Randazzo:** Oh, I'm sorry. Paula Randazzo, president of HOPE, Local 2220.

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

**Ms. Paula Randazzo:** You're welcome. No problem.

Anyway, as an example, an employee has a client until 10 a.m., and then she has to start another client at 10 a.m., and that other client is in another location. There is absolutely no way that the care for one or the other client is going to be appropriately done and/or billed for, because they can't possibly stay until 10 and be somewhere at 10.

The travel: We have horrendous stories about travel accidents in the winter—rushing to go from one facility to another. We have many, many, many examples of people having a shift at 6 a.m., then having to go nowhere for three hours and then having another shift and not getting travel time between jurisdictions. So those parts of this bill are extremely welcome.

Where I think this bill doesn't go far enough, and it hasn't been addressed, are the PSWs, the RPNs and the RNs who are working in the for-profit long-term-care industry, because although we appreciate—

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

**Mrs. Cristina Martins:** Hi, Mark. Nice seeing you again, and nice meeting you, ladies. Thank you for being here today and for presenting on this particular sector.

It's mostly women who work in this sector and who oftentimes are the ones running around from one shift to the next and from one job to the next. They probably work as a home care provider but then have something else on the side to make ends meet.

I just wanted your thoughts on it and maybe perhaps—it's Paula and Tara, is that right? Perhaps you can speak to what it would mean, a \$15 minimum wage, for many of these women who are running around from one job to the next and trying to make ends meet.

**Ms. Paula Randazzo:** Just to be clear, the vast majority of our members are unionized in long-term care

and their wages are probably not going to be affected directly by the \$15 minimum wage. Although, we do have some in retirement who will definitely be affected.

But really what the bigger problem is, and where this bill actually does help out, is the fact that the health care industry, which is largely women, is moving every day more and more to 100% part-time employees who don't have benefits, who don't have sick time. At least some of the provisions in this bill—and, of course, the pharma bill coming out—will make a big difference for the vast majority of employees in long-term care, because at least now, part-time employees will have two paid sick days and possible benefits for their children.

But that is where the bill falls down. There is no client ratio. Grade schools and prisons have a ratio of provider to client. In for-profit long-term care, you can have a hundred residents to look after and there's no ratio. There's no time frame; there's no nothing. So you see a lot of accidents, a lot of injuries, and you have many, many women and families without benefits, pensions and sick days because they're all part time.

That still needs to be addressed, but at least some of these avenues—as I said, I'm very appreciative, but they don't go far enough, because they're not addressing the majority of workers in those sectors.

**Mrs. Cristina Martins:** I guess this bill is a bill in the right direction—

**Ms. Paula Randazzo:** Exactly.

**Mrs. Cristina Martins:**—heading down the path in terms of going in the right direction.

You mentioned more and more people having to work part-time jobs. As the population ages and we're wanting to perhaps be at home more—I know that I have parents who say, "You're not going to put me in an old-age home. You're going to have to take care of me"—but not so much like that. I represent a riding where that's the mentality for a lot of people. The senior wants to be home, so we're going to need to have more of that home care.

This notion of creating more part-time jobs—we've heard along the way that because we're now proposing the same pay for a part-time or a full-time job, would you say that we would then have more full-time jobs being created as a result of this as well? Would that, then, perhaps address some of the issues you're raising here now?

**Ms. Paula Randazzo:** I'm not sure about the wages, but the fact that there's going to be pharmacare, sick days and those kinds of things that are going to equal out—because I know there are employers who just don't hire full-time because they don't want to pay benefits and sick time. Having those extra things added in is definitely the right direction.

I'm hoping that this will encourage employers to hire full-time in this sector versus part-time, because that will also deal with the lack of staff. The reason they're working short is because everybody has two or three jobs; if I call you to work, you're already working somewhere else. Now my co-worker is working short, which ends up in poor care and injuries.

**Mrs. Cristina Martins:** One of the things that this bill also proposes—we're talking a lot about minimum wage, but there's a whole slew of things that are in this bill—is the fact that the government plans to hire 170 more on-the-ground inspectors. Can you tell us, perhaps, what you think this means for the protection of workers—you spoke about some of the accidents that can happen—and how this would prevent some of the accidents? Do you support this measure?

**Ms. Paula Randazzo:** Of course I support the measure of more inspectors. I think that will speak more to resident care than it will to workers' safety. When we deal with this issue in the workplace currently, the Ministry of Labour tells us that we have to go to the Ministry of Health and Long-Term Care to deal with issues of staffing. Although we appreciate what the Ministry of Labour is doing here, we need to look at, for instance, the WSIB forcing injured workers back to work: Now I'm working with an injured worker, so I'm tired and they're tired.

I think that more work needs to be done on that side of workers in the health care sector. In the home care sector, I think that this is all positive, and it's 100% better. As of the day when this comes in, things will be better for our workers and the residents.

**Mr. Mark Lewis:** I would just add—

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

**Mr. Michael Harris:** It's official opposition. That's okay.

Thanks, folks. Mark, you were mentioning that this would be your second time. What other committee date were you at?

**Mr. Mark Lewis:** I was in Windsor in the last round, on Friday.

**Mr. Michael Harris:** Oh, Windsor, okay. I didn't get to Windsor.

I've got a question for you, Paula. In your brief on page 11, you talk about the new section 6.1, the order to provide lists of employees. We recently had another deputant, the manufacturers and exporters, raise a concern about the privacy of employees. Do you believe that employees may feel that accessing personal information could be a violation of their privacy?

**Ms. Paula Randazzo:** I think that issue happens right now when we are organizing anyway. Typically, though, when an employee doesn't want to hear from someone, they just say, "Don't call me again," and we don't. I think the benefits of being able to reach out to people who otherwise can't be reached far outweigh the negatives of a minority of individuals who might be concerned about that.

1510

**Mr. Michael Harris:** You don't think that employees may have concerns about their personal information being provided without their consent?

**Ms. Paula Randazzo:** Well, I'm going to say that in this world today, most of our organizing is done on Twitter, Facebook, Snapchat and every other kind of

social media. My experience has been that on the privacy issue, at least in our sector, there is no privacy. Everything is out there. Most of our organizing, seriously, is done by putting the name of an employer into Facebook, and 800 people come up saying, "I work at the Woodhaven." So I don't see it as an issue, no.

**Mr. Michael Harris:** All right, thank you. That's all I have.

**Mr. Randy Pettapiece:** I have one.

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

**Mr. Randy Pettapiece:** Just one quick question, Mr. Lewis: You say you were in Windsor presenting to this panel?

**Mr. Mark Lewis:** Yes, I was, on Friday.

**Mr. Randy Pettapiece:** Who with? What organization?

**Mr. Mark Lewis:** I presented for the Carpenters' District Council of Ontario. That presentation concerned the issues of all of the other carpenters' locals that generally represent construction workers. Their interests were very different and the way they're affected by this bill is very different from this one local of the Carpenters that deals with health care workers.

**Mr. Randy Pettapiece:** Thank you.

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

**Mr. Mark Lewis:** Thank you.

**Ms. Paula Randazzo:** Thanks.

#### ONTARIO CONVENIENCE STORES ASSOCIATION

**The Vice-Chair (Ms. Ann Hoggarth):** I call upon the Ontario Convenience Stores Association. Good afternoon, sir.

**Mr. Ramesh Saffri:** Good afternoon.

**The Vice-Chair (Ms. Ann Hoggarth):** If you could just identify yourself for the official record and your five minutes will begin.

**Mr. Ramesh Saffri:** My name is Ramesh Saffri. I'm from Hasty Market Corp., which has over 200 family-run operations or stores in Ontario. I am speaking on behalf of CEO Dave Bryans of the Ontario Convenience Stores Association.

The OCSA represents major retail outlets like 7-Eleven and Mac's, and also regional and independent stores such as Rabba Fine Foods and Hasty Market. Thank you very much for the opportunity to discuss our association's perspective on the government of Ontario's proposed legislative amendments to the Employment Standards Act and the Labour Relations Act.

OCSA represents the economic interests of over 7,000 convenience stores in Ontario. Our membership is made up of retailers who collectively employ over 80,000 employees in the province. Many of our employees are younger people looking to support their academic goals.

We are a proud and important part of Ontario's economic fabric.

OCSA and members supported the government's previous inflation-tied approach to the minimum wage rate increases. That model ensured fair and predictable minimum wage increases for workers across Ontario and gave employers the ability to adjust to those changes.

However, we have a few concerns with the proposed labour changes, including the proposed minimum wage increase to \$15 an hour in just an 18-month period. The speed of these changes will result in unintended consequences for the Ontario retail sector, likely causing harm to those the government is seeking to help: Ontarians like the students, retirees, seasonal and part-time workers who are employed by our stores.

The OCSA recently surveyed our members to better understand their concerns and the actions they expected they would have to take if the changes are introduced. We learned that 83% of our retailers expect that the rapid minimum wage increase will require employee reduction in the next 12 months. They'll have to lay off people. Some members forecast as many as 250 layoffs in the next year. Some 80% of retailers will be hiring fewer students, totaling thousands fewer student employment opportunities, and also retirees looking to supplement their pension incomes through part-time work for the rising costs of living.

Some 93% expect they will have to increase consumer prices on products, including fresh and prepared foods. Ultimately, the resulting higher cost for consumers will become a hidden tax on necessities in Ontario communities.

All our retailers forecast increased yearly costs in their businesses. If you run a business, it will be costing more. These figures range from \$10,000 to \$50,000 for these small retailers, to as much as \$18.6 million per year for one of our larger members.

For our 4,000 small and independent family-run stores, these costs will mean that many might not be able to survive, especially in rural Ontario. That difficulty was echoed by our members broadly, with 82% of our retailers pessimistic or strongly pessimistic about the business outlook in Ontario in our most recent survey.

The changes, which had little or no consultation, have blindsided our sector and do not allow for business adjustment over time. These increased costs for Ontario's businesses are coming too fast to be managed—

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

**Mr. Han Dong:** Mr. Bryans?

**Mr. Ramesh Saffri:** No, Mr. Saffri.

**Mr. Han Dong:** Oh, sorry.

**Mr. Ramesh Saffri:** Ramesh Saffri.

**Mr. Han Dong:** Mr. Saffri, thank you for coming to the committee and sharing your thoughts with us. In my riding, whenever gentrification is taking place, I see the convenience stores—it feels like they're one of the first ones to be pushed out because of rising costs, and it's perhaps more profitable to operate bars. What happens is,

to meet these demands, big box stores come in. To me, the big box stores are by far the biggest threat to convenience stores, corner stores. Do you agree with that?

**Mr. Ramesh Saffri:** No.

**Mr. Han Dong:** You think big box stores have no effect on community stores?

**Mr. Ramesh Saffri:** There are two different customers for both channels. The customer goes to a convenience store for convenience, not to big box stores.

**Mr. Han Dong:** Thank you. What I'm saying is that if there is a Dollarama, if there is a Walmart opening up next door—it has no effect on the convenience store?

**Mr. Ramesh Saffri:** When the consumer needs convenience store items, consumers will go to the convenience store, because that's where we are selling convenience, and there's a premium for it.

**Mr. Han Dong:** Okay. That's fine. I disagree, but that's fine. I respect your opinion on this.

Would you agree that raising the minimum wage to \$14 next January and \$15 in 2019 will give extra disposable income to households, which they can spend locally, and some of that income will be spent at convenience stores? Would you agree with that?

**Mr. Ramesh Saffri:** The way I look at it is that, yes, the wage increase will give more disposable income. But at the same time, to recover that cost for the businesses, they'll be increasing the prices. Where is the balance in there? That's the whole problem.

The association is not against increasing the wages. All we are saying is, give the retailers and give the businesses some time to adjust to it. You cannot increase wages 30% all of a sudden and hope that there is going to be no effect. There will be businesses that will be suffering.

1520

**Mr. Han Dong:** Okay. That's fair. Any suggestions on how long it should take for the \$15 to kick in?

**Mr. Ramesh Saffri:** I ran out of time and I didn't reach the end. The OCSA asks that the government consider adjusting the timetable for implementing this raise until after 2019.

**Mr. Han Dong:** Until after 2019?

**Mr. Ramesh Saffri:** Yes.

**Mr. Han Dong:** Okay. Another question I have is, what are your thoughts on the sick days and additional vacation proposed in this bill?

**Mr. Ramesh Saffri:** That's fine. Social benefits need to be given to the employees. Small businesses always work with the employees on that one. People are people. People work with people, because if the employees are happy, they'll work better. That's how the independent stores work. They're mom-and-pop stores. All these people are trying to do is—they have long hours; they have seven days a week of work, and all they want to get is a few hours out of it so that they can have their social life, have somebody working part-time. If there are any problems, they'll work with people.

**Mr. Han Dong:** As an advocate of convenience stores in Canada, is there anything else the government of

Ontario can do to offset the cost or to make business a little better for convenience stores?

**Mr. Ramesh Saffri:** Some of the things the government is doing—supporting students, giving support to us to hire students—those programs are there. But all we are looking at is putting this wage-increase burden out in the right way. That is going to have an active effect. Time should be given so that—

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

**Mr. Randy Pettapiece:** Good afternoon. I'm going to tell you about my part of the country, since MPP Dong told you about where he lives. I come from a rural community, and the little town that I am from—we used to have farms north of a little community called Monkton. That's not in New Brunswick; it's Monkton, Ontario.

The only store they have is a convenience store now, because the schools have been closed, the grocery stores left, the bank is gone and whatever else. They have one convenience store there. It's owned by a couple who came from Korea. They came to Canada and they ended up owning this convenience store. They've been quite happy there. They've worked hard seven days a week, but they do hire some young folks from the town when they want time off. They have a son who's in university now, so they like to go down to see him. But they haven't lived a rich life, if I can put it that way. They're making a living.

He tells me that if he doesn't close the store, he's not going to hire any more students, because he can't afford it with \$15, especially in a short period of time. He said that if it had been lengthened out a little bit, maybe they could have adjusted things better, but now he's faced with \$14 in January and another dollar in 2019.

That little community will have nothing now, no store. He had a few grocery items in there—you know what convenience stores are like; it's certainly not a Walmart or a Zehrs or something like that. But he has provided a service to that little community, and it may be gone, and he and his wife are going to have to find employment somewhere else. That's really too bad, because they came to this country looking for a brighter future, and they're having it taken away from them, possibly, because of changes with this bill.

Have you come across any other stories like that?

**Mr. Ramesh Saffri:** There are many stories like that. Immigrants come—and this is one thing, because the convenience store business is such that anybody can adjust into it very easily, because we all eat the same food. But the problem that comes in is that it's a business that—we call it a 24/7 business, seven days a week for 24 hours. When you are a convenience store operator, you are there.

I got into this business. I came here to Canada in 1972. Right away, I started working with 7-Eleven. I used to work the midnight shift and I ran my store and it was the same thing. I couldn't go anywhere. People were having parties on the weekend or people were having get-togethers. I couldn't go, because I had to be in the store.

For those types of times, people try to bring in local kids, the students, or hire somebody to come in and give them relief for a few hours. That won't be available. That's what I'm saying. It's going to cut down, and that will be a hardship. The government should look at that.

**Mr. Michael Harris:** Good afternoon. Thank you for being here.

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

**Mr. Michael Harris:** Sorry.

The government member for Trinity–Spadina asked you about what your suggestion would be for a phase-in of the minimum wage. At any time, did your association provide feedback to the review commission on the increases to the minimum wage?

**Mr. Ramesh Saffri:** Yes.

**Mr. Michael Harris:** So the Changing Workplaces Review: you did provide a submission or a verbal presentation to them on the specific increases to the minimum wage?

**Mr. Ramesh Saffri:** That part I don't know, and that's what I haven't discussed with Mr. Dave Bryans. That part I can't answer right this minute.

**Mr. Michael Harris:** I'm just wondering if there was any consultation ahead of the tabling of the bill. The government member asked you, of course, what your recommendation would be now, but I'm asking if your association was consulted prior to the tabling—

**Mr. Ramesh Saffri:** I'll definitely—I'm sorry.

**Mr. Michael Harris:** Pardon me?

**Mr. Ramesh Saffri:** I'll definitely be able to give the answer back or send the information out in an email.

**Mr. Michael Harris:** Is there anything else you'd like to add to the committee?

**Mr. Ramesh Saffri:** Pardon me?

**Mr. Michael Harris:** Is there anything else you would like to add that you feel you haven't got out?

**Mr. Ramesh Saffri:** No, that's about it. I would like the government to think about it; just think about it. If all of a sudden the government comes in and says, "Okay, we are going to give a 30% pay increase to every government employee," somebody will have to think, "Where is the money going to come from?"

**Mr. Michael Harris:** We've heard a lot these last few weeks, and we only hope that the government will actually listen.

Thank you for your time today.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The third party: MPP Forster.

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

We've heard a lot of information from a lot of sectors over the last nine days of hearings. We've heard some detailed information for the grocery store industry or from the restaurant industry.

Now, specific to convenience stores, what is your breakdown of full-time employees to part-time employees?

**Mr. Ramesh Saffri:** For convenience stores, it depends. In my presentation, I said that our largest member of the association, like Couche-Tard or 7-Elevens, their

percentage—I don't have the exact number of what it would be, but the majority of their employees are working in the store and they are employees. When we are talking about the independent family-owned stores, there are maybe one or two employees working part-time in each store.

**Ms. Cindy Forster:** We also heard from the various sectors what their average profit margins are. The restaurant industry, for example, said profit margins run from 2% to 4.5%. What do the profit margins run in the convenience store sector?

**Mr. Ramesh Saffri:** The one thing I know for sure is that the profit margin has been decreasing over the years as different supply sources have been controlling the overall—the way it is, two main products are bringing customers into the convenience store, which is making the majority of the sales and profitability. That's tobacco and lottery. Tobacco's overall profitability is no more than 10% to 11%, and the lottery is no more than between 5% to 8%. From there, you can judge.

**Ms. Cindy Forster:** Right. And the other food products and things?

**Mr. Ramesh Saffri:** Overall gross average—if we can make between 20% and 25%, that's good.

**Ms. Cindy Forster:** That's significantly more than we heard from many of the other sectors.

**Mr. Ramesh Saffri:** That's gross.

**Ms. Cindy Forster:** That's not net profit; that's gross profit?

**Mr. Ramesh Saffri:** That's gross.

**Ms. Cindy Forster:** What percentage of the sector would be labour costs, on average?

**Mr. Ramesh Saffri:** That, I can't answer.

**Ms. Cindy Forster:** You can't answer, okay. On page 3 of your report, you said, "Our retailers forecast increased yearly costs for their businesses" ranging from \$10,000 to \$50,000 for the small mom-and-pop kinds of places and as much as \$18.6 million per year for one of our large members.

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**Mr. Ramesh Saffri:** Yes.

**Ms. Cindy Forster:** So this member must have a chain of stores across the province.

**Mr. Ramesh Saffri:** Yes, but when we are talking about \$50,000, that would be a small chain, and the \$18.6 million is a large, national chain.

**Ms. Cindy Forster:** A large, national chain. What would his profit margin be?

**Mr. Ramesh Saffri:** His profit margin will be in the same range overall.

**Ms. Cindy Forster:** Because he needs to have more employees—

**Mr. Ramesh Saffri:** Yes.

**Ms. Cindy Forster:** Right. The government is also proposing to increase vacation for those employees who have been with an employer for five years. What is the turnover rate in the convenience store industry?

**Mr. Ramesh Saffri:** The turnover rate is very high because we are hiring students and they have to go back

to school. Then they look for other jobs because they progress from there.

**Ms. Cindy Forster:** So it's unlikely that the proposal for improved vacation would affect many employees in the convenience store sector because you have a high turnover rate. Is that right?

**Mr. Ramesh Saffri:** Yes.

**Ms. Cindy Forster:** Is there anything else that you'd like to add in the 30 seconds or so we might have left?

**Mr. Ramesh Saffri:** No. That's it.

**Ms. Cindy Forster:** Thank you very much for your presentation.

**Mr. Ramesh Saffri:** Thank you.

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

**Mr. Ramesh Saffri:** Thank you.

#### GRAINERY BAKERY AND DELI

**The Vice-Chair (Ms. Ann Hoggarth):** I call on Grainery Bakery and Deli. Do you have a written submission, sir?

**Mr. Randy Bruder:** No.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. If you would identify yourself for the record, and your five minutes will begin.

**Mr. Randy Bruder:** Randy Bruder from the Grainery Bakery and Deli in Brampton. I've operated my store for 35 years. I have 20 employees, mixed between full- and part-time, about a 50% ratio.

I guess, in a nutshell, listening to some of the others here, we all don't oppose this wage increase. It's the time frame, again, of the 18 months. It will have a huge effect on my business because I always pay my employees more than minimum wage—everybody in the place. Nobody makes minimum. So when I pay a part-timer up to \$13 or \$14 an hour, they don't go anywhere else. If I pay them \$15 or \$16, I have them for years.

When I'm bringing in somebody off the street now who is totally inexperienced and I pay them \$15 an hour, then why would that person take on the extra responsibilities that I give them and I pay them another \$5 an hour to do so? What do I have to do to all the other employees? All the other employees in my place and every other business will be wanting a raise as well. So now do I take them from \$15 to \$18 an hour? On top of those \$15 an hour, you have approximately \$3 in CPP, workers' comp, EHT, vacation pay, stat holidays. That employee is going to be making \$18 an hour on my front counter to make a \$4 custom sandwich.

I find it really hard to digest that you guys are ramming this down our throats when, in fact, you need to give us time, like you have in previous years. When it went up \$3, you did a dollar-a-year increment or whatever.

As far as the five years, giving an employee three weeks' vacation pay, I'm all for something like that. If somebody stays at your business that long, they should

be rewarded at least those things. But my main concern is the time frame, not the amount of money it's going up.

Thank you.

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

**Mr. Toby Barrett:** Yes, I have a brief question and then I'll see if my colleagues have any questions.

I've been speaking with a number of employees in the restaurant trade, in smaller operations. They've heard about this coming. They are more senior people, maybe \$18 or \$20, something like that, maybe partially supervising. They're being told that there's only so much money in the pot for payroll and they're not getting their Christmas bonus. So we're hearing another side of it as well.

This also contributes to a bit of disaffection, turmoil or almost resentment within the workplace itself. It impacts morale. Some of the employees who are thinking, "Why? I started at minimum wage. I worked my way up. I work a lot of hours. I'm not going anywhere now because the money's going to go to the new hires that come on at \$15." That's something I'm also hearing.

Of course, I do hear about the other side of it as well. I imagine this is one reason the unions support this: It's a bargaining chip. We know this from growing corn and soybeans. You get your base price and then you work up from that.

Any comment on this other side of it, where there's only so much money in the payroll pot?

**Mr. Randy Bruder:** Absolutely it's going to cause a morale problem, because if you've got part of your staff getting a sizable raise—and I have a 30-year employee; I have 20-year employees. How do I say, "Hey, I've got nothing left now. You'll get a raise next year"? It's just not going to be good for morale in the place.

In all fairness, how do you get somebody off the street who comes in with that sizable raise and somebody who's worked for you for 30 years and tell them, "No, I don't have enough"?

Everybody's saying, "Yes, it's great. There will be more money in the coffers out there, and everybody will be coming in and spending more money in your store, really." The problem is that every single ingredient that comes into my place, from flour to all my deli meats that I buy—all these people are going to have increases in their shops as well. We're not talking here just about labour; we're talking about inventory and everything else that comes in, from our poly bags, which are really expensive now—every single thing that gets delivered to our door on a weekly basis will go up in price. So we're not talking just about labour here; it's running our whole place.

In my shop, I can see that being as much as \$100,000. Where am I going to get that? Am I going to put up my prices? We're going to have inflation here. It's going to be huge.

Anyway, I'm not disagreeing with the \$15. I'm just saying you have to put it in over a period of time, a dollar a year or whatever. But not 18 months.

**Mr. Toby Barrett:** California has taken six years, I think.

My colleague Randy Pettapiece has a question.

**Mr. Randy Pettapiece:** You just alluded to one of the things I could say. Why don't you just raise your prices?

**Mr. Randy Bruder:** We do that, but you know what? In my business, in the bakery business, it seems like every time I raise prices I just seem to sell less of everything. I sell less.

**Mr. Randy Pettapiece:** Oh, I know.

**Mr. Randy Bruder:** And next year, I put up the prices and I sell a little bit less. So that doesn't always solve my problem.

A lot of times, you lose some customers in the deal. I know Tim Hortons and McDonald's are my competitors at lunchtime. I have to deal with those. They're all in the same boat, too. But the bottom line is, whether I'm worried about them or anybody else, I still have to come up with that payroll every two weeks and pay all my suppliers. A lot of times, when you do a price increase, your customer count drops, is what happens.

**Mr. Randy Pettapiece:** We had our own business, too. I asked that question with tongue in cheek because I knew what the answer was going to be. We faced the same issue: What are we going to charge our customers in order that we can have a repeat customer or a new customer come into our business? I understand what you're talking about.

You talked about how your supplies are probably going to go up, because this is not just your industry; it could be that everybody's industry that you deal with is going to have to get cost recovery from somewhere. Guess where they're going to go to? They're probably going to go to you.

I do have a problem with—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The third party: MPP Taylor.

**Miss Monique Taylor:** Thank you for being here. Thank you for your presentation. I do understand your frustration, but unfortunately, this is the result of the lack of increases over the years—eight years under the Conservatives, 10-plus years under the Liberals—where wages have been frozen and people have been left behind. More and more people are finding themselves below the poverty line. We have so many working poor in our province who are working three jobs trying to make ends meet. We have families who aren't able to see each other because they're working constantly. So it's that balance—

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**Mr. Randy Bruder:** Tell me something: How are you guys going to bring manufacturing business into this province when you're driving them away?

**Miss Monique Taylor:** Well, the only—

**Mr. Randy Bruder:** Quebec is, what, \$11.25?

**Miss Monique Taylor:** Manufacturing isn't—

**Mr. Randy Bruder:** Michigan is, what, \$9? Look around us.

**Miss Monique Taylor:** Manufacturing has been going down for years. The cost of hydro: I mean, hydro has got to be a huge—

**Mr. Randy Bruder:** My hydro's as much as my—

**The Vice-Chair (Ms. Ann Hoggarth):** Sir, could we please have the member be allowed to finish her question? Thank you.

**Miss Monique Taylor:** Hydro must be a huge problem within your business. You're running a bakery and a deli. The cost of hydro must be hurting your business as well.

What is it that you think the government could do to offset some of the costs that you're feeling within your business to make sure that we do keep you viable and that people can still earn a decent wage at the same time?

**Mr. Randy Bruder:** Hydro is a big issue. My hydro now, especially in the summertime, will run as much as my rent. When I started, it was a few hundred dollars a month, and now it's \$6,000 a month. It has become a very large part of the expense of running my shop. Just because it wasn't ramped up since 2008, or whatever that time was, you can't just expect to crank it up in those kinds of dollars. We need some time. If you put that in and we all increase our prices, that will all run much smoother. But I'm telling you, there will be a lot of carnage if you guys put it up this fast.

As far as part-time students, I won't hire one now. If I've got to pay \$14 or \$15 an hour for a kid, I'm not going to do it. If I have to show them how to sweep the floor? There's no way. I'll hire somebody experienced. So your young students are going to get left in the dust here. If you think for a second that somebody is going to hire a student over 18 at \$15 an hour who has never run cash and never swept the floor, I think you guys are mistaken.

**Miss Monique Taylor:** Well, I think that's where it comes to the point that they're never going to learn to do those jobs unless they're given those opportunities—

**Mr. Randy Bruder:** Right, but I've always taught all those kids. I've always had them, for 35 years.

**Miss Monique Taylor:** I hope that you will find a way to be able to continue to do that, knowing that this is important for people who are working in poverty. There are too many of them in our province. It's unfortunate that it has taken this long to be able to do it. But once the \$15 is actually in place, it's still going to be below the poverty line. So, I mean, you know—

**Mr. Randy Bruder:** You watch inflation. You watch what will happen.

**Miss Monique Taylor:** Hopefully we can get the hydro rates down and fixed in the province—

**Mr. Randy Bruder:** We're so far in debt, you'll never get it down.

**Miss Monique Taylor:** —and that should make a big difference—

*Interruption.*

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

**Miss Monique Taylor:** —to the industries and to small businesses across the province. Thank you.

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

**Mr. Mike Colle:** Thank you, Randy, for coming down here from Brampton. Where are you in Brampton?

**Mr. Randy Bruder:** Kennedy Road.

**Mr. Mike Colle:** Kennedy Road and—

**Mr. Randy Bruder:** North of Steeles. A kilometre north of Steeles on Kennedy.

**Mr. Mike Colle:** Okay. So you've been in business for over 35 years. We do appreciate—I mean, you sound like a straight shooter. You sound like a guy who has basically been there and done his work. The fact that you've succeeded in maintaining the business for 35 years is quite a credit. You must obviously have some pretty good business smarts.

**Mr. Randy Bruder:** I don't know about that.

**Mr. Mike Colle:** Well, you've been there for 35 years, and I know it's heavy work. A friend of mine had a bakery, and people forget about the—what used to bother him was lifting the sacks of flour. It was an Italian bakery and he was making a lot of bread and stuff. He had such a hell of time every morning with the sacks of flour that he finally had to give up the business.

Anyway, it seems that you have a successful business. I guess we're having these meetings to get first-hand feedback from people like you. It's really appreciated because when government makes proposals, they make them, sometimes, in isolation. That's why these public hearings—we've been going across the province—are very valuable to everybody here.

It's not as if you're blowing in the wind here—

**Mr. Randy Bruder:** I feel like I am. My wife said, "You're going there for nothing," and I said, "Well, at least I will go down in flames, and I'll go and say my piece."

**Mr. Mike Colle:** No, listen, for you to take time off to come down here—again, it's really appreciated, I'm sure, by all members that you took time to do this.

That's why—what you said about the real problem is that you need some time to—

**Mr. Randy Bruder:** Time is what we need.

**Mr. Mike Colle:** Time will make it possible.

**Mr. Randy Bruder:** And we all can work together here.

**Mr. Mike Colle:** That's basically a message that I'll relay to the minister. Tell your wife that she can phone me and give me hell. But anyway, I will do that, because you're a real entrepreneur who has succeeded somehow in a very tough business. God bless you for sticking it out for all these years.

Thank you for being here. As I said, I think all of us do appreciate that you came here, really.

**Mr. Randy Bruder:** Thank you.

**Mr. Michael Harris:** Let us know what the minister says.

**Mr. Mike Colle:** Yes, I'll let you know. I'm going to pass it on.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. The deadline to send in a written submission to the Clerk of the Committee is 5:30 on Friday, July 21.

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

**The Vice-Chair (Ms. Ann Hoggarth):** Before we—  
*Interruption.*

**The Vice-Chair (Ms. Ann Hoggarth):** I would not like to have to put people out.

At this point, I just have something to ask the committee. Is it agreed that the Clerk will print one hard copy of the written submissions per caucus and also a scanned email copy to the individual committee members instead of individual hard copies? Is there anyone who objects to that?

**Mr. Mike Colle:** Do we get these emails in bulk here? I mean, that's going to be difficult for us to—do we really want that, or do we want to make them available on a site, maybe? It might be easier.

**The Vice-Chair (Ms. Ann Hoggarth):** We can't do that.

**Mr. Mike Colle:** Okay.

**The Vice-Chair (Ms. Ann Hoggarth):** Are we agreed that that's okay? Okay, thank you.

#### EQUAL PAY COALITION

**The Vice-Chair (Ms. Ann Hoggarth):** I'll call the next presenter, please: the Equal Pay Coalition. Do you have a submission to hand out?

**Ms. Fay Faraday:** Yes, Madam Chair.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. If you could identify yourselves for the record, and then your five-minute presentation will begin.

**Ms. Fay Faraday:** I'm Fay Faraday. I'm one of the co-chairs of the Equal Pay Coalition.

**Ms. Jan Borowy:** And my name is Jan Borowy.

As Ms. Faraday said, Madam Chair, we are co-chairs of the Equal Pay Coalition. The Equal Pay Coalition was actually formed in 1974. It brought together women's organizations, community groups, trade unions and businesswomen's organizations to lobby for the implementation of ILO convention 100, which was the equal pay for work of equal value convention.

It's a coalition that seeks to close the gender pay gap, which, sadly, through the last 40-odd years that the coalition has been in existence, continues in this province. In fact, the gender pay gap arguably is a human rights crisis.

We continue today. The coalition has over 40 different constituent and partner groups throughout Ontario, as I say, to close the gender pay gap.

*Interjections.*

**The Vice-Chair (Ms. Ann Hoggarth):** I'm sorry. If the members of the government caucus would like to have a discussion, would they like to leave the room, please? Thank you.

Continue, please.

**Ms. Jan Borowy:** Thank you.

What the coalition brings to the analysis of Bill 148 is a gender-based analysis. This starts with an understanding that there's been a systemic failure to account for the different and unequal circumstances facing women, and

particularly women who are racialized, aboriginal, have disabilities or are poor.

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All too often, public policies and the changing of statutes such as Bill 148 use an approach which assumes neutrality. It is our approach, as a coalition, that all economic policy should be vetted through government, such as your committee with Bill 148, to analyze their impact. For example, by asking the question, do they close or widen the gender and other inequity pay gaps?

With respect to our submissions today, what Ms. Faraday and I will do is focus on section 42 of the Employment Standards Act in our oral submissions and leave other areas that we'd like to speak to you about through the question and answer period. In particular, I will speak to the need to clarify the scope of what has been proposed in section 42.1 of the ESA through Bill 148 and also an issue with respect to the exemptions. Then, Ms. Faraday will speak on pay transparency and other matters.

With respect to clarifying the scope of section 42, we recognize that what Bill 148 is doing is reinforcing a fundamental that workers who are doing the same work should be paid the same. This is a very, very significant step in the right direction. It's a new approach that frankly has been used in the European Union for many years, and we need this to close the gender pay gap.

What we see, however, with respect to the proposed section 42.1 and 42.2 of the Employment Standards Act, is that it is simply replicating the weaknesses that existed in the Employment Standards Act. It hasn't, frankly, improved on those in the ways which are necessary. What we propose with respect to the section on the scope where, under Bill 148, you're replicating the language of substantially the same kind of work, what we say is that that should be replaced with the word "similar." So we're recommending the existing ESA section 42, your new sections 42.1 and 42.2, be changed and amended with the term "similar."

With respect to the exemptions, it's our very grave concern that the existing language is simply replicating exemptions that are too broad so that they hollow out any new gains that you might be seeking to achieve.

With that, I turn it over to Ms. Faraday.

**Ms. Fay Faraday:** We know that 70% of women are working in part-time, casual, temporary and seasonal work and that they're often paid up to 50% less than people who are doing full-time work. These changes are really important. We've given you language that will make them enforceable in practice.

But in order to have the equal pay rights be effective, women need to know what people are being paid. Pay transparency is a part of that. There has to be a proactive onus on employers to disclose their pay practices to their workers in order for those rights to be effective. There needs to be protection against reprisals for workers who discuss their pay—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We will open this round of questioning with the third party. MPP Forster.

**Ms. Cindy Forster:** Thank you, ladies, for being here. If you'd like to actually finish your presentation using some of my time, feel free.

**Ms. Fay Faraday:** Thank you very much. I was saying that pay transparency is an absolutely critical part in making equal pay practices effective. It's the wave of new legislation that you're seeing around the world, from Europe to Iceland to places in the US and others, that actually makes these rights meaningful, along with the anti-reprisal provisions.

Tomorrow, we will be giving you written submissions on a much broader gender-based analysis of Bill 148. The equal pay provisions are critical, but there are other provisions that are also important for women workers. For example, scheduling: Again, as women work in primarily part-time, seasonal and other precarious work, if you don't know your schedule, it's impossible to piece together part-time jobs in order to have a living wage at the end of the day. Having guarantees of advanced scheduling is absolutely critical in order for women workers to be able to organize their lives and build a full, decent work experience.

We have submissions on the domestic violence leave in particular that flag Bill 26, which was put forward as a private member's bill, and gives what is a truly effective domestic violence leave. We know that nearly 9% of women who experience domestic violence lose their jobs because of that experience. Real protections are necessary in order to close the gender wage gap in work.

Minimum standards aren't sufficient. While there are a lot of good things in Bill 148 that address those minimum standards, including the \$15 minimum wage, women also need real access to collective bargaining, collective representation and a collective ability to enforce their rights. What that means is that we need card-based certification across all industries. There's no principled basis to only allow it in some industries when women work in a broad swath of precarious employment such as retail, where it's difficult to organize. But that's not one of the industries that have been permitted card-check under Bill 148.

We also know that existing methods of certification are based on male-standard employment, so broader-based bargaining models are a necessary addition to the legislation. That's something that the Changing Workplaces Review emphasized strongly.

We're happy to take questions on any of that.

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

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

**Ms. Cindy Forster:** Okay, thank you.

Thank you so much for your presentation. It is amazing to me that pay equity legislation actually passed 27 years ago and we still have a gender pay gap in this province. I was listening to the radio driving home from hearings yesterday and it was suggested by the announcement on the radio that the pay gap was just about 13% now, which was one of the lowest figures that I've heard in many years. Can you comment further on that, on where these numbers are coming from?

**Ms. Fay Faraday:** The 13% figure looks at hourly rates, but women, of course, work fewer hours than men. The really meaningful measurement is annual earnings. On that measure, indigenous women face a 57% gender wage gap in the province, immigrant women face a 39% wage gap and racialized women a 32% wage gap. Overall, women face a 30% wage gap in the province. It exists in 469 of 500 occupations that Stats Canada tracks. It exists at every age cohort, every education level, every field of our economy, and it really is a crisis that needs to be addressed.

**Ms. Cindy Forster:** It was interesting because during these hearings, we heard a few times from adjunct professors at colleges and universities across the province. Many of us weren't aware that—primarily women, a lot of them women. They were making 40% less for teaching the same number of courses, marking the same number of papers, doing the same amount of research as tenured professors. It's not common knowledge outside of the university, but they're making it common knowledge at these hearings.

**Ms. Fay Faraday:** Absolutely. I'd say the wage gap is much more than 40% in those circumstances, and the precarity of the work is really quite profound.

**Ms. Cindy Forster:** Is there anything else that you wanted to add?

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

**Ms. Cindy Forster:** We were right on time.

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

**Mr. Mike Colle:** Thank you for your very interesting presentation.

We've heard that suggested amendment again. Could you explain why we have to go beyond just talking about equal pay for equal work? Your amendment would state "equal pay for similar work." What is the exact wording you're asking for?

**Ms. Jan Borowy:** Thank you, honourable Mr. Colle. What we're proposing is that the section of the change—it says replace with "similar" primarily because focusing on "same" work is a much-too-narrow focus that has actually been used to exclude women from equal pay. Our recommendations—and they're spelled out; you'll find appendices here in this document—state very specifically the type of language that we're looking for. We would make this minor amendment to make it consistent with the Pay Equity Act to ensure that jobs that are doing similar work are paid the same. We would replicate this to ensure that—

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**Mr. Mike Colle:** I get that now. Thank you. That really helps, plus I've got it in writing too.

The second question I had—you mentioned pay transparency. I think that's the first time that has come up in the hearings. Could you just briefly explain that?

**Ms. Fay Faraday:** What you've got in Bill 148 is a right for workers to approach their employers when they think that they're not being given equal pay, except that workers don't have the information about what their co-

workers are being paid; the employer has that information.

As it stands right now, employees can be punished, disciplined or even terminated for disclosing their wages, for talking about their wages in the workplace, on the basis that it could be a breach of confidentiality or competitiveness. What is necessary is that in order for those rights to have any meaning at all, workers need to know the information.

What exists right now is that all employers have a legal obligation to ensure that their wages are not discriminatory. This isn't a new legal obligation they need to meet; they just need to prove that they're doing it. What we're saying is that they need to proactively disclose their wages, so that workers know what they're being paid, so they know that the law is being complied with.

As lawyers, we know that even when we're seeking information from unionized clients, we often have to litigate this for years before that information is given, so the law isn't effective without it.

**Mr. Mike Colle:** That really helps clarify that. Just one final thing: I would like your help in lobbying for an amendment I'm going to be pushing for—as you know, I've said this before. There's the amendment that you talked about, leave for domestic violence, which I support. The second thing is something that we've developed which is new in the province of Ontario, and that is pregnancy and infant loss.

There are over 100,000 women every year who suffer or experience pregnancy and infant loss—not only miscarriage, but right up to eight or nine months, late-term loss and even stillbirth. They have no rights. In other words, they could be obliged, after going through an eight-month pregnancy and having a loss, to go back to work and not get any kind of leave at all. There are no rights in the Labour Relations Act in Ontario or anywhere in Canada.

I would hope that you would look at that, at the feasibility of that, and see if you could maybe put forward an amendment that we could discuss as we go through the processes here, which we will do.

**Ms. Fay Faraday:** What I would flag is that the Equal Pay Coalition has put together, as one of the handouts we've given you, a 12-step action plan for how to close the gender wage gap, which addresses the broad range of changes that need to happen in the way that we've structured work, so that all the different drivers of women's economic inequality are addressed. That may align with some of those steps.

**Ms. Jan Borowy:** And you'll find in our written submission, particularly when we look at the paid emergency leave provisions, as well as many other provisions, that they're not paid time. Women cannot afford to take a leave, despite the fact that we've seen an expansion in the leave provisions, unless they are actually paid, which is a key and critical component, to increase the monies; increase the number of leave days, but also ensure that they are fully paid.

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

**Mrs. Cristina Martins:** No, it's the PCs now.

**The Vice-Chair (Ms. Ann Hoggarth):** Oh, I'm sorry. I almost got that one—go ahead.

**Ms. Cindy Forster:** You've done that to everybody.

**The Vice-Chair (Ms. Ann Hoggarth):** Yes, I spread it around.

**Mr. Toby Barrett:** I welcome the opportunity to continue the discussion. First of all, thanks for testifying on behalf of the Ontario Equal Pay Coalition. I'm just on the first page of the second handout. In point 2, as you indicate, the Employment Standards Act protection for equal pay for equal work, currently found in part 12 and what have you—equal pay for equal work. I don't think anybody argues against that. It's fair pay for a fair day's work as well. This is kind of embedded in our society.

You mentioned over 40 years of work on the issue of equal pay. Today, we've had a number of people testify—employees in the restaurant business, in the kitchen trade. They've given us ballpark figures of what a person makes working in a kitchen, and there's sometimes sharing of tips; you'd hope there's sharing of tips.

Going back to this equal pay for equal work—I assume you've done some work on this. I see it in my area: Someone working in a kitchen in a restaurant or maybe working in a chip stand, a deep fryer, that kind of thing, is making significantly less than someone working in a kitchen, say, in a correctional facility. Apart from their discrepancy in pay, there's a dramatic inequity with respect to benefits, vacation time and what have you.

Another expression to go along with equal pay for equal work: I hear people say, "Yes, I should get a government job," because the inequity is very significant. I was curious about the work you've been doing on that area with equal pay.

**Ms. Fay Faraday:** Everyone should be able to have access to decent work with benefits that allow for a decent life. That's the premise of what Bill 148 is about: ensuring that we put people's quality of life at the forefront of our policy-making.

In terms of equal pay for equal work, what we've seen, and the problem that Bill 148 is trying to rectify, is that employers adopt a low-wage strategy where they hire part-timers to do the exact same work as full-timers, but pay them 50% less and don't give them benefits. That's what the provisions in this legislation are trying to rectify, to say that that low-wage strategy is actually corrosive to our entire community. It's discriminatory because the people who suffer from that low wage are overwhelmingly women and racialized workers, and it's a strategy that's a race to the bottom and that is not ultimately sustainable.

What this is about is ensuring decent work and equal pay for equal work. The problem that's arisen in the past is that using the same work language, employers have manipulated it to make very minor differences between

jobs or to call them different titles, and then use that as a basis for a vast pay difference when essentially the jobs are similar.

That's what we're addressing here with our recommendations, to close that loophole and to close the really huge loophole around exceptions that are permissible.

**Mr. Toby Barrett:** Just to go back to my question, though, over the last 40 years, have you done any work at all on this unequal pay for unequal work between a government job and a private sector job?

**Ms. Fay Faraday:** What we've done is work on equal pay throughout all sectors. For example, under the Pay Equity Act, there are provisions that require a comparison between jobs in the broader public sector that are the same and similar to jobs that are done directly by the government and closing that pay gap. But the pay gap exists right across the economy.

This is not a project that's about calling down good jobs and disparaging good jobs. This is a bill that's about lifting the floor for everyone, to ensure that everyone has decent work.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. Now I'm able to say that the deadline to send in a further submission to the Clerk is 5:30 p.m. on Friday, July 21. Thank you for your presentation.

**Ms. Fay Faraday:** Thank you.

**Ms. Jan Borowy:** Thank you.

#### CUPE LOCAL 5167

**The Vice-Chair (Ms. Ann Hoggarth):** I call CUPE Local 5167. Do you have a submission to hand out?

**Ms. Ann Jenkins:** No.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. If you would state your names for the official record, and your five minutes will begin.

**Ms. Ann Jenkins:** My name is Ann Jenkins.

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

**Ms. Ann Jenkins:** Good afternoon. I am the third vice-president of CUPE Local 5167 here in Hamilton and the chair of the municipal sector for CUPE Ontario.

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CUPE represents 260,000 workers in municipal services, health, education, social services and universities. For the past 25 years I've worked as a social service worker. I'm a mother and a grandmother of eight.

I would like to thank the committee for allowing me to share my thoughts today on the amendments to Bill 148, specifically emergency leave days and the \$15 minimum wage increase. I have chosen these two areas of the bill today as I feel they will affect workers the most.

First, I want to talk about the emergency leave days. Certainly, from the perspective of a mother and a grandmother of eight, I know how important these days are for me to find work-life balance. I'm fortunate because I am covered by a collective agreement in my workplace. However, for some of my co-workers who work part-time or are temporary workers, they're not covered by the same provisions.

I have witnessed the struggles with personal leaves due to illnesses of others or just family crises. At my work, workers come to work sick. Because they are part-time or temporary, they have no sick time or vacation. Workers come with fevers, for fear of being reprimanded or losing pay. Most times, the workers end up being sick longer than they would have been if they had taken the time to stay home and take care of themselves.

It is difficult for workers to get the doctors' notes because they're at work or, if they're at home, they're too sick to go. They end up in emergency rooms because it's a necessity in order to satisfy the employer. I'm happy to see that this part was addressed in the act.

Two days isn't enough; it's a start. Stats Canada shows that the average Canadian worker is off sick 6.8 days. We all deserve a work-life balance. Workers who are supported in their workplaces will have improved mental health and make us all more productive, which is good for our economy.

I strongly believe that \$15 is also good for the economy, especially for workers and their families. Low wages drive many to work two or more jobs. Single parents struggle, particularly because of the demands of balancing the need to provide for their families and their children.

I work for the Ontario Works department. This \$15 an hour could make substantial changes for the people I work with every day in my job. At the present minimum wage of \$11.40, if they get 40 hours, with all the OW entitlement deductions, they're still on assistance. These people would love to be off. They're just not quite there. With this \$15, it's going to make a difference. I did a quick calculation and it would take them off. Then they're going to become those contributing members of society again. For lots of them, because of all the job loss and everything, this is where they've ended up.

Low wages drive many people to work two or more jobs. Single parents struggle, particularly because of the demands of balancing the need to provide for their families, but also to spend time with them.

I've dedicated my life to helping those in the community. I've worked hard to lift people out of poverty, but to be honest, many of our current programs only entrench the poverty program.

Finally, to conclude, I just want to put these two issues into a little more of a personal context. I'm sure many of you in this room are experiencing what I experience every day. We are parents to millennials who are struggling much later in their lives to get their lives started. I am also a daughter who cares for her 91-year-old mother who has Alzheimer's. I just recently had her move in with me.

The \$15 minimum wage will help my children and your children to launch their careers and quite frankly their lives so that they, too, can be contributing members of society. The leave helps me cope with time to care for my mom. These benefits have immensely helped me as a unionized worker, and I know that the same provisions will help those in our community to better the lives of all. Thank you.

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

**Ms. Cindy Forster:** Do they have time left?

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

**Ms. Cindy Forster:** Do they have time left?

**The Vice-Chair (Ms. Ann Hoggarth):** No.

**Miss Monique Taylor:** That was their whole five minutes?

**The Vice-Chair (Ms. Ann Hoggarth):** That was their presentation, yes.

*Interjection.*

**The Vice-Chair (Ms. Ann Hoggarth):** No, they didn't.

**Mrs. Cristina Martins:** "Did they use up all their five minutes?" I think is the question that's being asked. They did, right?

**The Vice-Chair (Ms. Ann Hoggarth):** They did speak for five minutes. Yes.

**Mrs. Cristina Martins:** Okay. Did you want to use up a minute of my time, then? Did you want to just use a little bit of my time?

**Mr. Karl Crevar:** I would really appreciate it.

**Mrs. Cristina Martins:** Go ahead.

**Mr. Karl Crevar:** My name is Karl Crevar. I've been involved with the Hamilton injured workers group and with the Ontario Network of Injured Workers Groups, the injured workers' stakeholders. I want to talk on Bill 148.

We fully support the increase in the minimum wage. It's well overdue. But I want to point out to you, which we did not see in Bill 148, the implications that it has for people who are receiving workers' compensation benefits.

I'm angry, first of all, about the process of the selection of presenters. Our organization is a major stakeholder of injured workers that have worked with governments and with the WSIB to try to improve the situations of people who have had workplace injuries and benefits. That is very disturbing. As a stakeholder organization, you have to hear from the people who are being directly affected by Bill 148 in this regard. And that's very disturbing.

I've been around for 30 years with the Ontario network. We've held consultations on various pieces of legislation. We've been ignored for far too long in over 30 years. I remind you that—many of you have been around—since 1990, three major pieces of legislation have cut benefits to workers. That's a reality; that has cut benefits to workers in every instance.

In this instance here, no mention was made as to how the workers' compensation board, the WSIB, is going to adjudicate their claims. There's no mention at all. We raised this concern last year before the legislation was even introduced, yet we do not see any indication of that being addressed at all.

I will give you an example of that, just a small example of a worker who is being deemed—I'm sure you've heard that phrase from others, the deeming version. The impact that that is going to have on those

workers: You take a worker currently earning \$20 an hour, gets hurt at work, has to go on compensation, cannot return to their work, but they will be deemed by the workers' compensation system to be earning minimum wage. So the difference between the \$20 an hour and the current minimum wage—it's \$11 an hour—is calculated at 85% of the net of the difference.

**Mrs. Cristina Martins:** Can I just get my—

**Mr. Karl Crevar:** With the increase going to \$15 an hour, the board is going to deem that same individual, who has not returned to work, as able to work at \$15 an hour. They were making \$20 an hour. They're going to get zero in benefits at all. Those people—

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

**Mr. Karl Crevar:** —will have to resort to the public purse, and that's not what workers' compensation was designed to do. That will put a huge cost on the system as well as drive many more thousands of workers and families into poverty.

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

**Mrs. Cristina Martins:** Thank you very much.

**Mr. Karl Crevar:** Thank you for the time.

**Mrs. Cristina Martins:** I've just got a couple of minutes now.

**Mr. Karl Crevar:** I want to thank you for allowing me to speak.

**Mrs. Cristina Martins:** Not a problem. Just so that you know, we have had someone else as well—I'm not sure if it was right from your organization; I believe it was in Niagara Falls yesterday—speaking on behalf of the injured workers, so you were not the first. We heard the same story with regard to this notion of "deemed."

If anyone did not have an opportunity to present at this committee during these past two weeks, they do have until Friday, July 21 at 5:30 to submit whatever they feel we need to have a look at as a committee. That will be part of the submissions, the same as if you were presenting here today.

I just want to talk a little bit about what you mentioned about women working precariously—we know that perhaps two thirds of the part-time workforce are women—and just get your thoughts on the proposed equal pay for equal work that is coming out of this legislation. What would this mean for the women who are currently working part-time?

**Mr. Karl Crevar:** I'm not too familiar with that part of it. I want to focus in on what the board is currently doing when workers get injured in the workplace.

*Interjections.*

**Mr. Karl Crevar:** I'm sorry.

**Ms. Ann Jenkins:** No, no, that's okay. I came to talk about these two facts. We will have another submission where that will all be covered.

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**Mrs. Cristina Martins:** Okay. And with regard to what this legislation is—

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

**Mr. Toby Barrett:** I'm going to do different topics here. Yesterday we had hearings in Niagara Falls. The

Ontario Network of Injured Workers Groups testified. Willy Noiles from St. Catharines—is that the same group you're associated with?

**Mr. Karl Crevar:** That's correct.

**Mr. Toby Barrett:** Yes. He explained to us this concept of how the WSIB board deems—or, as he said, pretends—that injured workers have been able to return to some type of full-time employment after recovering from their injury. Much of his discussion was on not only that, but he also talked about this issue of the pre-existing condition. Maybe something shows up in an X-ray, whether that has affected the ability to work or not. He also talked about the use of—I think his term was a “paper doctor,” versus the person's own doctor.

We had quite a good discussion on that. I thought it was valuable. We're not dealing here with the Workers' Compensation Act, but when you make a change in one system—there are two acts here that we are dealing with primarily, so when you make a change there, it has so many changes in the rest of the system. I thought that was valuable. They might have covered that last week. I wasn't on the hearings last week.

Just to bounce over to—

**Mr. Karl Crevar:** Could I just comment?

**Mr. Toby Barrett:** Yes, go ahead. Sorry.

**Mr. Karl Crevar:** I am not referring to the issue of when you talk about pre-existing conditions. I want to target in on Bill 148. If you raise the minimum wage, within the compensation system, it's going to have a devastating impact on how the board currently adjudicates claims. That is a major concern that is in this bill. We totally agree with the increase in minimum wage. There's no question. But how the board applies it—there's nothing in the bill that indicates they're even looking at that.

As I mentioned earlier, that's a situation that I raised with the issue of the minimum wage going up. Be careful. You have to look at how the board is going to apply that to workers. You currently have thousands of people who are in poverty. They are getting social assistance, welfare or whatever it may be from the public purse. They're living in poverty. That's not addressed in the bill when you start talking about raising the minimum wage in that area.

**Mr. Toby Barrett:** Yes, and we don't really have any arm's-length analysis or study to take a look. Even though there have been two years of consultation—we get piecemeal in these hearings, but there's no big-picture study.

**Mr. Karl Crevar:** Well, I can tell you, sir, going through, as I mentioned, three major pieces of legislation, we've presented papers and we've presented options and solutions to them which have been ignored for over 30 years. There's documentation out there of what is really happening to people and families in our communities.

**Mr. Toby Barrett:** Okay. It's important to get that in by Friday.

I don't know whether I have time. You mentioned Ontario Works. My concern is that not working at all is a

major contributor to poverty. We know injured workers—we were given stats; maybe half are working. I'm not sure. On ODSP, maybe 10%, and on OW, what per cent are working? This doesn't do much for people who aren't working at all. In fact, it's going to prevent them from getting into the workforce in many cases, because the employer doesn't want to pay \$150 a day. Any comments on that, with OW and—

**Ms. Ann Jenkins:** For the group of people that I work with every day, a \$15-an-hour job would be like winning the lottery. If you're a single individual, you get \$706 a month, and that's got to cover everything. If you take \$15 an hour times 40, I don't have that exact amount with me, but it's definitely a much better lifestyle. It's not just the money; they no longer have to come in to that office and answer the questions. They no longer have to—you know, because it's like an invasion of privacy. You're down and out, but yet you've got to answer all these questions to satisfy the legislation.

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

**Ms. Cindy Forster:** Thank you both, Ann and Karl, for being here. It's interesting how your two stories kind of intertwine.

In my meetings, over the past 20 year, with injured workers and in my meetings in my office with constituents who are on OW, they're often the same client. So many injured workers, for a variety of reasons—whether it's deeming, which Karl spoke about, medical reports that WSIB hasn't accepted, or tests that they haven't been able to get done—have been cut off from their benefits.

I met a woman, actually, at one of the hearings last week somewhere—I think it was in Windsor, actually—who has been denied her WSIB benefits because she went for an ergonomic study paid for by the employer and the employer failed to provide it to WSIB. For that reason, they are denying her her benefits, until that report actually surfaces and gets there. So she has been without any money for months now, waiting. People like her also end up in your community social services department as well for perhaps some short-term benefits while they're waiting for compensation to be approved.

I don't know how many injured workers are actually a part of your caseload or whether you keep those kinds of stats—

**Ms. Ann Jenkins:** No, I can't give you the statistics, but we definitely have them. Even for people that are bridging with their EI, they come to us as well. They have to sign an assignment of benefits, and lots of times, we have to tell them, “You're getting money now, or you're getting it later, but there's going to be a course of time where you're getting nothing.” That's a really hard thing to hear if you're injured; you're already not feeling well. It's like you just keep knocking them down—kind of thing.

I'm excited that this is going to happen. I think it's going to make a big difference for some people who maybe haven't had a whole lot of hope in a long time.

**Ms. Cindy Forster:** That \$600 a week instead of \$700 a month could make a big difference in somebody's life, right?

**Ms. Ann Jenkins:** Absolutely.

**Ms. Cindy Forster:** On the other part of this, we need to make sure that we're not taking \$600 a month away from injured workers. So we're going to need to actually address the policy at the Workplace Safety and Insurance Board to make sure that those people who aren't on OW don't end up on OW at the end of the day.

Do I have more time?

**The Vice-Chair (Ms. Ann Hoggarth):** I just pushed the button. You had—

**Ms. Cindy Forster:** That's fine.

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

**Ms. Ann Jenkins:** Thank you very much.

#### OPSEU LOCAL 209

**The Vice-Chair (Ms. Ann Hoggarth):** I call on the Ontario Public Service Employees Union. Do you have a written submission to hand out, sir?

**Mr. Olivier Lopez:** No. And I'm a part of OPSEU Local 209, to be more clear.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay. If you would identify yourself, your five minutes will begin.

**Mr. Olivier Lopez:** Good morning, my name is Olivier Lopez. I'm a member of the Ontario Public Service Employees Union from Local 209. I am currently on union leave working as an equity mobilizer. I would like to first thank the standing committee for giving me the opportunity to give my presentation on Bill 148, the Fair Workplaces, Better Jobs Act.

I support Bill 148, although I strongly believe there can be improvements made in the bill to address the increasing amount of precarious work in Ontario. My presentation will focus on the importance of scheduling, personal emergency leave and equal benefits and on the increasing amount of precarious or part-time work.

Over the years, I have been stuck in part-time jobs. As a part-time employee, I have worked for three large corporations that have often left me vulnerable, with a lack of job security, stability and unpredictable scheduling. Examples include working late at night and back first thing in the morning; I was scheduled this way regularly. There were also circumstances where shifts were cancelled last minute, where I was left without hours of work. This forced me, in the past, to work night shifts that ended at 7 a.m. and I had to return back to work the same day at 3 p.m. in order to make ends meet. In addition, I've had to work up to 60 hours a week, bouncing from days to nights and nights to days.

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Requiring employers to give ample scheduling notice and shift changes is necessary to avoid having part-time workers stuck in my predicament, especially with many

part-time workers juggling part-time jobs. Giving an on-call worker three hours of pay when a shift is cancelled last minute or when they are not called in won't solve the problem, but I believe it will help those circumstances when they occur.

The unpredictability of scheduling creates stress, impacts performance at work and contributes to part-time workers getting sick and going to work sick. The Ministry of Labour limiting long work weeks is beneficial for the well-being of the workforce, because it avoids exploitive employers forcing part-time workers to work short turnarounds and an excessive amount of hours in a week.

As a part-time employee, if I do not work, I do not get paid, which has forced me on occasions to go to work while sick. This has been the case for the majority of the part-time workers that I've worked with over the last 10 years. Having 10 personal emergency leave days will be very valuable for time for families to take care of their families and for them to take care of themselves when they fall ill. This will also reduce the amount of people going to work sick, getting other workers sick and reducing sick time.

Furthermore, I and many other workers in my department work full-time hours but worked part-time for multiple years. I have seen this practice by different employers. Rather than making full-time positions, employers save costs, leaving part-time employees no sick time, no paid vacation, no benefits and no pension. Many millennials like myself and future generations are left with little to no hope of retirement. This will lead to many of us having to work until we die and being stuck living in poverty. This is why I believe all workers, whether part-time or full-time, need the equal benefits and paid sick days. The majority of part-time workers have the same needs as full-time workers.

The unpredictability of part-time work is scary. At any point, my hours could drop and I would be forced back to juggling two jobs, which I did when I first began this job. Now that I have a daughter at home, this makes it more challenging and stressful. I thought to myself while writing this statement, if we cannot get the minimum wage to \$15 an hour by 2019 and address the increasing precarious working conditions, what type of jobs will my daughter, your daughters, your grandchildren and our future generations be left with? I think there needs to be a more in-depth look at full-time permanent employment and practices employers are using by providing less full-time permanent jobs.

After two years with my current employer, I decided to go back to school in hopes of improving my situation. I completed a BA, majoring in human rights, and a graduate certificate in human resource management. Ironically, what I learned during my human resource management program, human resource professionals are being educated on contingency workers, referring to part-time, temporary, migrant and contract workers, in order to save costs. I find this scary. Graduates are tasked to save money by finding or using cheap labour.

Now that I have finished school, I have been in search of a job for over a year, but it seems all I can find are part-time, contract and temporary jobs. This is very concerning, having a diploma, degree and graduate certificate. University students and members in my community have also expressed the same concerns as part-time workers. I strongly believe full-time permanent jobs are good for workers' health, the economy, work-life balance of families and is the right thing to do for Ontarians.

Thank you for listening.

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

**Mr. Randy Pettapiece:** Thank you, sir, for coming out this afternoon. You're very well spoken and present a strong argument.

One of the questions I wanted to ask you—and I know you're very in favour of this legislation, as you've stated. One of the recurring issues we have or we've heard at this committee, at least today, is the time frame that the \$15 wage is going to be enforced. Other minimum wages have been over a longer period of time and maybe were easier to implement. I wondered what your thoughts are. If this was introduced, and I've had different people say to me that—I've got all kinds of reports with me—if it had been done over four years or five or something like that, it would have been easier for the employer, and certainly there wouldn't have been much discussion about it at all.

**Mr. Olivier Lopez:** I've been listening to the deputations quite a bit. I've been listening to the sides of farmers, a lot of these retailers and also these restaurant chains. What I've observed and what I've noticed is that we have the middle-class people and the people in poverty at odds with each other. The majority of people that I know that are in poverty and struggling with part-time work and job insecurity are racialized people.

It's going to take some sacrifices. I know that people have mentioned in their presentations that they've looked at their numbers and they've done everything they can do. They've pinched and done everything they could do to re-budget their numbers, and they just can't meet it with that timeline.

The reality is, we need to start looking at what we're really willing to sacrifice as individuals to start raising people out of poverty. That may be changing lifestyles a bit.

**Mr. Randy Pettapiece:** I'd like to relate this to some other things too. You rent an apartment. Do you pay your own utilities where you live?

**Mr. Olivier Lopez:** I pay rent, yes.

**Mr. Randy Pettapiece:** But do you pay your utilities too, or is that included in your rent?

**Mr. Olivier Lopez:** Oh, yes. I pay rent, and I pay all my utilities on my own.

**Mr. Randy Pettapiece:** You pay your utilities too. You've seen the dramatic increase in energy costs in this province over the last couple of years.

**Mr. Olivier Lopez:** Yes, I have, but that's a whole other conversation with regard to privatization—

**Mr. Randy Pettapiece:** No, what I'm getting at is, you saw the difficulty that people have faced with paying energy costs, because they've risen so dramatically. I know the government is going to tell you they're going to reduce your hydro bills, but we can all see how that's going to go in the future.

I think the employers are saying, "We don't have an issue with raising wages to the minimum wage," but it has happened too quickly and it's going to be kind of difficult for some of them. If it had been over a longer period of time, it would have been a lot easier. That's the point they're making.

**Mr. Olivier Lopez:** I just want to add to that. I went to a meeting; it was a community discussion with regard to the raising of hydro. The demographics of the majority there were 40 and up. These individuals had good working-class jobs their entire lives, and they're struggling to pay their hydro bills. The jobs that my generation and our younger generation are walking into are becoming more and more precarious, with lower income, and organizations are trying to find strategies on how to cut costs.

That's the scary part. If my parents and the generations before us are struggling now to pay their hydro bills because they're going up so high, what is it going to be like for us? Already, the job situation that we're in is very precarious. Now we're going to be moving towards having bills that we can't even afford. Most of our younger generation don't even look at those things, because they're not paying their own bills at this point in time.

**Mr. Randy Pettapiece:** Yes. I think one of the solutions to poverty is certainly a good-paying job. That's the short and the long of it. Fifteen dollars is not there. It will help, certainly.

There's no easy solution to what we're facing in this province, but we have to understand both sides of the equation here.

We had our own business, my wife and I. We paid our employees more than minimum wage, because we wanted them to stay with us and they did good work. That's the other part of it: They did good work. It would have been difficult to start training people in our business at a higher wage, until we got them trained and all this type of thing and you bring them up. That's something that we have to understand from the business side of the equation too.

Anyway, that's all I have to say.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you very much, sir. We'll move on to the third party. MPP Taylor.

**Miss Monique Taylor:** Thank you for being here with us today and for taking the time to put together a presentation.

We know it's a real fact: Generations have changed, and young people are finding it harder and harder to get into workplaces every day, and finding themselves in two or three jobs to be able to get by, and paying hydro bills at the rate and paying rent at the rate. Everything is

increasing, without the wages increasing. The only way is just to tear off the Band-Aid, get it done and ensure that people at least have some sort of start.

**1640**

Tell me, how many of your friends are not even able to start a life? How many of your colleagues are still living at home with mom and dad because they just can't make it in today's society?

**Mr. Olivier Lopez:** It's becoming more of a norm because people can't afford the rent costs. An example: I lived at a place on Robinson. We ended up getting kicked out, essentially, because new owners took the property and they moved in temporarily. A year later, that same place that I paid \$1,050 for went up to \$1,650, and that's in two years. Then with the hydro rates the way they're going, it's going to be a family-based income in the household because that's what people are going to start depending on. With parents retiring and the younger generation not having good, quality-paying jobs, you're going to have to pool your funds in the whole household.

**Miss Monique Taylor:** What about the implementation of the three weeks for vacation time? How many of your friends are actually staying at jobs for five years because that's the way the—do you know what I mean? That's what's happening—to be entitled to vacation time?

**Mr. Olivier Lopez:** The reality is that our generation doesn't have it as well as a past generation, where you could go to a job, you could work there for 40 years, you would have a good pension, you would have good wages, you would be able to have a decent life and enjoy life with your family. Now it's a society where we work, work, work, and we try to find time for our family. We're prioritizing work over family life, and I think raising it to \$15 would help.

I know you guys heard the speech from Marjorie Knight in Kitchener about her situation and how hard it was for her, struggling in poverty and having to choose whether she ate or her children ate. When I hear those things—and I know her well—it breaks my heart. Coming to Canada as a refugee in 1985 and with a mom who had \$82 in her hand, doing really well for herself, I shouldn't be in the situation I'm in right now.

We're moving very fast with technology and things are changing very, very quickly—the cost of living. We need to do what we need to do in society to uplift people out of poverty so they're not struggling. As you become more dependent on social assistance, it has detriments on your health and well-being, your mental health, your self-worth. In the end, that ends up burdening our system even more.

**Ms. Cindy Forster:** Do we have time left?

**The Vice-Chair (Ms. Ann Hoggarth):** There's a minute and 20 seconds.

**Ms. Cindy Forster:** You talked about working in jobs where you had short changes, where you worked into the night, had a few hours' sleep and then you got up in the morning. I remember a story a few years back about a young man your age, married, doing the same thing—

working night shifts in a paid job at minimum wage and doing unpaid internships during the day—being killed driving on his way home because he fell asleep in his vehicle.

Having worked shift work most of my life as a nurse, I understand how difficult that is. I'm sure that in your situation, it doesn't make you as productive as you would like to be in one of those jobs or both of those jobs, and it certainly also impacts your life as a new dad.

**Mr. Olivier Lopez:** Yes, it does have a tremendous effect. When you have to make a choice and go to work, and you stay there late at night and then you're back in first thing in the morning, when do you really have family time?

**Ms. Cindy Forster:** And there are health and safety issues as well.

**Mr. Olivier Lopez:** Yes.

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

**Mr. Han Dong:** First of all, thank you very much for sharing your time this afternoon. I want to thank you for your support on pretty much what was included in this bill.

You mentioned that you worked a part-time job previously, before you went back to school. Can I ask what type of job that was?

**Mr. Olivier Lopez:** I worked security at a health care facility.

**Mr. Han Dong:** And you were earning close to minimum wage at the time, I guess?

**Mr. Olivier Lopez:** At that job, no.

**Mr. Han Dong:** No? Okay. And you went back to school because you obviously want to invest in your education and have a better career; right?

**Mr. Olivier Lopez:** Yes.

**Mr. Han Dong:** First, I want to commend you for making that decision. There are so many young people today like yourself who work really hard. They look at every way to better themselves and equip themselves with certificates and higher education, and get back into the labour market.

This is what it's all about; right? What we're talking about today is to make it easier for people to stay in the workforce, to encourage them to work hard. They should get rewarded for wanting to work hard. This is what it's all about, and I was very pleased when I heard you telling us that you really tried to establish a career for yourself.

You said that right after school you were looking for a job. In all kinds of job postings you saw a lot of part-time work. Why is that? Why are the job postings more part-time as opposed to full-time?

**Mr. Olivier Lopez:** I think there are a couple of reasons. Obviously employers have a practice of hiring people temporarily to see how they perform on the job. We also have probation for that. But I think it is a way and a strategy to cut costs. When an organization may not be profiting as much, if you cut full-time jobs and you get rid of benefits and vacation, it may look on paper as if you're still doing well.

**Mr. Han Dong:** And most of these jobs, if you're working part-time, you're performing the same job as full-time; right?

**Mr. Olivier Lopez:** Yes.

**Mr. Han Dong:** And you should be paid as a full-time employee.

**Mr. Olivier Lopez:** Yes.

**Mr. Han Dong:** That's what this bill is all about.

I noticed that you're representing OPSEU. This is a group that helped us in the consultation leading to the report by the special advisers. In your opinion, do you think the report by the special advisers captured the concern your group brought forward?

**Mr. Olivier Lopez:** I'm not particularly operating indirectly for all of OPSEU; I'm more acting for Local 209 as an equity mobilizer, so I can't really speak on their entire behalf.

**Mr. Han Dong:** Okay.

**Mr. Olivier Lopez:** I just want to be clear on that.

**Mr. Han Dong:** I just also want to share with you that the government is proposing to hire 170 new employment standards officers to enhance protection for employees in the workplace. Are you supportive of that?

**Mr. Olivier Lopez:** Definitely. That would be a job I would be applying for.

**Mr. Han Dong:** That's very good, and you should, actually.

**Mr. Olivier Lopez:** Can I just mention one quick thing about misclassification?

**Mr. Han Dong:** Okay.

**Mr. Olivier Lopez:** I'm pretty sure you guys don't have anything in there about making it illegal. I have a sibling who has worked for an organization for 17 years, and she was intentionally misclassified. She started off as a community outreach worker. She moved up as a medical secretary and administrative assistant of a program. She requested her pay stub, and when she looked at it, it was "community outreach worker." She inquired with HR and they told her not to worry about that.

Coming from an education in human resources, that raises serious concerns. This has happened to multiple employees within that organization, and it's a practice that is used in order to pay people lower wages but have them do a different job. I think that's an important thing to identify and address.

**Mr. Han Dong:** Thank you for getting that on the record.

Chair, I want to share my time with MPP Martins.

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

**Mr. Han Dong:** I'm sharing my time with MPP Martins.

**Mrs. Cristina Martins:** That's it.

**The Vice-Chair (Ms. Ann Hoggarth):** I told you, there was no more time. There was 30 seconds.

**Mr. Han Dong:** Thank you very much for coming in today.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. The deadline to send in a written submission to the Clerk is by 5:30 on Friday, July 21.

**Mr. Olivier Lopez:** Perfect. Thank you.

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#### BURLINGTON RESTAURANT ASSOCIATION

**The Vice-Chair (Ms. Ann Hoggarth):** Our next presenter is the Burlington Restaurant Association. Do you have a submission to hand out, sir?

**Mr. Craig Kowalchuk:** I do, yes.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. If you would state your name for the official record, and your five minutes will begin.

**Mr. Craig Kowalchuk:** Thank you, everyone, for taking all this time to take all the submissions. My name is Craig Kowalchuk. I am president of the Burlington Restaurant Association. I represent 25 independent licensed restaurants in the community of Burlington, and I'm here with some of my peers today. I am also a restaurant owner/operator and have been in the community of Burlington since 1992. I currently employ 64 employees year-round, and upwards of 130 employees in a seasonal type of business.

We've made this submission. We've sent documents, which we called our toolbox for advocacy, to this committee. In fact, today I was at a business round table with Finance Minister Charles Sousa and our MPP and Minister of Tourism, Culture and Sport, Eleanor McMahon, at a Burlington business round table and was able to present some of these ideas as well, so they've heard them.

We're here today to look for what we'll call some exemptions, or to listen to these ideas specific to the food sector part of the business and quick service and full-service restaurants. I think we have to separate ourselves a little bit in regard to the whole hospitality broad spectrum, because it's very different.

We've come here with three points that we want to address. I'm not going to necessarily follow them in order, but I do want to give you a little bit of background on some of the work that we've done. We formed in 2010 to be collaborative with city officials, with police, with the AGCO, with fire, and with health and safety to make sure that we, as an organization, were compliant in our community.

When the tips and gratuities law was brought forward by Arthur Potts, MPP from the Beaches, we fully supported that because we believed it protected the workers, it created a fair disbursement of tips and it clarified that so it would take the unscrupulous operator out of the game and give those who are lifelong professionals who have put it all on the line credibility and integrity. We truly believe that, and that's where we come from in this position.

At that time, we had proposed the idea in a meeting with MPP Eleanor McMahon, Arthur Potts and Minister of Labour Kevin Flynn, to support the idea of moving forward with tips and gratuities and getting that clarity. But at that time, which was in June 2015, we also

presented the idea of moving tips and gratuities towards wages.

Today, again, I presented that idea to the Minister of Finance and to our Minister of Tourism, Culture and Sport that we need to take that next step of moving tips and gratuities to wages. Why we want you to do that is that we truly support Bill 148 and we truly support the idea of moving toward the minimum wage of \$15 and we truly support even, in the communities that can bear it, to get employees to the living wage. I believe I heard numbers that in Halton the living wage is around \$18 an hour.

We believe that by disclosing the tips and gratuities, we're going to create a revenue tax stream for the government. We're going to show that that employee is making well over the living wage, and we're also going to give them a T4 that will allow them to qualify to buy cars, buy homes and get themselves down the path, just like we heard the story of how we're going to have to do that.

One of the points here is that we're going to show that the front-of-the-house staff is truly at that living wage. There are kind of two points. The first one is to say, let us float that minimum wage to ensure—if we have a new employee that we're investing in training, we're going to maybe make sure that they get to that \$15. If we have a mid-scale employee who has done a couple of years with us, we're going to give maybe another element of increase on that floating wage. If they're a long-term, really important part of that business, we're going to get them there and keep them more or less at the wage that they're already making, but with those undisclosed wages.

What we see in that margin is an opportunity to take some resources out of that—this is where the bend in the give-and-take is—and take those resources and put them against the back-of-the-house employee who is truly the vulnerable employee. We want to get them stabilized. We want to provide them with skills and development training, so as to strengthen our community and create a healthy workplace where it's balanced and it's an equitable distribution of wages within the business.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. We will move to the third party for the first round of questioning. MPP Forster.

**Mr. Craig Kowalchuk:** Can I have some more time?

**Ms. Cindy Forster:** Thanks so much. If you want to finish your presentation, go ahead.

**Mr. Craig Kowalchuk:** Thank you very much. We're making this proposal on the wages; we fully support the wage increase. We also want to talk about some other parts in this legislation.

In the food sector, the quick-service and full-service hospitality business, the employers need the flexibility and the workers need the flexibility. The workers need that flexibility because they're in school, because they have families, because they have extracurriculars, because they're athletes. There's that.

There's an element of our employees who are full-time and they make a good living, and there are those elements of our employees who are seasonal students and they're using the income to help pay for school to get them on their way. I have 26 summers of young people, and their children are now starting to work for me.

The rigid scheduling doesn't work. Today, with the rain—I'm not the weatherman. We scheduled everyone. Do you know what happened in the middle of the round table? It poured. So now I have to bring all of those employees in, and they're now having to do light duty, or they're dividing the sections up. It becomes inequitable to that employee who did get the scheduled shift. So we have a problem there.

The last point—and thank you for the time—is that the restaurant food sector, hospitality, licensed restaurants have already gone through robust enforcement with the AGCO, who is under the Ministry of the Attorney General. After robust enforcement, here we are, years later, and what do they do now? They go around and educate licensees about the Liquor Licence Act. They go around and work with these operators to educate them about the liquor licence laws and get them to compliance. Then they use these resources against those who are those unscrupulous operators that we want out, that don't have the integrity. The bad guys are going to be the bad guys. We're here to be good, honest operators and to create opportunities for everyone.

That is my submission.

**Ms. Cindy Forster:** Thank you. Could you maybe just—

**Mr. Craig Kowalchuk:** Slow down?

**Ms. Cindy Forster:** No, just kind of flesh out your proposal on the tips and gratuities piece, so we can at least understand how you would see it working.

**Mr. Craig Kowalchuk:** Currently, right now, most restaurant point-of-sale systems record the actual tips and gratuities, whether it be on credit card and/or debit. We are very much a cashless business because of the debit and credit usage, so the majority of tips and gratuities are recorded. We actually have documentation and can run a report to say, "This person has made \$30 an hour today," because they made X amount of money and they worked four or five hours. Over the course of a pay period, we would average that out and we would see.

Now, the whole mathematics part of it—I can't get really detailed in it; it's somewhat complex. But the idea is that you float that base rate, or at least freeze the liquor server rate now and stop that so that, again, you at least have a base rate to protect the employee. But we could show that overall, the front-of-the-house employee is making well above that living wage. Again, that allows some margin for the operators to put it against.

We're pretty much there for back-of-the-house employees. There is a huge demand for back-of-the-house employees. We need to create training and development for line cooks and not always just chefs, but someone who is a long-term line cook. It gives them credibility; they get a pay raise.

But what becomes problematic—and you’ve heard it all day long; we’ve been here most of the afternoon—is that students are going to be the ones who are the losers. We in hospitality create the most first-time jobs in Ontario. If we ratchet up the minimum wage for that student, at the rate it’s going now, we’re going to eliminate those jobs, because, as you’ve heard, you’re going to only be looking for people with experience. That becomes problematic.

Have I explained it a little better?

**Ms. Cindy Forster:** I think so, yes. So you weren’t suggesting taking any tips from the servers or the liquor servers—

**Mr. Craig Kowalchuk:** No. We’re going to remit on that. We’re going to record that as income. We’re going to remit, so we’re going to pay our employer piece on it, and we’re going to make sure that they pay their tax, whether it’s at time of submission or on their payroll.

**Ms. Cindy Forster:** Can you spend a little bit more time on the enforcement rules around liquor servers?

1700

**Mr. Craig Kowalchuk:** Absolutely. The AGCO, the Alcohol and Gaming Commission of Ontario, has gone through a transformation since Bob Runciman’s safer communities report in 1999, which basically integrated all levels of government that were involved in public safety—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you, sir. We’re going to go to the government now for their questioning: MPP Dong.

**Mr. Han Dong:** Thanks, Craig. Did you want to finish your sentence?

**Mr. Craig Kowalchuk:** I’m not sure where I was, sir.

**Mr. Han Dong:** It was about—

**Mr. Craig Kowalchuk:** Basically, this report put a lot of new regulations or expectations on the food sector, and it cost us money to educate with regard to AODA and workplace violence. It made us spend a lot of money on retrofitting our buildings or, currently, doing new buildings, especially with the new AODA build code, to be compliant for fire. We went through a course of just robust enforcement, and I read this in these reports you’ve written, “robust enforcement.”

Why not educate? Educate everyone. I think everyone starts with good intentions. If you start with good intentions and you educate them on the laws—they’re difficult to understand. Today, I asked one of the assistants to the Minister of Finance, “Can you show me a website where I can get facts about what the laws are, who’s working on what, what ministries and all that?” Because it’s somewhat of a mystery. If I want to pay the proper statutory holiday pay, it’s very difficult to read. It needs to be clarified.

These are things that Bill 148 should do. Make it easier for the operator to be a better operator.

**Mr. Han Dong:** Thank you very much for all these suggestions. I think it’s very helpful to the committee and to the government. The fact that we are touring the province and having these kinds of discussions right after

first reading is to show that we are looking for suggestions and ideas.

We’ve heard previously that the restaurant sector will be—we heard opposition from the restaurant sector. They will be impacted. But what you suggest today is very, very interesting.

I just want to understand. In the big picture, you’re supportive of restaurant employees earning a liveable wage; right?

**Mr. Craig Kowalchuk:** Yes, sir.

**Mr. Han Dong:** That’s great.

I want to share a little bit of a personal story. When I was a student, I was a waiter in a very decent restaurant, and it was pretty good income, I have to say. It’s a very good entry point for any career because you are responsible for the money, you have to look after so many tables and you have to pay attention to every detail. I just want to share that. I know what it’s like. It’s not easy.

**Mr. Craig Kowalchuk:** I think it gives people good life skills moving forward.

**Mrs. Cristina Martins:** You could be a politician.

**Mr. Han Dong:** There you go. Thank you, MPP Martins.

**Mr. Craig Kowalchuk:** And I believe the student isn’t going to pay much tax. If they put it all on paper, it gets them on the way to a proper T4.

**Mr. Han Dong:** I want to get your thoughts on the sick days.

**Mr. Craig Kowalchuk:** Listen, as independent operators, we deal with challenges. I had a manager coming out of the kitchen who rolled her foot. She had to be off work for two weeks. She goes to the hospital and she calls me. I say, “Do it the right way. Fill out the forms. Let’s do it the right way, do it through WSIB,” whatever. We have someone who calls and someone has died in their family. They have to go here or go there.

We’re compassionate people. Part of the hospitality food sector, full-service, quick-service—we’re compassionate. We’re passionate about our food, we’re passionate about the people, we’re passionate about what we’re trying to offer. I think we have empathy and understanding.

**Mr. Han Dong:** It’s very interesting that you brought up that example. Were you able to manage that situation—you didn’t expect that to happen, and it’s two weeks without someone—

**Mr. Craig Kowalchuk:** Absolutely not. As an operator of what I would call a going concern—we talked about how many employees we’re managing. There could be 50 employees on a certain shift, and that’s me specifically. It pulls me back in to where I am not able to so-called “run” the business; I have to be part of the business, which isn’t a bad thing, but it puts pressures on the whole thing. But you do it. You do what you do to make sure we carry on.

**Mr. Han Dong:** Then you expect the unexpected, and it’s just part of your managing.

**Mr. Craig Kowalchuk:** Yes, absolutely.

**Mr. Han Dong:** That's very helpful.

On the scheduling that you mentioned, that poses a challenge, you said?

**Mr. Craig Kowalchuk:** Absolutely. I'm going to say that this schedule here that was lily white at the start of the week, on which my manager spent probably a good four or five hours of her work week—this is managing our service staff. Those are staff changes, looking for flexibility with regard to their scheduling hours. It's school, it's social, it's family—

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

**Mr. Michael Harris:** Hey, Craig. How's it going? Thanks for coming.

Craig, you said you met today with the financial minister and MPP McMahon out of Burlington.

**Mr. Craig Kowalchuk:** Yes, sir.

**Mr. Michael Harris:** How did that meeting go?

**Mr. Craig Kowalchuk:** It was really great. It was really interesting to hear from the different business sectors in our own community. There are agri innovation businesses, there's trucking. We actually had advocacy groups for people with disabilities and getting them integrated into the workplace. It was a vibrant conversation but it all revolved around the minimum wage.

**Mr. Michael Harris:** It did, did it?

**Mr. Craig Kowalchuk:** Yes. I did have the opportunity to present that idea to the finance minister and he was very receptive.

**Mr. Michael Harris:** What kind of feedback did he give you?

**Mr. Craig Kowalchuk:** I think he was taking it in. I'm sure he—

**Mr. Michael Harris:** Every one of those was likely pretty consistent about the fact that it was a surprise. I don't know if your association—I know we had Restaurants Canada here earlier on. They talked about the fact that the review, over the course of the time they were out there looking at the Employment Standards Act and the Labour Relations Act, did not encompass the increase to the minimum wage. In fact, the Premier repeatedly said, both in January and March—and others were assured—that wasn't part of the scope of the review at the time and did not provide any feedback, nor would they even entertain feedback. Obviously, when the bill was tabled, it came as a surprise to a lot of folks.

I'm asking you, did that come up today at the meeting? Was there any explanation given as to why the review did not include the increase? What explanation did they give you today for that?

**Mr. Craig Kowalchuk:** I think there was a general sense around the room that the \$15 an hour—it was more about what we heard today, the pace of getting there and giving businesses an opportunity to phase it in as opposed to that. Anyone who's had CBC Radio on, picked up a newspaper or listened to whatever and not heard the words "living wage" over the last couple of years has not been paying attention, quite honestly. To say it's a sur-

prise that it's coming when you know that this review has been going on for two years, up to the point of the introduction of the legislation, and now these reviews—it's not a surprise to our organization.

That's why, two years ago, we presented the idea to declare the tips and gratuities as wages, and that makes it compliant with the CRA: all income from all sources. We remit; we create a revenue stream. As a result, you get a better T4 for the employee. We find some margin in there—because at that time, it was about trying to find margin for the Ontario Retirement Pension Plan; that was before the adjustments were made to the CPP at the federal government level. We wanted to take that money and put it against that back-of-the-house employee, who is truly the vulnerable employee who needs that consistent work week, that reliable wage that's going to get them there.

**Mr. Michael Harris:** Did those folks today make any commitments to you or to the organizations around the table about—you know, we're here listening as a committee. I know we've already had one government member say that he'd be speaking directly to the minister on this, but I'm wondering if there were any concrete, actionable items that you took away from that meeting today.

**Mr. Craig Kowalchuk:** I would say that the fact that the finance minister, Charles Sousa, did a recap in the meeting and really addressed the ideas that we had put forward on the three points, not only the scheduling—because it was perfect; the rain fell just at that time—and the enforcement, to take a look at the model that's within your own government and the wage part, to recap that, really put some attention to it and also thank at the end of the meeting, saying, "We're looking for solutions."

I'm not here to say sports collusion, TSN and Bell, and "What's that costing my business?" I'm not complaining. That's something that's reality. I don't think it's right; I have to adjust for it, I have to make decisions on it. Hydro: I'm not here for that. I'm here to help create solutions for this legislation to help specifically our food sector, full-service and quick-service restaurants.

**Mr. Michael Harris:** Do you have any faith that your recommendations will actually be implemented or acted upon?

1710

**Mr. Craig Kowalchuk:** We can only hope, just like I wake up every day thinking it's going to be sunny.

*Laughter.*

**Mr. Craig Kowalchuk:** If you knew my place, you would understand that.

**Mr. Michael Harris:** Thanks for your time today. Thank you for coming in.

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you for your presentation. I'd just remind you that the deadline to send a written submission to the Clerk of the Committee is 5:30 on Friday, July 21.

**Mr. Craig Kowalchuk:** I believe we have done that, so great. Thank you very much.

MISSISSAUGA COMMUNITY LEGAL  
SERVICES

**The Vice-Chair (Ms. Ann Hoggarth):** Our final presentation today is from Mississauga Community Legal Services. Do you have something to distribute?

**Ms. Chantelle Perera:** No, I do not have written submissions today.

**The Vice-Chair (Ms. Ann Hoggarth):** Okay, thank you. If you would state your name for the official record, and your five minutes will begin.

**Ms. Chantelle Perera:** My name is Chantelle Perera, and I'm a staff lawyer at Mississauga Community Legal Services. I thank this committee for the opportunity—

**The Vice-Chair (Ms. Ann Hoggarth):** Could you please speak a little more loudly?

**Ms. Chantelle Perera:** Oh, okay. Sorry. I've got this feedback here, so I thought I was speaking very loudly.

Once again, my name is Chantelle Perera, and I'm a staff lawyer at Mississauga Community Legal Services. I thank all the members for coming today to this committee and providing an opportunity for people to make a presentation.

Just a bit of background: Mississauga Community Legal Services is a community legal clinic that's funded by Legal Aid Ontario. What that means is that we provide assistance to low-income individuals in certain areas of law. In our clinic specifically, we help with landlord and tenant matters, and social assistance—so, Ontario Works and Ontario disability. We help with Canada Pension Plan disability, WSIB, employment insurance and immigration.

Our clinic has been in existence for over 35 years, but it was only in November 2015 that we started providing employment law services, because we recognize that there are a lot of low-income individuals within Mississauga who don't have access to legal assistance in that area. Again, we only provide assistance to low-income individuals, and it is a very low threshold. Our advice and legal representation is limited to the Ministry of Labour, Small Claims Court and the Ontario Labour Relations Board.

In Mississauga, many of our clients are recent immigrants. Some do not speak English well, and many have limited education and are unfamiliar with the legal protections that are offered to workers. Many of our clients work for minimum wage in precarious employment, and as a result are living in poverty. In essence, our clients are those who are most in need of protection in the workplace.

I've noticed from the consultations that there have been several common themes that have come up. For example, people have been speaking a lot about the minimum wage and things like the number of paid sick days that are provided to workers. We support those, but I want to speak about something a bit different today. What I would like to speak about is one of the main challenges that we see in the clinic, which is the enforcement of what protections there currently are for workers.

As a lawyer, my job is to advise clients about what protections are available for them and then what process to use to actually employ those protections. Unfortunately, when it comes to employment in Ontario, the major flaw is the lack of enforcement of workplace protections.

We've all heard stories of workers who have filed complaints with the Ministry of Labour but have never received the compensation that they were ordered by the ministry. This is because an order of the ministry can only be enforced by the ministry, not the actual worker themselves, which is an anomaly that you don't really see in any other area of law. In any other area, you can take that order to the court and enforce it yourself.

Again, unfortunately, the ministry does not have a great track record of enforcing orders, so many workers will go through this whole process and they'll just end up with a piece of paper that says that their employer owes them money, but they never actually see that money. There have been several news articles stating that there is as much as \$11 million in uncollected claims with the Ministry of Labour. Just think about how many people are left without what they are actually owed because of this.

The practical result of this weakness in the legislation is that, as a general rule for our clinic, we don't recommend that people complain to the Ministry of Labour; we recommend that they go to Small Claims Court instead. As we all know, with the court system, it's longer, it requires them to take unpaid days off of work and it also requires greater resources. Our clinic needs to spend more time at Small Claims Court than if we went to the Ministry of Labour. The cost for the administration of the court is increased too. So it just doesn't make sense.

Currently, I have several claims that I filed in January 2017 with Small Claims Court, and my clients still haven't seen any of the money. In a few we have an order, but that's as far as we've gotten in all of this time. We are finding in the clinic that the lack of enforcement has led some employers to ignore the Employment Standards Act, to the point that this appears to be a business practice for some employers—

**The Vice-Chair (Ms. Ann Hoggarth):** Thank you. We'll go to the government to open this round, please. MPP Martins?

**Mrs. Cristina Martins:** Yes. Thank you, Chantelle, for being here today and for presenting. As you know, we've been on the road now for the last couple of weeks with this bill. It's unprecedented in a number of ways. It's the first time in 25 years plus that we are actually looking at amending and updating, if you will, the Employment Standards Act and the LRA. It's also unprecedented in that we're actually consulting and hearing people like yourself and the everyday Ontarians who have spoken at this committee after first reading, so very early on in the process.

I want to thank you for being here today and thank you for the work that you do at the clinic in representing those who are marginalized, who are often working in these precarious jobs that have been referred to during these deputations.

At the same time, we know that the province is prospering, that we're doing well and that the economy's growing, but yet not everyone is able to share in this wealth, if you will. So I wanted to hear from you: In the struggling community that you represent, how will raising the minimum wage improve their quality of life? If you could, just share with me what experience you have in that.

**Ms. Chantelle Perera:** Yes, absolutely. As I mentioned before, we do practise in several different areas of law. So we deal with people coming in who owe arrears of rent to their landlords. Part of the difficulty is that they're not making enough or their hours have been cut at work or something, so they're struggling to even just pay for their rent and get through. Obviously, it would help in that situation.

But, again, as I said before, I think you've probably heard so many people talking about minimum wage and what improvements that would make for people; our argument is, of course we need that, but we do need greater enforcement too.

**Mrs. Cristina Martins:** So this bill does speak to the minimum wage, and many people have been focusing on that, but you are correct where it does touch on a whole slew of other different things: We talk about vacation time, we talk about scheduling, and we talk about all sorts of different things, as well as hiring 170 more enforcement officers to enforce the very things that we're debating here today. Can you give me your opinion on that and if you would agree with that direction?

**Ms. Chantelle Perera:** I think that there needs to be more clarification in this bill as to what the powers of those new enforcement officers are. You can hire as many more as you want, but if it doesn't practically lead to people receiving the money that they're owed, then there's no benefit.

When I was reading through the bill, I didn't see anything that clarified that there were new powers for these employment standards officers or that there would be more focus on actually collecting these, and there was nothing saying that the order could be put in the name of the worker so that they could enforce it themselves. I think that's something that's really important. It takes so many resources for the government to try to do this, and, with all due respect, you don't have the same commitment or need to enforce this order as somebody who is missing that \$1,000 and needs to pay their rent.

**Mrs. Cristina Martins:** So I don't have the wording right here in front of me for that bill, but if there is something specific that you would like to see in terms of clarity, then you have until tomorrow, July 21, at 5:30 p.m. to do so. Perhaps you can provide the type of wording that you would see as very clear and very specific as to what the role and responsibility is of the 170 additional employment standards officers.

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Aside from the minimum wage, we talked about a little bit more oversight with the 170 new enforcement officers. Is there anything else in this bill that really

strikes you and says, "This is really going to help with the precarious workers I represent, those workers who are struggling"? You talked about the new immigrants and you talked about the women you represent. Is there anything else in this bill that you can highlight?

**Ms. Chantelle Perera:** I think this bill is a good starting point. I think there's a lot more that could be done. For example, providing two paid sick days per year, I think, is a good starting point. In reality, I don't know how many people can get through a year with only using two paid sick days. A lot of our clients end up having to choose between their health and their work.

Ultimately, as they age, that gets more difficult, and then they're unable to work anymore, so then we're helping them apply for disability benefits. It's this cycle that—again, I think the bill needs to go a bit further to address those challenges—

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

**Mr. Randy Pettapiece:** Thank you for coming in this afternoon. You've raised a number of points today that haven't been discussed before. I've only been here one day, but some of the points you bring to the discussion are quite interesting.

I shouldn't assume things, because you shouldn't do that or you get in trouble. I guess the word shouldn't be "assume," but I get the sense that you're not happy with this bill the way it's presented.

**Ms. Chantelle Perera:** Like I said, it's a starting point.

**Mr. Randy Pettapiece:** It's a starting point. So you have suggested a number of changes to it. The problem with giving 20 different changes to a government bill is that it's not going to happen, but if you've got one, two or three, or one major one—where are you going here?

**Ms. Chantelle Perera:** First and foremost, I think the biggest change that could be made is to allow the workers to enforce the order themselves. I think that would make a big difference and would lead to a cut in costs pretty much across the board and would lead to actual enforcement of these orders.

The second one, as I said, would be to provide more sick days—more paid sick days, let me clarify.

**Mr. Randy Pettapiece:** Paid sick days.

**Ms. Chantelle Perera:** Yes. Then, my third one, I didn't really get a chance to touch on here. A common problem that we're seeing in the clinic system is the misclassification of workers: Somebody being classified as an independent contractor when in reality they are an employee, but because they've been classified as an independent contractor, they're not protected by the Employment Standards Act.

We have one particular employer that we've been dealing with where there have been 116 claims against them in the past 10 years for unpaid wages, but because the employees have been classified as independent contractors, they all have to go to Small Claims Court to get that money. So they filed with the Ministry of Labour, it's been dismissed, and then they have to start

all over again. That doesn't even include the people who didn't even try to go to the Ministry of Labour. Situations like that, we think that's a big problem that hasn't been addressed with this bill.

**Mr. Randy Pettapiece:** I think anybody who has had experience with lawsuits or whatever else gets really frustrated. Sometimes they give up on them because either there's not a lot of money involved or they use it all up in lawyer's fees or something like that—no offence to you.

**Ms. Chantelle Perera:** Oh, we don't charge for our services. We're funded by Legal Aid Ontario.

**Mr. Randy Pettapiece:** I understand that, but the lawyers on the other side may be charging a great deal.

**Ms. Chantelle Perera:** That's possible, yes.

**Mr. Randy Pettapiece:** We've heard several times today about all these inspectors that are being hired. The government says 170. It may end up being 300 or 400 when they get done with it, because that's what has happened with some of the other agencies. There's been a certain number, and then all of a sudden that balloons. But you don't see in this act really anything that they—their enforcement abilities are not there. Is that what I'm hearing from you?

**Ms. Chantelle Perera:** There are some enforcement powers that are there, but they're not being utilized right now. I don't know why. I guess that's the decision of the Ministry of Labour, but they often just aren't collecting on those, for whatever reason.

**Mr. Randy Pettapiece:** I know that the bill was worked on for a couple of years, but certainly the last part was put together rather hastily with the surprise on the minimum wage that ended up being in this thing. I just wonder if there should be a lot more research done on what you're talking about before this bill is even contemplated for reintroduction in the House.

**Ms. Chantelle Perera:** I don't know that you need to do a lot more research to see this issue, for example.

**Mr. Randy Pettapiece:** No, no. Listening to people like you, I guess, is the research I'm talking about.

**Ms. Chantelle Perera:** Well, there have been lots of consultations. There was a process leading up. The Changing Workplaces Review: There was consultation there. Honestly, with this particular government, there have been more consultations than I think I've ever seen during my time in the clinic system. I think the time for consultation is done and the time for action is now.

**Mr. Randy Pettapiece:** That might be true, but you've just listed three things here you feel they've missed. I wonder if we should be discussing this bill after more consultations on things, because you've brought up new subjects here that we hadn't heard before, or at least I hadn't heard before.

**Ms. Chantelle Perera:** I'm glad. I did that on purpose today. I wanted to raise something that was different from what you've been hearing.

**Mr. Randy Pettapiece:** Well, good for you. That's quite refreshing. Again, my point is this: There are some

things in this bill that people favour and some people don't like. You've brought up some new points here that maybe should have been listened to in the first place. That's all I'm saying.

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

**Ms. Cindy Forster:** Thank you so much for being here. We've heard from a number of community legal clinics across the province over the last two weeks. Although many of them raised the issue of non-enforcement of the ESA, none of them actually raised the specifics.

What powers do they currently have to actually enforce the orders? Because really, there's no point in having laws and there's no point in writing an order if you can't enforce it. If a driver doesn't pay their speeding fines, they can pull their driver's licence. If an individual doesn't pay child support, they cannot get their driver's licence renewed when they go to get their plates or get their sticker. What happens to employers? Can they not pull their business licence or stop them from operating until those outstanding orders are paid? Do they have any of those powers under the existing law?

**Ms. Chantelle Perera:** No, to my understanding, they don't have any of those powers. I think the furthest that it goes is essentially that they can refer the matter to a collection agency to have this enforced. Even that doesn't happen very often.

**Ms. Cindy Forster:** Are there any fines or penalties attached to the outstanding amounts of money ordered?

**Ms. Chantelle Perera:** The fines and penalties are very low. I believe it's \$100 or 10%, whichever is greater.

**Ms. Cindy Forster:** Right. So \$11 million outstanding in wages or vacation pay or severance pay to the most vulnerable workers in this province, and nobody's actually collecting the bucks, right?

**Ms. Chantelle Perera:** Yes.

**Ms. Cindy Forster:** Maybe we need to focus on making sure that there's a process in place that makes that happen, so if they actually turned the order over to the worker, they then would have to enforce it themselves in Small Claims Court and incur—what's an average cost?

**Ms. Chantelle Perera:** Fortunately, right now, there is a fee-waiver system with the Small Claims Court, so depending on your income, you could get that fee waiver. But through the garnishment process or things like that, it's typically around \$75 or \$150. The Small Claims Court costs are lower for litigants than they would be if they were to go to Superior Court or something.

**Ms. Cindy Forster:** It would be very easy, though, for the government and for the ministry to actually change the legislation for collections, like they do, for example, under the Occupational Health and Safety Act. If employers are in violation of the act or if there's an accident or a death that occurs in a workplace, they can impose fines. I know there was somebody in my riding, a

municipal worker, who passed away, and the ministry had the ability to fine up to \$1.5 million in that particular instance.

I think that the government certainly could increase those fines—they're always increasing driver's licence fees and a variety of things—and at least make it a deterrent for employers like the one you talked about, with 116 infractions, to actually quit violating the law.

**Ms. Chantelle Perera:** Yes, that's precisely what we are suggesting.

**Ms. Cindy Forster:** Then the misclassification of workers: That really is an attempt by employers to avoid paying people minimum wage and those kinds of things. Is that what happens?

**Ms. Chantelle Perera:** And then the practical result is that you don't have any recourse if you're not paid wages. As I said, we end up having to go to Small Claims Court for that. The court has this attitude that this is just any other debt that's owed, but this is somebody's living wage; it's very different. I've been very disappointed by

the attitude of the courts on that, so that's one of my concerns with going through that process.

**Ms. Cindy Forster:** I thank you for your presentation and for bringing this forward. Hopefully, we'll be able to put some amendments forward during the clause-by-clause phase to address the couple of issues that you've brought here today.

**Ms. Chantelle Perera:** Thank you so much.

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

**Ms. Chantelle Perera:** Thank you so much, and thank you, everyone, for the last presentation of the day, and for your attention.

**The Vice-Chair (Ms. Ann Hoggarth):** I'd like to thank everyone who made submissions.

We are adjourned until 9:30 tomorrow morning in Toronto.

*The committee adjourned at 1730.*





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