

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-35

**Journal  
des débats  
(Hansard)**

F-35

**Standing Committee on  
Finance and Economic Affairs**

Fair Workplaces,  
Better Jobs Act, 2017

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

Monday 30 October 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

Lundi 30 octobre 2017

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Chair: Ann Hoggarth  
Clerk: Eric Rennie

Présidente : Ann Hoggarth  
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**

Monday 30 October 2017

Lundi 30 octobre 2017

*The committee met at 1330 in room 151.*

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

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

Consideration of the following bill:

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

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

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

I would remind everyone in this room that this room is an extension of the Legislature, so there can be no clapping, heckling or political material present. Are there any questions before we begin? Thank you.

**MR. MICHAL ROZWORSKI**

**The Chair (Ms. Ann Hoggarth):** Then I will call the first witness, Michal Rozworski. Would you identify yourself for Hansard, please?

**Mr. Michal Rozworski:** Sure. My name is Michal Rozworski.

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

**Mr. Michal Rozworski:** Thank you, members of the committee, for the opportunity to speak before you today on this important matter. In my five minutes, I will focus on the economic evidence in favour of raising the minimum wage.

I am here alone today, but I am also one of 53 economists who signed an open letter earlier this year in support of the government's plans to raise the minimum wage. We, in turn, are joined by many others, including 600 of our colleagues in the United States—seven Nobel Prize winners among them—who signed a letter urging their federal government to raise the minimum wage to

\$10.10 per hour—in percentage terms, an even larger increase than that currently considered in Ontario.

Historically, the argument against raising the minimum wage has been that it leads to disemployment; that is, reductions in hours or jobs among low-wage workers. This view has undergone a tectonic shift, primarily since the publication of Alan Krueger and David Card's landmark study *Myth and Measurement* two decades ago. We have more realistic models of the labour market that take into account market frictions and imperfect information. We also have more advanced statistical methods, better able to isolate the impacts of changes in the minimum wage from all the other things happening in the economy at the same time—for example, recessions, migrations or shifts in industrial structure that can also affect employment.

The empirical evidence from modern studies is clear: Normal increases in the minimum wage have negligible to statistically insignificant impacts on employment. I've included a graph in my submission on page 6 showing this result visually. It comes from a meta-analysis that compiled over 1,000 estimates from over 50 studies of the relationship between changes in the minimum wage and employment. Note the concentration of results, especially the more precise ones that are higher on the y-axis, around zero effect.

What mechanisms could be behind this clear, new evidence? Economists have identified a number of factors, which, working in concert, explain why we should expect this result. The list would include:

- a shift from a low-wage, high-turnover labour market to a higher-wage, lower-turnover labour market, with more stable jobs and thus lower cost to employers;

- some redistribution between wages and profits, not unwelcome after several decades of a consistent downward trend in the labour share of GDP;

- more productive workers, which can result from higher-paid workers putting in greater effort. Economists call this the “efficiency wage theory”;

- modest increases in prices at an economy-wide level outweighed by increases in pay for a large portion of the wage distribution;

- compensating effects on demand from the higher propensity to consume of low-wage, low-income workers; and finally,

- a more compressed wage distribution: that is, a reduction in inequality.

Many of these mechanisms are beneficial on their own: more productive workers, more long-term employment and greater equality are welcome results. More importantly, without significant costs in employment, the biggest benefit of this policy is clear. We can expect significant increases in pay for the lowest-paid workers in Ontario. Indeed, over a million workers will see higher incomes directly from this policy, 80% of them not the teenagers of past stereotypes. We should also not be surprised to see a reduction in poverty from raising the minimum wage, another finding from recent economic research. As I'm sure you are aware, there have been a number of heavily publicized analyses that have made dire predictions centred on this employment impact. These analyses focus on potential economic costs from raising the minimum wage and do so based on evidence from older studies and older theoretical frameworks.

It is most important to remember that none of these analyses present new evidence. They merely extrapolate results to the Ontario labour market from a selective reading of outdated literature. They, in effect, assume what they seek to prove. Those making the wildest predictions were met with almost unanimous skepticism and criticism from Canadian economists. Even the authors of some of these analyses admit that they expect net employment in Ontario to continue growing even after the introduction of a \$15 minimum wage.

Opponents to raising the minimum wage are swimming against the tide of economic evidence that shows that increases in minimum wage are beneficial for workers and the economy. It is a boost sorely needed in Ontario today. Thank you again.

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

**Mr. John Yakubuski:** Thank you, Mr. Rozworski, for joining us today.

I would suggest that you say the studies done by TD Bank and the chambers of commerce are not valid. What about the Financial Accountability Officer? He has no client other than the Legislative Assembly, and advises us and is an officer of the Legislature. He did his own report and essentially said much the same thing.

The evidence out there when we get it ourselves—I spoke to a lady on Friday who has two children in college. She was very distressed that they weren't attending class, which she rightfully has a right to be concerned about. We got talking about some other things and she was also told that the place where her two children were employed last summer—they have already been told they don't have a job for the summer of 2018 because they are not going to be able to pay the wages that are prescribed in this legislation, if passed. That's not somebody's study; that's somebody being directly told, "Go look for a job somewhere else because we won't be bringing you back." How do you respond to that, Mr. Rozworski?

**Mr. Michal Rozworski:** Sure. So maybe I'll take the questions in turn. I'll speak to the FAO study first because it was first in the question.

While the media focused really on the job loss figures, which were a fair bit lower than the other two studies from the TD Bank and chamber of commerce, I think what's really important to note is that this analysis from the FAO actually predicted a big overall rise in net incomes. Even if we assume their job loss estimates to come true, the FAO said that real labour income will go up by 1.3% in total in Ontario after taking into account any negative effects. That's a big net increase. They expect over 60% of that to go to the bottom 50% of households. This is basically the report agreeing that a \$15 minimum wage is both a poverty and inequality-fighting shift with a big net benefit.

**1340**

I think, on top of this fact, the FAO's disemployment estimate is still open to some of the same criticisms. Even though their predictions were less fantastical, I think they, in their analysis, did not take into account some of the recent landmark papers, such as that from David Green and Pierre Brochu in Canada or Arin Dube in the United States, that, if applied to Ontario, would predict disemployment effects half to 10 times as low as what the FAO predicted. I think it's still hard to see the FAO's estimates a midpoint as they are claiming in the existing literature, but regardless of all of that, even assuming this disemployment effect—

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

**Ms. Cindy Forster:** Well, thank you very much. If you wanted to actually finish your answer, feel free to use a minute or so. Go ahead.

**Mr. Michal Rozworski:** I think that's it. The FAO—this study was still showing a big net benefit. In terms of the small business person: It's hard for me, as an economist, to speak to the conditions of a particular individual business owner. There are businesses that lay off people for various reasons all the time. There are businesses that hire people for various reasons all the time. What I can speak to is the economy-wide evidence, and this is quite clear that we really should not expect any large, significant disemployment effects.

**Ms. Cindy Forster:** With respect to what the FAO had to say, the expectation of economists in this country is that we are still going to see continued increases in employment in the upcoming years, and that will offset basically any of these early, perhaps, losses?

**Mr. Michal Rozworski:** Yes, I believe both the FAO economists and even the economists at TD Bank, in correspondence with Jim Stanford, an economist at McMaster and Unifor, agreed that they do expect employment in total in the province to continue to grow, albeit at maybe a slightly slower pace, even after the \$15 minimum wage is fully implemented.

**Ms. Cindy Forster:** So the suggestion that comes out of these other studies—how old were these other studies and what kind of economy were we in at the time that these studies were undertaken?

**Mr. Michal Rozworski:** Yes, I think it's a difference in the economy, but it's largely a difference in methods.

This is a hard question. It's really hard to pull apart what's happening in an economy due to a very particular change like the minimum wage, due to, like I said, all these other factors.

This new research has really been able to find finer and finer grade methods of pulling this apart. Looking at counties on state boundaries, for example, where the minimum wage is raised in one and isn't raised in the other, so that otherwise they're very, very similar. They might be going through the same sort of big economic trends and shifts and the same time.

Once you look at evidence at this kind of level and use really fine grain statistical methods, all the old results peel away and you're left with this very low or statistically insignificant employment effect from the minimum wage on employment.

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

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

**Mr. Mike Colle:** Thank you, Mr. Rozworski, for coming. It's almost begging the question: Maybe we should have a two or three-hour debate between yourself and the economist for the Canadian Centre for Economic Analysis who's coming later. I bet we still don't agree after we hear the debate for two or three hours. You get 10 economists in a room and you get 50 opinions.

Beyond the numbers and the predictions of job losses and so forth, you mentioned something about that the core result of this change is that you're going to really have an impact on poverty and the inequality shift. Do you want to explain what you mean by that?

**Mr. Michal Rozworski:** Sure. In terms of the poverty, this is sort of another thread of the new minimum wage research that has come out in the past few years. I'd like to highlight two results that come out of, again, analysis by Arin Dube, who is really one of the foremost US minimum wage researchers. He took 12 of the most credible recent aspects on the impact of minimum wages on poverty, including even two from the best-known academic opponent of raising the minimum wage, David Neumark, and synthesized the results. What he found was a 2% to 5% decrease in the number of non-seniors living in poverty for every 10% increase in the minimum wage. He also saw increases in household incomes for the bottom half of households, and those were concentrated in the bottom quarter of the income distribution.

Again, on the one hand, you'll have lots of economists and lots of opinions, but these analyses come increasingly from these big meta analyses that take a number of recent studies and really synthesize their results and say, "What are all of these studies telling us?" They come to some pretty clear conclusions in terms of, for example, reductions in poverty and increases in income concentrated in the bottom quarter, which again is something that will clearly fight inequality as well, if there's a policy measure that starts to really boost incomes at the bottom while leaving everything else constant.

**Mr. Mike Colle:** In terms of the growing inequality, I know we talk about increasing the minimum wage, but in

fact, the minimum wage, which is today \$11.40, I guess, has declined in real dollars, right? So they're not really making that increase, because the cost of living has gone up in the years that they've been getting that minimum wage.

**Mr. Michal Rozworski:** Yes, that's correct. The minimum wage in inflation-adjusted terms is roughly the same today as it was in the late 1970s, so that's four decades of stagnation.

**The Chair (Ms. Ann Hoggarth):** Thank you very much, Mr. Rozworski. If you have another written submission, it would need to be to the Clerk of the Committee by 5 p.m., Friday, November 3.

**Mr. Michal Rozworski:** Thank you kindly.

#### FRABERTS FRESH FOOD

**The Chair (Ms. Ann Hoggarth):** I call the next presenter: Fraberts Fresh Food. Good afternoon. If you could identify yourself for the purpose of Hansard, please, and then your time will begin.

**Ms. Jackie Fraser:** Jackie Fraser from Fraberts Fresh Food. Thank you so much for the opportunity to present to you folks today.

My name is Jackie Fraser, and I own and operate a small local food shop in Fergus, Ontario, just north of Guelph.

My husband and I started Fraberts Fresh Food in 2008, just three weeks before the arrival of our first daughter—she's the little redhead in the photo, now nine years old. So, yes, not only are we hard-working and passionate, but we're also a little bit crazy.

We recognize the need in our community for a reliable source of local food and healthy ready-made meals for busy families. Our community has embraced our vision, and we are so grateful to them for making our dream come true. In turn, we give back as much as we can: We support numerous causes and events and volunteer our time; we host school trips about healthy eating, agriculture and the environment.

Our business has had its challenges. We've taken on significant financial risk as entrepreneurs, and, like most new retail businesses, it took many years to finally break even. We've faced challenges from local construction projects that impacted traffic flow to ice storms that have hit during our busiest times. We've worked incredibly hard to keep our heads above water, knowing that if we just persevered, we might eventually succeed, and we're finally getting there.

However, this unprecedented spike in the minimum wage is now our biggest challenge that we've ever faced. We currently have 10 incredible staff whom we think of as family. All but the newest hire make well over the current minimum wage. It's the compression effect that we are struggling to manage. A 22% increase in payroll costs with only half a year to prepare is pretty overwhelming. Like most retailers, payroll is our largest expense; it represents 55% of our total expenses.

I've done the math: We would need to increase our sales by over 12% next year just to break even. To put this in perspective, year over year, we generally grow by 3% to 5%—which is pretty darn good, I might add.

We have three choices: We can either lay off staff or cut their hours, we can increase our prices and pass the additional costs on to our consumers, or we can take less profit.

In our case, we can't lay off staff or cut their hours without seriously jeopardizing customer service. Our team works really hard, and we're already very efficient. My husband and I work hard alongside them and can't possibly work more hours, short of significant advancements in cloning technology or a warp in the space-time continuum.

We also can't raise our prices significantly. The grocery industry operates on laser-thin margins and is highly competitive. We must remain competitive with the three large grocery chains in our town.

We'll also be facing increased costs of the products we sell. The local farmers I buy from are predicting significant increases in their wholesale prices, in the neighbourhood of 12% to 17%, to cover the massive increase in their own payrolls. Will my customers pay an extra dollar or more for a quart of Ontario-grown strawberries? I certainly hope so.

That leaves taking less profit, and, sadly, our profits aren't big enough to absorb the shock. What modest profits we have made over the past four years of our nine-year-old business have been used to pay down the not-insignificant debt we took on to launch our business and survive the first five unprofitable years to get established.

**1350**

You've already heard from economic experts. I am not one; I'm going to put that out there right now. Your own Financial Accountability Officer's report and many others predict job losses and other unintended consequences with such a drastic and rapid increase in the minimum wage. Frankly, I'm a little tired of hearing that there are lots of studies that show there will be no impact. As far as I know, it has never gone up at this rate. I have yet to see a report on a jurisdiction that raised its minimum wage by 22% with barely six months' notice.

There is no problem with a properly phased-in increase to the minimum wage. It's the unprecedented spike that is the problem. I know it's becoming a cliché, but it's too much, too fast.

Other jurisdictions, such as Seattle, New York and California, have given their businesses anywhere from three to seven years to make this big adjustment. To be fair to employers here in Ontario, please allow us a similar time frame. Then perhaps we can reap any anticipated benefits of an increased minimum wage without the unintended consequences of such a rapid shock.

In my industry, we can reduce the loss of independent grocers and avoid further concentrating the food business into the hands of a few large companies who have the economies of scale to deal with this, and who may or

may not wish to sell locally grown food with higher price tags. This government has supported and encouraged the local food industry in the past; however, this spike in the minimum wage hits both the growers and the independent sellers of that locally grown food.

A healthy small business community is important to Ontario's economy. We employ 87% of the private sector workforce and we support our communities in ways that large companies can't. Just because we don't have the economies of scale to absorb this large shock doesn't mean we aren't successful and important.

Not a day or night goes by that I am not trying to think of how to make this work. My family has worked so hard and sacrificed so much to make our business successful. We're never going to be rich, but we're passionate about what we do and we provide value for our customers, good jobs for our employees, a market for local growers, and meaningful contributions to our community. Please reconsider the proposed spike in minimum wage and give us a fair, phased-in approach that can ultimately benefit everyone.

Thank you again for the opportunity to speak today.

**The Chair (Ms. Ann Hoggarth):** Thank you. We'll begin this round with the third party: MPP Forster.

**Ms. Cindy Forster:** Thank you, Ms. Fraser, for being here today. Can you explain what you mean by the "compression effect"?

**Ms. Jackie Fraser:** Yes. We have a number of employees who have been with us for many years and over the years have earned raises. We give raises quite frequently, based on performance and loyalty and whatnot. So I need make sure that their wages go in line. I just hired a woman recently, so she's at the minimum wage right now. She will be getting a raise very quickly because she's turning out to be awesome. But I can't be in that situation where somebody who is training somebody else and who has been with me for a couple of years is maybe only a dollar or two over the person they are training. I want to make sure we can shift everybody appropriately.

**Ms. Cindy Forster:** So you're anticipating that with your one person who is being paid minimum wage, increasing by \$2.60 an hour on January 1, you're also going to have to give that same \$2.60 to each of your employees to kind of keep that—

**Ms. Jackie Fraser:** That's what I would like to do. The reality is that I'm not going to be able to do that, but I would like to be able to do that because I think that's fair.

**Ms. Cindy Forster:** I see the wholesale price increases in the neighbourhood of 12% to 17% of the food that you purchase from farmers and elsewhere. What impact is that going to have on your business, percentage-wise?

**Ms. Jackie Fraser:** Exactly. I'm already doing some math to figure out how to deal with what I know I'm going to be dealing with: the dollar figure from the increase in wages. But that's the big unknown: how much my inputs are going to go up. I talk to my growers down

at the Ontario Food Terminal. Everybody's chatting, and that figure is the number that's kind of coming out. So if I'm paying \$20 for a flat of strawberries now, it's probably going to be \$23, \$24 or \$25 next year. Those are the kinds of impacts that I need to deal with.

**Ms. Cindy Forster:** I guess my last question is, what happens on January 1? When this legislation passes—because it's likely to pass—what impact is that going to have on your existing business, and what else can the government do for your business, other than slowing down the anticipated increases?

**Ms. Jackie Fraser:** Slowing down would be the biggest help. We are going to reduce our hours of operation, so we're going to cut back the number of hours that we're open. We have already made that decision. We are looking at a lot of different ways to save on labour just throughout the store: Are there some products that maybe aren't earning their keep, so to speak, and they'll have to go? Those are some of the ideas we're looking at right now.

My staff have actually been incredibly helpful. They're suggesting, "Here's a slower time of the day; we don't need to be open." They've been incredible through all of this.

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

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

**Ms. Daiene Vernile:** Jackie, thank you very much for coming in. Did you drive in from Fergus for this today?

**Ms. Jackie Fraser:** I took the GO train from Brampton, but I did drive to Brampton, yes.

**Ms. Daiene Vernile:** Thank you very much for being here today, for sharing your story and for telling us about your lived experiences. I'm looking at this lovely picture here. Do your daughters work in the grocery store with you?

**Ms. Jackie Fraser:** They're getting pretty close. They're at the stage—Charlotte can almost make change now, so she'll be running that till before we know it. They love to stock shelves. They can help with that.

**Ms. Daiene Vernile:** You heard the person before you—you were in the room?

**Ms. Jackie Fraser:** Yes.

**Ms. Daiene Vernile:** So you heard the economist Mike Rozworski talk about how he and 52 other economists—these are leading economists in Canada. They signed an open letter, talking about the benefits of increasing the minimum wage. When people who are at the lowest rung of the economic ladder have a few more dollars in their pocket, they spend virtually all of it. They will spend it in grocery stores like yours, buying food and diapers, shoes for their kids and so on. So if that is going to happen, what benefit do you see to your store?

**Ms. Jackie Fraser:** I do hope that that effect is significant. I don't think, though, it would make up the 12% that I need to increase. I don't see it increasing my sales by that much. I can only really speak at my own store level, but I don't anticipate that my sales will go up 12% because of this, and those are the numbers I'm facing.

**Ms. Daiene Vernile:** There have been concerns in other jurisdictions that have already adopted this. Talk to me about that.

**Ms. Jackie Fraser:** I tried to do a bunch of research when this was first announced back in June, and I just couldn't find any jurisdictions where it was this quick. I mentioned Seattle and New York and places like that, where there was a more phased-in approach. I just think that that allows employers like me to plan ahead and make those adjustments without the sharp spike. I couldn't find any jurisdictions that were raising it by 22% in six months. Maybe they're out there, but I couldn't find them.

**Ms. Daiene Vernile:** In Ontario, we have reduced the small business corporate tax. We've had the burden reduction bill. We have 25% off now on hydro. Are those things helping you with your business?

**Ms. Jackie Fraser:** The hydro, I'm waiting to see. I've been actually curious whether that's for businesses or just for residential. I know I've got to do a little bit of research on that, but that is certainly something that could help my business. Hydro is second to wages as my biggest expense because I have a lot of coolers and freezers and things like that. So any help on the hydro file would definitely be helpful for us.

**Ms. Daiene Vernile:** Jackie, Fergus is one of my favourite places in the world—

**Ms. Jackie Fraser:** It is?

**Ms. Daiene Vernile:** —and I look forward to coming up there and shopping someday soon. Thank you so much for being here today.

**Ms. Jackie Fraser:** Come and see us. It's a great town.

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

**Mr. Mike Colle:** I just wanted to say thank you so much for your enthusiasm for what you do. You obviously have your heart in the right place. We don't underestimate the challenge, but we also really want to try and do everything to help you do this.

**The Chair (Ms. Ann Hoggarth):** We're moving to the official opposition: MPP Barrett.

**Mr. Toby Barrett:** Thank you, Jackie, for testifying. Also, thank you for the brief. As you've indicated, just reading through quickly, you can't lay off staff; you can't cut their hours; you can't raise prices. That leaves less profit. We know how tight profit margins are.

This present Ontario government over a number of years has had a major campaign with respect to local food. What kind of impact are we going to see on local food?

**Ms. Jackie Fraser:** That's my biggest concern. I know you're from the salad basket of Ontario, I guess as they call it down in Norfolk, but a lot of my growers that I deal with are actually in your riding. It's going to be huge.

I know that Jan from the Ontario Fruit and Vegetable Growers' Association will be speaking here later. We'll hear what he has to say then too. Wages are huge on fruit and vegetable farms especially. For the small independ-

ent grocers, this is going to have a massive impact. I've been chatting with a lot of members of the Ontario Farm Fresh Marketing Association and seeing how they're going to be dealing with this. Most of them are cutting hours, cutting staff, going to older staff versus students so that they at least come with some experience for that \$15. **1400**

The growers are really concerned. I speak to them down at the food terminal, and they really don't know how they're going to deal with this.

**Mr. Toby Barrett:** We received information from the Barrie Advance about Barrie Hill Farms with asparagus. They're not cutting asparagus right now, but last spring they could put it on the shelf, say, at \$3.69 a pound. It sat next to imported asparagus at \$2.49 a pound. It's a labour-intensive crop. This was before any significant increase in the minimum wage. Asparagus comes up from Peru, for example—a much friendlier, warmer climate down there, and obviously wage rates are lower than in the province of Ontario.

With your business, you're not going to switch to imported food, although you could purchase it cheaper and make a lot more money, but you would lose your customer base.

**Ms. Jackie Fraser:** That's right.

**Mr. Toby Barrett:** Are we going to see a lot more asparagus coming up from Peru, and strawberries? I think you mentioned strawberries coming in from California.

**Ms. Jackie Fraser:** That's what I worry about. My customers will spend more for local food. That's what we're all about; that's the reason for our business. I often talk about the local food movement, that people are getting into it now for socio-economic reasons and environmental reasons. But I think once they get eating local you never want to go back because you realize how much better Ontario asparagus tastes than Peruvian asparagus. I know that customers are willing to pay a little more—otherwise my business wouldn't succeed—but at some point there is going to be a line where they're not going to pay. Already this year I had people commenting on the price of strawberries.

**The Chair (Ms. Ann Hoggarth):** Thank you, Ms. Fraser. If you have a further written submission, have it to the Clerk of the committee by 5 o'clock on Friday, November 3.

**Ms. Jackie Fraser:** Thank you very much.

#### UNITED STEELWORKERS, DISTRICT 6

**The Chair (Ms. Ann Hoggarth):** I'd like to call the next presenter: from the United Steelworkers, District 6. Please identify yourself for the purposes of Hansard. You may begin.

**Mr. Brad James:** I will. I'm Brad James. I'm the Canadian organizing coordinator for the Steelworkers. I'm standing in today for our elected director, Marty Warren, who couldn't be here today. He apologizes for that and wishes you all well.

Our union, again, has about 70,000 members here in the province, and they work in just about every industry

and job. We've been active, as you know, in all of the proceedings around labour law reform over the last few decades and around Bill 148 as well.

Our union supports the amendments and proposals that you're going to hear about from the Ontario Federation of Labour when the federation presents later this week, including card-check for all employees in Ontario, not limited to certain sectors.

Today I want to get a little bit into the weeds of three specific things that we think are easily amendable and doable for the committee around Bill 148. My presentation is with you, as is a letter that we wrote in late August, I think, to Minister Flynn.

First, in respect of greater access to workplace information: We want to talk about the right of non-union employees to be able to communicate with each other and to understand the contours of their workplace when they choose to organize. We're pleased that Bill 148 provides some recognition of that fact and the fact that currently under the law employees are at a substantial disadvantage in that regard.

Bill 148 allows employees engaged in an organizing campaign and their chosen union to apply for workplace information once the union has demonstrated 20% support in a bona fide organizing campaign. But notably, Bill 148 limits that right. It requires that the proposed bargaining unit and any subsequent application for certification have to rigidly mirror the application of the unit for which the union applied for the information.

We think that this mirroring objective serves no labour relations purpose at all, has no labour relations rationale, is needlessly restrictive and can be easily removed. It undercuts a key part of the purpose of this part of Bill 148, and that's to give employees a better understanding of the workplace in which they work so they can craft a proper bargaining unit that will be effective for bargaining purposes.

Furthermore, if a union has applied for and obtained such workplace information, the Ontario Labour Relations Board retains its full right and, indeed, its responsibility to oversee the process and to determine if the union's proposed unit is in fact appropriate for collective bargaining.

If this mirroring requirement is in Bill 148 to prevent unions from obtaining workplace information about a large bargaining unit and then subsequently organizing or applying for a smaller bargaining unit, that concern has already been addressed by requiring unions to obtain a very high threshold of 20% support before it is entitled to any information.

As well—and I'll skip over this part because I've got limited time—the scope of workplace information that's provided to unions and to employees with whom they're working is needlessly restrictive. It would require employers to provide a list of employees and, if the employer has it, a personal phone number and email addresses. But Bill 148 doesn't currently require any other information about the organizational structure of their workplace—job titles, employment status and any

sort of organizational charts—so that employees can get a true understanding on parity with their employer about the contours of their workplace. We think that's a vital part of union-organizing rights.

Amending Bill 148 to provide that more comprehensive information would help employees engage in their legal right to organize and will also reduce litigation before the labour board.

Next I want to talk a little bit about consolidation of bargaining units. Currently, if an employer or a union requests a bargaining unit review within three months of certification under Bill 148, it would allow the labour board to merge that new unit with another bargaining unit inside the same employer. But we see no labour relations rationale for limiting this consolidation right to that 90-day period; in fact, nor did the special advisers to the Changing Workplaces Review, who recommended no such rationale. Their concern—and ours, as well—is that the Labour Relations Act currently offers very limited rights to collective bargaining for employees in multiple locations and workplaces.

While on this topic, we also note our disappointment that Bill 148 fails completely to follow up on the Changing Workplaces Review's recommended model around consolidation of bargaining units in the franchisee sector. Indeed, it fails to address the need for broader-based bargaining and multi-employer bargaining structures in general.

Finally, we want to note our union's strong support for designated leave for survivors of domestic and sexual violence. Our union strongly supports an amendment to Bill 148 that would provide for up to 10 days of paid leave for survivors to seek medical assistance for physical and mental health issues, to move to a safe home or to participate in legal proceedings. Our union has been working hard to bargain similar protections in our collective agreements across Canada, and we think it's time for this right to be firmly enshrined in Ontario's Employment Standards Act.

**The Chair (Ms. Ann Hoggarth):** Thank you. We'll begin this round of questioning with the government: MPP Colle.

**Mr. Mike Colle:** I know there's a limitation in time, but what is your union's position on increasing the minimum wage to \$15? There's nothing here.

**Mr. Brad James:** We're firmly in support of that. We had to limit our comments today to some very technical changes that we think the committee would do well to recommend. We remain firmly in favour of the enhanced minimum wage, as set out in Bill 148.

**Mr. Mike Colle:** You don't think it's too fast?

**Mr. Brad James:** We've been watching all of the studies going back and forth—and some referred to by the speaker two speakers prior to me. Again, our union has extensive membership in the United States, and we see no reason for Ontario not to lead on this and take the initiative. We think it will have significant benefits in terms of eroding inequality, and it's high time that the province took the lead on this.

**Mr. Mike Colle:** Okay, thank you. I know the time is limited.

The next thing is: I know there's legislation that you're in favour of, having card-based certification right across the spectrum.

**Mr. Brad James:** We are.

**Mr. Mike Colle:** But the three areas where this bill has expanded card-based certification in are temporary help agency workers, home care and community workers, and building services industry employees. Do you see that as a part of, maybe, a template that could go forward? Those are very mobile workers who are hard to organize. Do you see a move in those three areas as a good, positive step?

**Mr. Brad James:** Certainly, an extension of card-based certification rights to employees on a step-by-step basis is better than not advancing it at all, but frankly our union sees no reason for that right to be given to people who would, perhaps, be cleaning or constructing a Tim Hortons but denied to the people who would work in that Tim Hortons. We don't see any labour relations or economic justification for that at all.

We understand the government's step-by-step approach. We appreciate that it's an advance over not doing anything at all. But we strongly support the return of card-based certification. It would serve the province well. It served labour relations well for decades under many governments, including under Bill Davis's government. We see no reason to delay its return.

**Mr. Mike Colle:** You did mention that you favour the leave for victims of domestic violence and sexual violence. How about the amendment in this bill that doubles the pregnancy leave? Are you in favour of that?

**Mr. Brad James:** Absolutely; sure.

**Mr. Mike Colle:** Because it goes from six weeks to 12 weeks. We would be, I think, the only province in Canada that would do that.

**1410**

One final question is: In terms of the Steelworkers and the franchise employees, who are growing right across Canada, would this have any impact on the ability to—

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

**Mr. John Yakabuski:** Thank you very much, Brad, for joining us today. I'd let you answer that question, but I don't think he actually got the question completed.

**Mr. Brad James:** I could surmise.

**Mr. John Yakabuski:** Okay. Go ahead.

**Mr. Brad James:** In respect of franchise employees, the current law, as is clearly and emphatically noted by the special advisers and the report that all of you have read and the really comprehensive work that the Changing Workplaces Review did—the current labour relations regime really provides really limited, ineffective and almost meaningless access to collective bargaining for people in the franchise sector.

Bill 148 does not yet address that, but we hope that the repeated consultations that have taken place—the very long consultations—over this bill have put something of

a stake in the ground to look at overhauling the act in the future to provide for the right of people in the contract area and in franchise work to have some meaningful access to collective bargaining in a way that would preserve employee choice and in a way that would also be understandable and manageable by the employer side, if I can say.

**Mr. John Yakabuski:** Thank you.

**Mr. Brad James:** There you go.

**Mr. John Yakabuski:** I'm not sure what I've got left now.

You sent the minister a letter back in August.

**Mr. Brad James:** We did.

**Mr. John Yakabuski:** Presumably this is the text of it, written by Mr. Warren.

**Mr. Brad James:** It is, yes.

**Mr. John Yakabuski:** Was there a response?

**Mr. Brad James:** I don't know; I didn't get a chance to speak with Marty. I know that he and the minister have chatted. Marty is not shy in making his views known. I will note that that letter, Mr. Yakabuski, doesn't deal with the consolidation issue. It mainly deals with the need for broader-based bargaining, and it also deals with the informational components of the first part of my presentation around the right of employees to have some understanding and some ability to communicate with each other during an organizing campaign.

Currently, the playing field for employees who are in favour of or opposed to the union is completely tilted against them. They have very little access to be able to effectively communicate. In a vote-based system, as the special advisers noted, changes in this area are urgently needed.

**Mr. John Yakabuski:** Thank you very much. I recognize that you're in favour. Mr. Colle asked you the question. But you—not you personally, maybe, but your organization—probably would have been part of the Changing Workplaces Review, as part of the consultative process.

**Mr. Brad James:** Yes, we were.

**Mr. John Yakabuski:** Do you have any idea why the—the minimum wage issue was never even part of the process. In fact, it was specifically delineated as “will not be discussed as part of the Changing Workplaces Review.” Out of the blue, the government made it a significant component of Bill 148. Do you have any background on that?

**Mr. Brad James:** From my view of the consultations, it's not out of the blue at all. I think, despite the fact that the terms of engagement of the Changing Workplaces Review told people that we're not here to speak—

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

**Mr. Brad James:** The best part of my answer was right there.

**Ms. Cindy Forster:** Thanks very much for being here. The NDP, during the second reading amendments, proposed 10 days paid by the government for victims of sexual and domestic violence. We think that that is very

important, being that the control of victims' money is often a way in which they are harassed or victimized, and that if somebody can't get off work with some pay, they may never get out of that situation. Have you had some of that experience with your workforce?

**Mr. Brad James:** I will say that this is increasingly an issue that our union is advocating. In our collective bargaining across the country, we've been able to make some headway on bargaining rights related to paid leave for survivors of domestic violence in some smaller workplaces. As we begin to expand collective bargaining to let our members know that collective bargaining can more than just about repairing an overtime shortage or bargaining pure economic terms of employment, our members are interested in this, and we're uncovering more and more examples of its need.

In relation, if I can squeeze in the answer around why the minimum wage issue—

**Ms. Cindy Forster:** Okay.

**Mr. Brad James:** I don't think it came out of the blue at all. I think it has been there in the zeitgeist of the province for a long time, and I think, despite the fact of the Changing Workplaces Review not accepting input on that, you couldn't shut up groups like ours and community groups who really spoke about the minimum wage and the need to amend it. I think the groundswell was there and the government has recognized that, and we're pleased with it.

**Ms. Cindy Forster:** And with respect to your technical issues around organizing, it seems to me that what's being proposed by the government, from my days in organizing, is that the employer has all the power because they have all the information that they're not prepared to share unless you have 20% of the list actually signed up, and then, once you have that information, if you're not successful, they want to actually try and reduce—or expand, I guess, the size of the bargaining unit that you may want to organize. But normally, employers are trying, in the beginning, to reduce the size of the bargaining unit that you can organize. So they win no matter which way it goes with the language that's being proposed here.

**Mr. Brad James:** Yes. The Ontario Labour Relations Board has decades and depth of expertise in sorting out bargaining units, which—

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

**Mr. Brad James:** Thank you.

#### WALK MY DOG TORONTO

**The Chair (Ms. Ann Hoggarth):** I now call the next presenter: Walk My Dog Toronto. Good afternoon. If you could identify yourself for Hansard and then proceed with your presentation.

**Ms. Gilleen Witkowski:** Hi. I'm Gilleen Witkowski, owner of Walk My Dog Toronto. Thank you for having

me here today. It's my first parliamentary contribution, so I'm very excited; heart's pounding just a little bit. I also wanted to apologize: Security wouldn't let me take in any animals, any dogs, so unfortunately it's just me today.

I run a dog-walking company here in Toronto, a pet care company, and I'm proud to say that we're a team of five, so I'm a small but mighty employer and growing. I support this bill and the changes it's bringing about for workers. I'm going to try and tell you a little bit about myself, my story, what I'm thinking.

First of all, I started my company just two years ago, so we're young. Like all business owners, I spend a lot of time thinking and planning: the financials, all the numbers, where was I going to get the clients, and what kinds of jobs was I going to create? It's my chance to be a job creator. What are they going to look like?

Dog-walking is a low fee-for-service. There's only so much you can charge for a dog walk. It's not like legal consulting or some of the higher-paid gigs. You max out at a certain point, so it's tempting to pay the minimum wage. I decided not to do that because I wanted to create a wage that people could live on, so I started paying about \$15 an hour, a little more, to the staff from day one. I sat up at night just praying when I got my first staff, "Please don't quit." When you're a young business, you rely on your first staff, your second hire, your third hire—it's so crucial. But the reason I made the decision was because (a) of course I wanted my staff to be able to afford to live in Toronto, and (b) I did not want them to have to go looking for a second or a third job. I wanted them to work for me, period. I thought that low turnover would make or break my business, and, so far, I think my experience has proven that correct for me. We have people who have been with us for more than one year. We've only been operating for a year and a half. I've had almost no turnover and no no-shows. Nobody has ever not shown up to a client's house. It's incredible. We need that kind of trustworthiness because we have keys to people's homes. We go in; we get their dog. It's a very vulnerable situation for the clients. We have to have that trust.

Sorry, guys; I'm talking very quickly. I'm very excited.

I've seen a lot of benefits in my business, and I know that a lot of small business owners feel the same way. The piece that I sent around is just a citation, a survey of small business owners in Ontario that shows that more than half actually support the new or soon-to-be, hopefully, new minimum wage already, because small business owners know that low turnover, being able to keep the job and stay in the job, does make us money in the long term. It's the long-term view.

**1420**

I would like to say that what I think small business owners have to do with this change is to plan. Don't panic. Planning ahead will save you a lot of time, energy and money. As businesses, there are ways in which we compete with each other, other than wages. Wages are a

huge portion of our expenses, of course, mine included. It's almost the whole business. But we compete on service level. You can compete on efficiencies. You can compete on the service that you offer, your reputation. This is stuff you build up over time. We small businesses in Ontario can handle this change in time. We can handle it.

My view is that the minimum wage in particular is not so much a raise as it is a correction, a catching up with inflation over the years, a new setting of the floor at an appropriate level for folks to be able to afford their rent and their groceries and so on, on one paycheque. On that paycheque, I do want to say too that it's not just about the minimum wage; it's not just about the dollars and cents that you pay an employee. It's about giving them a real job that they can depend on, a real schedule, full-time if possible, a job where someone knows when they wake up in the morning, they don't have to check: "What's my schedule? Am I going to get paid for 15 hours this week or am I going to get paid for 40 hours this week?" What I have done is I've created guaranteed hours for my staff, my dog walkers. Every day, regardless of how many clients we have that day, they know they're working all day; they know they're getting paid all day.

**The Chair (Ms. Ann Hoggarth):** Thank you. This round will begin with the official opposition. MPP Yakabuski?

**Mr. John Yakabuski:** Thank you very much, Gilleen, for joining us today, and thank you for what's becoming a more common business. Years ago, you never heard of anybody—if you were walking your dog, you were walking your dog.

**Ms. Gilleen Witkowski:** Your dog. Yes, exactly.

**Mr. John Yakabuski:** And I see more and more people actually walking multiple dogs, and none of them belong to them.

**Ms. Gilleen Witkowski:** No.

**Mr. John Yakabuski:** I guess it's a little different for somebody like myself who comes from a rural area, where there's no real requirement for us to have a dog walked, because we just let it out the back door and it runs around the backyard for half an hour.

**Ms. Gilleen Witkowski:** Yes. My family does the same in Grey county. Same thing: farm dog.

**Mr. John Yakabuski:** So it is a little different, but here in the city of Toronto and many other cities, it's a different need.

Obviously, you were able to have enough clients that you could charge accordingly to be able to pay your staff that wage that is sufficient for them to make a go of it working for you. That's great. But we've also heard from a grocery store owner, and we've heard from people all across the province who are in different businesses where their clients aren't necessarily those who can afford to pay a certain amount of money to have their dogs walked. They are just getting by themselves. The price structure that they would be forced to incorporate into their business would be one that would be significantly higher. I get calls from seniors every day saying, "How

am I going to be able to pay my bills? It's not possible for one sector of the economy to go up by X percentage points and then not affect the price of things I pay for." Can I get your thoughts on that?

**Ms. Gilleen Witkowski:** Absolutely. I'm the first to say it's tough. It's tough out there. As a business owner, yes, I made that decision from day one, but it wasn't because I had enough clients. It's because I wanted to start off on the right foot, and then we grew from there. So it's tough. I get it. Depending on the sector, we face, as small business owners, absolutely different challenges. Some people: razor-thin margins. Some people have a little more space to grow. Some people have a lot of space to grow. So it really depends on that sector.

I agree that in the province, a lot of people are barely making ends meet. As such, the current minimum wage—I think 30% of folks in Ontario are making less than \$15 an hour. That's a big segment of the population not really making enough to live. It's challenging. It's going to be so hard for those businesses. It's going to be so rough at times, but the fact remains—

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

**Mr. John Yakabuski:** Thank you.

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

**Ms. Cindy Forster:** Go ahead, Gilleen, and finish your answer.

**Ms. Gilleen Witkowski:** Thank you. I was just going to end by saying that the fact remains that \$11.40—you can't live on it, and that's why we have to see the minimum wage go up to that floor.

**Ms. Cindy Forster:** So how many employees do you have?

**Ms. Gilleen Witkowski:** We're just five, so we're small.

**Ms. Cindy Forster:** How many clients do you have?

**Ms. Gilleen Witkowski:** Over 100.

**Ms. Cindy Forster:** Over 100 clients—that's fantastic in a year and a half, to have a business model that actually pays more than a proposed minimum wage that will not come into effect until 2019. That is really fantastic.

**Ms. Gilleen Witkowski:** Thank you.

**Ms. Cindy Forster:** I know it's difficult for people, particularly in large cities, to try and get by. It would probably be even difficult for them to get by on \$15 an hour, with the price of rents and things in Toronto. Thankfully, the dog industry is a billions and billions and billions of dollars industry in this province and really, across North America these days. It's great that you're able to do that.

Do you have any suggestions for other entrepreneurs who are feeling really pinched by this proposed increase?

**Ms. Gilleen Witkowski:** I would definitely consider reworking and re-looking at your business model. If this increase is going to put you underwater, it's definitely time to reassess a number of ways in which you can make up that difference. It will be tough for a lot of people, but you can make that assessment. I would say: Absolutely plan your next five, even 10 years with that

information and with increasingly increasing wages. Cost of living goes up; so do wages. We have to plan for it.

I would encourage business owners to look at that model and plan for it, but also to consider that when you have low turnover, it saves you money. It's incredible, my staff being there: being there at the beginning days of the business, never having a no-show, staying with me for over a year—that stuff pays off huge. Paying \$12 an hour? I don't think people would have stayed. I don't think they could have.

**Ms. Cindy Forster:** And you schedule them for full days. We've heard from other employers that the scheduling penalties that are proposed in the legislation will be counteractive to their businesses, but you find that regardless of whether you may only have five dog clients, you're still paying people for the full eight-hour day.

**Ms. Gilleen Witkowski:** Yes, I am. I sometimes forget that detail because to me, it's a no-brainer. It's very important that if you have a job, it's a job. You get paid for the job every day. You don't come and go.

I'm sure you've seen a lot of businesses now are going the contractor route: "Let's not call you an employee. Let's not pay the taxes. Let's just call you a contractor." I don't believe in that either. If you're an employee, you pay the taxes and the business owner pays the taxes, and you get schedules—

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

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

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

**Ms. Harinder Malhi:** Thank you for your presentation. I want to start by saying thank you for everything that you do. We commend the fact that you're already paying your staff more than \$15 an hour. I think you're a great example, as a small business owner, for all of us.

From there, I'm going to talk a little bit more about—as you know, I know one of our colleagues from across the way talked about a number of concerns that he had. How do you feel about the concerns that he had and the opposition voting against this and looking to continue to do so?

**Ms. Gilleen Witkowski:** I think everyone needs to vote for it. I do think it's the right way forward. I think it's the right side of history. Again, with the minimum wage issue, we're playing catch-up. It's correction. It's not above and beyond. It's really where we should be, so you've got to be on the right side of that. As for the other elements that are there to modernize the labour system in a world in which employment and jobs are changing, you have to support it. It's essential.

**Ms. Harinder Malhi:** Thank you once again. I really do appreciate your time and your answers.

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

**Mr. Mike Colle:** You expressed some real angst about your employees leaving. "Please don't quit," I think you said. Could you explain why this is so traumatic for you as a small business person, when you fear people not coming back the next day or whatever?

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**Ms. Gilleen Witkowski:** Because in small business, when you're starting out and it's only you, with the next person that you hire, you're going in the hole in terms of profits and growth. Then with every new person, you're back in the hole, because you want to grow but you have to invest to grow.

When someone new comes on, it takes money and time to train them. Even for us—it's a dog-walking business—it's a couple of weeks of training; a lot of money in wages paid, doubling up. So it's really expensive for a service job.

When you're new and you're struggling to pay all the business bills and you've invested in someone, you hope they're happy enough to stay with you to make it worthwhile. For us, it has worked because every hire we've done has stayed at least six months and they've done amazingly. They're really, really good at their jobs.

That's what you hope. You want them to stay with you to reduce the amount of money that you have to spend on hiring, which can be very crippling if you don't do it right the first time.

**Mr. Mike Colle:** One final question: As a former dog owner—I had a Dalmatian—I couldn't walk him. He was so hyper. How do you get all of these dogs to walk together?

**Ms. Gilleen Witkowski:** Do you know what? We only do three at once, not the six that you see. They are definitely walking us more than we're walking them half the time.

**Mr. Mike Colle:** They don't seem to go at each other. They're very copacetic.

**Ms. Gilleen Witkowski:** That's right. You have to introduce them. Just like people, you need to make sure that they all get along and everyone greets each other politely, just like in this room.

*Laughter.*

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

**Ms. Gilleen Witkowski:** Okay, thank you.

#### UNITE HERE LOCAL 75

**The Chair (Ms. Ann Hoggarth):** I call the next presenter: UNITE HERE Local 75. If you could, please identify yourselves for the purpose of Hansard and then begin your presentation.

**Ms. Malka Paracha:** Hi, everyone. I'm Malka Paracha from the food service unit from York. I'm just here to share my personal experience. I'm a role model for everyone in here who experienced the life before a raise and life after a raise because, a few months back, we won our new contract under which we got the minimum-wage raise which we were discussing on that forum: \$15. After that raise, we just experienced a huge, big change in our lives. Before that, it was very hard for us even to survive under the cost of living of Ontario or Toronto.

The second thing is that, even though we won a strong contract—we are so happy with that—still the fear of losing our jobs is there because of successorship rights. We know that it is on the table of the government and we want that to stay on the table because we want to keep our jobs secure. We don't want to go on welfare after flipping our contract or something like that.

I think that's all I have to share today.

**Mr. Daniel Bastien:** I'm Daniel Bastien. I'm an organizer with UNITE HERE Local 75. I want to talk a little bit about the restaurant sector. I myself have spent just under a decade working on and off as a front-line food and beverage worker in restaurants, fast food joints, hotel restaurants.

Most recently, I spent four years as a server in the restaurant of the Novotel Hotel in North York. My co-workers and I got together to try and join a union. We had the majority sign up on union cards. Due to really intense management hostility and the campaign they waged, it ended up being an eight-year campaign to get the union certified.

Right now, I look around to my friends. A lot of my friends who are my age or a bit younger—millennials—are ending up in these jobs in the food service sector. The conditions are not great. There's rampant abuse of workers' rights. Wages tend to be low. People tend not to have benefits.

I have a friend who was a top-seniority server in a luxury Italian restaurant. She spoke out against one bit of injustice, and then she suddenly had her schedule completely changed. She was able to make a living and then she wasn't, because she had fewer hours in a worse section with fewer tips.

I'm here to argue that we need to extend card-based certification to the restaurants. We understand that you're proposing it for building services and food services, which is great and will help turn these jobs to good jobs, but we think it needs to go a bit farther. Everybody should have card-based certification, but in particular the food service sector, where a lot of youth are ending up.

**The Chair (Ms. Ann Hoggarth):** You're done?

**Mr. Daniel Bastien:** Yes.

**The Chair (Ms. Ann Hoggarth):** Okay. We're going to begin this round with the third party: MPP Forster.

**Ms. Cindy Forster:** Great. Thanks so much for being here today. I'm going to move with your topic because you've brought up the restaurant sector. The government is proposing to keep the same exemptions under the minimum wage for liquor servers and for youth. Can you tell me how that actually impacts people who work in the restaurant sector?

**Mr. Daniel Bastien:** Yes. It's difficult when you're making a lower wage, but we find in our experience that the best answer is to have a good union job because then if you're a server you have a lot more control over what sections you get, how tips are distributed, and you have benefits. So, really, we think for that sector it's card-based certification that's the most needed thing.

**Ms. Cindy Forster:** It is the most important?

**Mr. Daniel Bastien:** Yes.

**Ms. Cindy Forster:** But do you support the minimum wage for all, with no exemptions?

**Mr. Daniel Bastien:** Oh, yes, of course.

**Ms. Cindy Forster:** Of course you do.

The Liberals actually voted down our amendment at second reading, so we will be tabling that amendment again after these presentations are done and we get to clause-by-clause.

I have tabled a private member's bill today that would be debated in the House on Thursday and would have a minimum wage for all, with the exception of personal support workers, who currently make more than the minimum wage, and forestry guides, who make a flat half-day rate and a full-day rate.

I know that, certainly, when we did the hearings across the province, it was very important to servers, who really do hard work. It is hard work to carry trays full of 40 glasses of beer. It's hard physical labour. Why should those people be paid any differently?

I don't disagree with you that card-based certification, I think, was the number one ask of just about everyone who presented, regardless of whether they were from a union or not. So the government really needs to move on that issue.

**Mr. Daniel Bastien:** Yes.

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

**The Chair (Ms. Ann Hoggarth):** Okay. To the government side: MPP Colle.

**Mr. Mike Colle:** Yes. Sorry—the first speaker—here we've got a different name. Could you give us your name again?

**Ms. Malka Paracha:** Malka.

**Mr. Mike Colle:** Martha?

**Ms. Malka Paracha:** Malka. M-A-L—

**Mr. Mike Colle:** Oh, Malka. Okay, Malka. You said there's been a real change in your life as a result of the new contract you got at York University, to go to \$15. Could you explain that, some of the changes, as a result of this better wage?

**Ms. Malka Paracha:** For sure, sir. It's very simple. I don't need numbers and figures to explain my point. Under the minimum wage that we have right now in Ontario, it's very hard to survive. If you just calculate our pay stubs, with the living costs for Toronto, nobody can break it down for us. I just put my pay stub in front of the labour minister and I request of him, "Can you just break it down for us: How can we survive?" Residential costs, our day-to-day basic needs—no one can even feed their family properly, just with the basic needs.

After that \$15, I can see a satisfaction, a kind of relaxation, on the faces of my dear fellow workers. It was mentioned in this forum that we are doing the most hard work, the hardest jobs, like running and rushing like machines every day, but we are getting nothing for that. It's very simple. Living under that \$11 or \$12, or even under \$13, is very hard. It's a very simple calculation. We can't break down our pay stubs as for expenditures.

1440

**Mr. Mike Colle:** So what do they talk about most? Is it the rent, food on the table, clothes for the kids?

**Ms. Malka Paracha:** Forget about the clothes, sir. Just food and rent—nothing else—because right now rents for apartments are above \$1,300, \$1,400 for a family. The bachelor room is \$800 to \$900. So part-timers can't even go for the bachelor rooms. They can share their rooms with each other. In York, near the York campus, I'm a witness. It's my personal experience. The rents—they can't even share \$400 or \$500 per person because the pay stub biweekly is, maximum, \$550 or \$600. It's a very simple calculation.

**Mr. Mike Colle:** So that's what people are doing right now to try and cope. There's four or five people in an apartment?

**Ms. Malka Paracha:** Yes, in one room. They are sharing apartments—

**Mr. Mike Colle:** In one room?

**Ms. Malka Paracha:** Yes, they are sharing apartments or rooms in townhouses. It was very hard for us especially, but I believe that every single worker in Ontario, Toronto, Canada, deserves the same, because it's hard right now in this scenario, in this situation.

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

**Mr. John Yakabuski:** Thank you, Malka and Daniel, for joining us today. You've talked about the changes with regard to your getting an increase in wage. You're organized; you're a member of a union?

**Ms. Malka Paracha:** Yes.

**Mr. John Yakabuski:** So you signed a new collective bargaining agreement?

**Ms. Malka Paracha:** Yes.

**Mr. John Yakabuski:** The Financial Accountability Officer, when he released his report—because we know just how the cost of living has gone up, particularly under the Liberal regime. In the last 14 years, the cost of living has risen dramatically. But what he talked about in his report was that there would be significant job losses and the very people you're talking about, the ones who are sharing apartments and sharing expenses so that they can get by, are the ones who would be most vulnerable to have their jobs cut in a situation where the reality is, you can't pay what you don't have and many businesses are saying, "We're not going to be able to meet this in this time frame."

I recognize you've got the increase, but we've got businesses that are saying, "We can't do it in this length of time." We all recognize the need for a higher wage, but if a business ends up cutting jobs as a result of having to pay more because it's legislated, the very people you're talking about are not going to benefit. What's your response to that?

**Ms. Malka Paracha:** For sure. I just want to share my personal experience—no myths, no assumptions, nothing from like the skies. We got the raise, and I'm telling my management in a very pleasant mood that that's the

luckiest number you gave to us, \$15, because this year they are making more than the last five or six previous years. I'm the one who is doing deposits every single day, so I can see their numbers. They are making more profits this year and the workers are more productive.

**Mr. John Yakabuski:** What kind of business is it?

**Ms. Malka Paracha:** It's a food service business, Aramark. The thing is, you increased our purchasing power. We are just regular consumers, so we can spend. This money will be coming back into the market again, into the community. So I think there won't be any fear that we'll be losing our jobs, even though they are hiring more and more people now. How come? I'm getting more than 40 hours now because they are making more business.

**Mr. John Yakabuski:** Your business is successful. I don't know the specific business—

**Ms. Malka Paracha:** If everyone will get this much of a raise, I hope that the businesses will be having more and more profits because utilizing the productivity of the workers.

**Mr. John Yakabuski:** So if we raised it to \$25, they'd even have more profit or—

**Ms. Malka Paracha:** It depends. Let's go for \$15 and then we'll see.

**Mr. John Yakabuski:** Thank you very much. I appreciate you coming in.

**Ms. Malka Paracha:** You're welcome.

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

#### ONTARIO FEDERATION OF AGRICULTURE

**The Chair (Ms. Ann Hoggarth):** I call our next presenter, the Ontario Federation of Agriculture. Good afternoon. If you could identify yourself for the purpose of Hansard and then you may begin your presentation.

**Mr. Keith Currie:** Thank you. Keith Currie, president of the Ontario Federation of Agriculture. I have with me today our researcher on this subject matter, Peter Sykanda.

**Mr. Peter Sykanda:** Good afternoon.

**Mr. Keith Currie:** Some of you around the table know me, but I am Keith Currie, and I am president of the Ontario Federation of Agriculture. We represent 37,000 farm families across this province. We are the farmers that grow your food and provide fibre, fuel, biomedical products and pharmaceuticals each and every day for the people of this province.

I'm not going to spend a lot of time focusing on the impact the increased minimum wage will have on agriculture in Ontario because I know that you've heard that en masse in the past and you will continue to hear from other sectors how it is going to impact them. So you know our position on this issue, and we know you've heard from other people, as I've mentioned. The reality

is, in our opinion, it's too much, too soon. We've also had three independent economic studies that will validate that concern.

The threat that Bill 148 poses to the continued food security of Ontario is real. When our farmers are placed in a position where they can no longer compete against imported agricultural products, they will not grow these products, and the province becomes more reliant on other nations for our food—other nations whose social and environmental standards are not nearly at the level currently in Ontario. When primary agricultural production is legislated out of business, you are saying that you choose to accept the poor working conditions and environmental standards of our competitors. When we lose primary agricultural production, we will also lose the secondary processing, storing and transportation jobs, not just the farm jobs. This should resonate with all committee members, as there are processing jobs in each and every riding.

In terms of a risk to their businesses, Ontario farmers face challenges from climate change, global price swings, disease outbreaks and pests. Risk management is a primary tenet for us in agriculture. Given the uncertainties we face in growing food, it can be a constant preoccupation, yet somehow, as farmers, we find a way to mitigate that risk. Government, however, has the capacity to make our farmers uncompetitive in the global marketplace in which we compete with the stroke of a pen, through rapid legislative change like we are seeing in Bill 148. We know that you have heard this before, and we will repeat it now. Because of this, we request that you change the transition period to reflect a more gradual path and allow our farm businesses the time to do what they do best: adapt and survive.

Beyond wage costs, the agricultural sector, as employers, face other challenges due to the unpredictability of working with perishable product in uncertain and unpredictable conditions. Because of these circumstances, agriculture currently holds a number of exemptions and special rules under the Employment Standards Act that provide our farm employers with the flexibility they need to match human resources with the often uncertain demands of growing food for the people of Ontario.

However, just because there is an exemption or special rule does not mean that there is abuse or vulnerability of the worker. Given the chronic shortage of labour and that there are currently over 8,000 jobs unfilled in the Ontario agricultural sector—and projected to grow to 25,000 over the next decade—our farm employers know they need to do everything they can to attract and retain workers, and abuse is certainly not in the equation.

Our farmers compete in the global marketplace. They are price-takers, which means we don't dictate the prices we get from the market when we go to sell products, and there is no way for us to pass on legislated increases to the cost of producing food. If our employers could pay more, they would, but our markets don't work that way.

The review of the exemptions for farm workers outlined in the final report from the Changing Workplaces Review has not yet begun, but when it does, it is

imperative that the unique characteristics of farming that led to the creation of exemptions continue to be recognized and respected. The future of the industry requires a legislative perspective that enables flexibility in agriculture's approach to managing human resources.

At this year's plowing match, Premier Wynne said, "I'm here because agriculture is so important. No matter the party lines, it is important that we support each other." In the past, she has issued a challenge to the farming and food sector to increase employment and growth across the sector—a 120,000-job increase by 2020. We look forward to hearing what support will be available for farmers to keep current employment levels, with a hope to increase the number of jobs across the farm and food sector while respecting the level of wages.

In closing, this isn't about the \$15; this is simply about the speed at which we're getting to the \$15. As business owners, as I mentioned, we cannot pass on our costs like other businesses can. We are price-takers, not price setters. Therefore, we are asking that a breath be taken by the government to ease up on the speed at which we are getting to that \$15. Thank you.

**The Chair (Ms. Ann Hoggarth):** We will begin this round with the government: MPP Colle.

**Mr. Mike Colle:** Yes. Thank you very much for your presentation. One of the questions I had—in a broader sense, hasn't there been a trend for people to appreciate the value of locally grown Ontario farm products in recent years, more than there has been in the past? I've noticed there are just so many stores cropping up where they will charge more for the product, but people are willing to pay more because they know what they're getting, whether it be organic, locally grown or specialized crops. Do you see that as a trend that is going on, or is it not happening?

1450

**Mr. Keith Currie:** The local food movement is a very important one to us. It's a very recognizable one. The Foodland Ontario brand is a very strong one here in Ontario. What we're finding, though, is that when push comes to shove it's always the price point that tends to win out in the store. Yes, there are people who attend farmers' markets and others who will go directly to farm to purchase, but it's not the masses. The masses are still going to the grocery stores and their local outlets to buy their food, and at the end of the day, if you see two products on the shelf, the one with the cheaper price point is the one, generally, that people will take.

We're very proud of the produce we grow in Ontario. It's very safe; it's secure. It's great product. But we have to compete with our global competitors as well.

**Mr. Mike Colle:** Yes, I think you make a very valid point—and I've made this point before—about how people will save a buck to buy Chinese garlic, yet they won't spend a little bit more to pay for Ontario garlic that is safe and from good soil. But I find that now I see more products like Ontario garlic which I never used to see before. I think that's one of the positive things.

I just wanted to mention that one of the areas I know we looked at is this whole area about deductions for

room and board. In the agricultural sector, you've got your migrant worker program etc. where you used to have that deduction at one point. You were able to get a deduction from your income based on the fact that you're providing room and board as farmers.

**Mr. Keith Currie:** Well, it's still there, but in reality, under the Seasonal Agricultural Worker Program, we have to pay minimum wage plus all those expenses on top, which on average are around \$3 an hour—so room and board, transportation here, transportation to and from the country they're coming from. So not only are we paying minimum wage, but we're also paying that extra \$3 additional cost on top of their salaries.

**Mr. Mike Colle:** But weren't you, at one point, able to write that off and get a return because that was considered part of your costs?

**Mr. Keith Currie:** It's an expense, yes. It is an expense.

**Mr. Mike Colle:** I think we're in discussions about that, trying to make that a bit more of, let's say, a positive on your bottom line for farmers. I think those discussions are taking place.

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

**Mr. Toby Barrett:** Thanks to OFA and thank you for the brief as well.

I think we're all aware of the tremendous changes in agriculture—very significant when you look back to what's really a mature industry, going back 10,000 or 12,000 years. We're right in the middle of NAFTA discussions right now and so many of the other free trade agreements that provided people in Ontario with a tremendous array of very cheap food.

I'm not sure to what extent people are concerned about social conditions in some of the other producing countries or environmental conditions or whether they really care that rather than paying, say, \$12 an hour here, they're paying \$2 an hour in many of these countries.

We hope these free trade agreements continue, particularly NAFTA, where there is so much agricultural trade involved. What do you paint as the future, looking at that trend? Maybe focus primarily on the proposed dramatic increase in wage rates.

**Mr. Keith Currie:** Agriculture, generally speaking, has never paid minimum wage. The reality is that if I pay minimum wage at my farm, I don't get anybody there. But this increase, this 32% increase over 14 months, isn't just for those who are at minimum wage. Everyone I hire on my farm will get that increase. If someone is making \$20 an hour now, they're going to get a \$7 increase. That's a massive increase per hour in a matter of 14 months. It's not that I'm not willing to reward my workers; I certainly am. But to be legislated to do that in such a short time—I can't make the business case for it.

It's very tough when a government is trying to regulate prosperity. It's the wrong way to do it. We tend to pay over and above, as I said, just to get workers. But we also want good workers. We want people who are going to show up and do the job every day. We do not encourage anyone to be a bad employer. We're certainly

looking for people to be eradicated from the industry who are bad employers. We're not advocating for that. But we simply can't do the business case in such a short time for that increase.

One peril I didn't mention was Mother Nature. We have no control over her, and we're dealing with living organisms.

**Mr. Toby Barrett:** Yes, organisms that don't last very long unless you can freeze them or get them in a can right away, or a jar.

Tremendous changes in attitudes towards labour in agriculture—and I've done most of the work, the manual labour, on either our farm or so many neighbouring farms. There is a shortage. You cannot get people to work in the province of Ontario in agriculture. In my county, Norfolk county, I think we have 8,000—

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

**Mr. Toby Barrett:** Oh, I could talk forever about this.

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

**Ms. Cindy Forster:** Thanks for being here today.

So what kind of marketing does the agricultural sector do besides what I see, like ads on television from the government with respect to buying locally, buying Ontario, buying at farmers' markets, as opposed to buying a Chilean product in the grocery store?

**Mr. Keith Currie:** That varies from commodity to commodity. Commodities have different budgets, obviously, but almost all the commodities I know of are advertising not only locally throughout the province but also in major media enterprises to make sure that people understand that local product—and when I say “local,” I mean Ontario—is available for them to buy each and every day. Again, to give you an exact example of how much that is—it varies depending on the product itself.

**Ms. Cindy Forster:** Is it done through the OFA, or is it done by individual farmers or in regions of the province? Is there a regional body that—

**Mr. Keith Currie:** It's all of the above. OFA certainly promotes local product, provincial product, from our commodities. Commodities do the same. Regions—take the area that you're from, down in the Welland-Niagara region. The region itself is promoting their industry, their farm industry, down there on a local level: “Come on the wine tours. Come buy the local fruits and vegetables.” It varies across the province. All levels of government, to a certain extent, help promote it as well. We certainly are encouraged by that and would like it to continue.

**Ms. Cindy Forster:** Okay, thank you.

**The Chair (Ms. Ann Hoggarth):** Thanks for your presentation. If you have any further written submission, it has to be to the Clerk by Friday, November 3, at five o'clock.

**Mr. Keith Currie:** Thanks, guys.

#### CUPE ONTARIO

**The Chair (Ms. Ann Hoggarth):** The next presenter will be the Canadian Union of Public Employees of Ontario. If you would please identify yourself for

Hansard, and you may proceed with your five-minute presentation.

**Mr. Fred Hahn:** Thanks. My name is Fred Hahn and I am the president of CUPE Ontario. I've had the pleasure of speaking to this committee regarding Bill 148 before, and I appreciate the opportunity to do it again.

There can be no doubt that the mobilization of so many people across Ontario over the last number of years has led us to this historic point. We are at an historic moment in Ontario. It's why it is so very important to get it right, to make sure we do the very best we can to begin to rebalance the huge imbalance that has grown across our province over the last decades.

I'm going to limit my comments today to changes needed to Bill 148 that in our members' opinion would have the most impact on the most people and would be foundational in terms of helping to bring us closer to a more balanced economy in Ontario.

I want to start with the issue of making it easier for workers to join a union, the issue of card-check certification. It has been established both in the Canadian Charter of Rights and Freedoms and by the Supreme Court of Canada that being in a union is not a privilege; it is a right. The most effective way to help Ontarians unionize is to return card-check certification to law for all workers in the province.

Since this government has proposed that three additional sectors have card-check available to them, it's clearly not opposed to card-check. Yet this ad hoc approach is puzzling. Why would it be okay to use card-check for building services as a sector, for example, but not other precarious sectors like retail or restaurants? These sectors are plagued with precarious work and ESA violations, which we know are less likely to happen in unionized environments. Card-check would make a real difference to all of these workers.

#### 1500

There is another example that highlights how this inconsistency, this gap in the law, could be quite strange. Take the example of a Tim Hortons franchise. It could use workers supplied by a temp agency. Those workers would have access to card-check under the current proposed law, but the direct employees of the franchise would be governed by a whole different system. Why would the government afford easier legal access to the right to be protected by the union, a charter right here, for some workers and not all workers in a workplace? It seems to us that this kind of change would leave this government and any future governments vulnerable to a legal challenge to question the rationality and fairness of extending card-check certification to only certain workers in this process.

A simple solution would be to reintroduce card-check for everyone in the province. Notably, this solution has found its way into Prime Minister Justin Trudeau's labour law reform, where the federal Liberals have reinstated card-check for all federally regulated employees.

Just yesterday, the Premier introduced Senator Bernie Sanders at U of T. I was happy to be in the room. He

spoke passionately about many things, one of which was the fundamental importance of unions and workers' rights. The time is right to have card-check for all workers in Ontario.

On the Employment Standards Act side, the question of equal pay legislation is also problematic in the way in which the wording of the bill allows for loopholes for employers. The bill states that equal pay for equal work is only available if a job is "substantially the same." This language is a problem, because employers can change one small aspect of a job and allow temp workers or contract workers or part-time people to be paid less. In fact, that is what has been happening. The bill needs to be reworded to say that workers are entitled to equal pay if a job is "substantially similar" to work performed by full-time employees. This change is needed to close the loophole to protect the most marginalized workers, including women, newcomers and workers of colour. It is these loopholes that support inequitable wage practices and help to contribute to the gender wage gap.

Finally, I want to highlight the different versions of a minimum wage. The idea that there are multiple minimums is confusing. It calls into question what the very idea of a minimum is; it fosters discontent among workers. People should be paid fairly for their labour, a minimum wage should be the minimum in Ontario, and Ontario should only have one of them.

I want to conclude by acknowledging that I know that there will be many who come before this week and say quite different things than I've said, but I want to highlight a few key pieces of data that speak to the critical need for these changes.

While some businesses continue to scaremonger about job loss and increased cost to them, it's important to note that according to Ontario Economic Accounts, the closest measure of corporate profits are the net operating surpluses of corporations in the province. These have increased to \$133 billion on an annualized basis in the first quarter of this year, up 15% from \$116 billion in 2016. It represents a record 16.1% of Ontario's GDP. It is in stark contrast to wages in Ontario. Disproportionately, the median employment income adjusted for inflation has declined by 2.44% over the last 15 years.

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

**Mr. John Yakabuski:** Thank you, Fred, for joining us today.

You introduced yourself in Hansard, but no one needed the introduction; we've seen you here many times, which would lead me to believe that you've had more than a few direct discussions with the ministers of the government. I'm sure you've met with the Minister of Labour on this very piece of legislation and the Changing Workplaces Review as it was evolving and we were waiting for the final release of the document.

We understand your views on many of these issues, and we're aware of them. What was the response of the minister when you raised the issue—I'm sure you have—

of across-the-board card-check certification here in Ontario?

**Mr. Fred Hahn:** It is something where I think that the current government is trying to establish what it believes to be some kind of balance. It seems to believe that affording card-check certification to all workers might be an irritant to some. The reality of the situation we have in the province is that, in fact, the best way to address the inequities that so many workers are facing is to make it easier for workers to join a union.

We find ourselves in this incredibly bizarre situation where the federal Liberals have actually reinstated card-check certification for all federally regulated employees. So all the people who work in Ontario who work for the federal government will have access to card-check certification. So will building trades employees; that's been the case for many years. In Ontario now, under this bill, certain segments of the economy will have access to it, but many won't, and it seems to us to fly in the face of what makes sense in terms of consistency. It begs the question: If in fact card-check is good enough for some workers, why isn't it good enough for all workers?

**Mr. John Yakabuski:** Fair enough. But there has been no response.

**Mr. Fred Hahn:** Well, none to date. We have hopes. There are amendments that could be made in this process, right?

**Mr. John Yakabuski:** Have you proposed an amendment?

**Mr. Fred Hahn:** We have proposed an amendment. In fact, I appreciate the reminder. We will be submitting a brief. We have submitted briefs before. We have, as you noted, made presentations to the process that preceded this legislation. In every case, we've outlined the many, many reasons why card-check certification for all workers would make sense for us in Ontario.

**Mr. John Yakabuski:** Just one final one—I don't know how much time I have—on the minimum wage: When we're talking about the corporate profits, many of those would be concentrated in many of the bigger and more successful corporations, but Ontario is populated with a lot of small, what we colloquially refer to mom-and-pop, businesses that don't have corporate—

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

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

A lot of people kind of equate the "equal pay for equal work" proposal as really correcting a wrong for workers who work in temp agencies beside permanent employees in lower-paid jobs, right? But in fact we're seeing now in the college sector that we have a strike that is in its third week where we have full-time professors who get paid for all their full-time hours to plan and prep and teach and mark, and part-time profs who work as little as six hours per week and are only paid for the actual hours that they teach. They are not paid for their prep time, they are not paid for their marking time, and 70% to 81% of college faculty now are part-time.

Can you comment on the change from “substantially the same” to “substantially similar,” how that might impact this situation, as well as that bigger “equal pay for equal work”?

**Mr. Fred Hahn:** Certainly. The colleges sector, as you point out, is an example that is actually rampant in many places, where part-time workers are doing essentially the same job as a full-time worker but are paid quite a bit less, and usually have access to no benefits and less security at work. Part of this process is supposed to be addressing that imbalance, and so having provisions that provide equal pay for equal work in the way that it is defined in the legislation allows for a similar loophole that employers have been using for generations in Ontario as it currently exists in law. It’s why “substantially the same” is quite important, because it doesn’t have to be each and every component of the job, but it has to be substantially the same. We know, whether it be in the colleges sector, whether it be in many retail environments, whether it be in other small businesses or large corporations, there are part-time workers who are doing substantially similar work who are paid significantly less, and if the goal of this legislation is to actually try to get us to address this imbalance, then the language of that portion of the legislation needs to be changed.

**Ms. Cindy Forster:** And it’s similar, as well, for support staff in colleges. We certainly heard about it during the summer travelling road show that we did. In universities, as well, the situation was basically the same as what we’re hearing now that has led to a strike.

**Mr. Fred Hahn:** It’s incredible that in academic institutions that are supposed to prepare our young people, the next generation, to be able to get good jobs, in fact we’re employing folks in what could be the 2017 version of a Dickensian workhouse. They have no security; they have to apply for their jobs every four months; they make wages that are meagre. Whether that happens in the college—

**The Chair (Ms. Ann Hoggarth):** Thank you. We’ll move now to the government. MPP Vernile?

**Ms. Daiene Vernile:** Thank you, Chair. Do you want to finish, Fred?

**Mr. Fred Hahn:** Thank you. I was just going to say that, of course, that is currently highlighted in colleges, but we are proud to represent thousands of academic workers at universities who face the very same situation.

**Ms. Daiene Vernile:** It’s great to see you here today. We had a chance to see and hear you in the summer, in July, in Kitchener. You’ve added lots to this discussion.

You have been following the course of Bill 148, so you know that we’re getting down to hearing from people, such as yourself, who do support it, and then there are those who are concerned about the economic impact. It’s actually quite curious to see my Conservative colleagues interacting with you as if they support the bill, but if you’re following this, you know that last week, on second reading, they all voted against Bill 148. So, what do you think of the fact that they don’t support what we’re doing here, trying to see people earning a living wage?

1510

**Mr. Fred Hahn:** I think that those who have fears about increases to minimum wage, particularly folks from mom-and-pop shops, smaller businesses, should of course be reminded, as many of them are—I’m sure the committee has heard from small business owners and mom-and-pop shops owners who are quite in favour of raising the minimum wage, improving labour standards, making sure that there’s equal pay, because they understand that, particularly for low-wage workers, every dollar that you put into a worker’s pocket is actually spent in that local economy. at the mom-and-pop shop, whether that be at a gas station, the grocery store or local businesses. So it’s quite important to do this for today’s workers.

It’s why we’ve been presenting, because while there are very good, positive measures here in the legislation, there’s a real opportunity here, and these opportunities don’t come around often. Often this is characterized as a once-in-a-generation opportunity. It’s because governments have been, at least historically, remiss to look at labour and employment standards law. So, if this is our one opportunity, and we’re talking about making these kinds of historic changes, it’s quite important to start to think about, “Okay, we’re headed in the right direction here. This makes good sense. It will make good sense for our economies and our communities.”

But does it make good sense to only have some workers have access to card-check certification to join a union when all workers could benefit from that? Does it make good sense to have several kinds of minimum wage when really the minimum should be the minimum should be the minimum? Because anybody who works 40 hours a week should be able to say that their paycheque means that they’re not living in poverty.

All of these things seem to make sense to us. There’s a real opportunity to talk about not only the good direction that this bill is headed in but how to strengthen it in a foundational way that will make it even better for its stated goal, which is to correct the imbalance that has grown up in workplaces over the last number of decades in Ontario.

**Ms. Daiene Vernile:** In the 15 seconds that we have, what would you say to our Conservative members here about why they should support Bill 148?

**Mr. Fred Hahn:** It will be good for the future. It will be good for the economy. It will be good for their children and their children’s children. It will be good for all of us. It will be even better if we actually make the changes necessary to strengthen the bill, to ensure that everybody can join a union, to ensure that there’s one minimum wage, to ensure that real equal pay for equal work is actually completed and—

**The Chair (Ms. Ann Hoggarth):** Thank you, Mr. Hahn.

**Mr. Fred Hahn:** There you go. Good timing.

**Ms. Daiene Vernile:** Thank you.

**The Chair (Ms. Ann Hoggarth):** Thank you. Oh, Mr. Hahn, I forgot to tell you: If you have a written submis-

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

### ONTARIO AGENCIES SUPPORTING INDIVIDUALS WITH SPECIAL NEEDS

**The Chair (Ms. Ann Hoggarth):** Our next presenter is Ontario Agencies Supporting Individuals with Special Needs. If you would please identify yourself to Hansard and then you may do your presentation.

**Mr. David Ferguson:** My name is Dave Ferguson. Good afternoon, committee members, Madam Chair. Thank you for the opportunity to speak with you today. I'm pleased, on behalf of OASIS, to provide comments regarding Bill 148.

OASIS, as you may know, is the largest provincial association in the developmental services sector, representing 195 member organizations. Combined, its member agencies serve over 65,000 of Ontario's most vulnerable citizens, employ approximately 25,000 full- and part-time staff, and provide more than 85% of all developmental services funded by the Ministry of Community and Social Services.

I suspect that each of you will be aware of the challenges being faced by a DS agency in your home community. The DS sector in Ontario is in crisis as a result of many factors, including nine years of frozen operating budgets and pay equity pressures, to name only two. Unfortunately, Bill 148 will push agencies across the province towards further service reductions, due to the cost ramifications. OASIS has estimated that the provisions in Bill 148—namely, equal pay for equal work, public holiday pay, minimum wage increases, personal emergency leave and vacation pay—will cost the sector an additional \$55 million per year.

OASIS in fact supports the principles outlined in the draft legislation. Our concern arises from the lack of funding to pay for the changes. All OASIS member agencies are almost wholly dependent upon government funding.

MCSS has clearly indicated that they do not have any additional funding for agencies to assist with the incremental costs that will arise from Bill 148. DS agencies are unable to raise our prices and pass along increases to consumers; nor can we relocate to another jurisdiction. We are required to submit balanced operating budgets to MCSS each year. Agencies are left with no choice but to cut hours of service and positions in order to try and balance the budget.

OASIS has in fact just produced its fourth operating pressure survey, which will be distributed to all MPPs in the next few weeks. This report identifies that since the surveys were begun in 2012, OASIS agencies have cumulatively cut 40,000 staffing hours per week, had to eliminate 375 FTEs, have reduced program services by 4,385 hours per week and permanently closed 29 programs. This is at a time when community wait-lists have grown to over 20,000 people.

Agencies cannot absorb the additional costs of Bill 148 without there being a further erosion of the DS system in Ontario. However, another concern identified by OASIS is the possible ramifications of Bill 148 on developmentally disabled individuals who have obtained jobs. More specifically, we are concerned that many of the people we support will lose their jobs.

We know from statements made by employers during the first round of consultations in August that if the minimum wage is increased as outlined in the bill, there will be a loss of positions—often those entry-level positions paying minimum wage. Additionally, they have also indicated that they will expect more from the people in the remaining positions at the higher minimum wage, given that the wage has gone up.

These predictions have been confirmed recently through media announcements as stores have announced new requirements of their staff earning minimum wage, or increased automation with corresponding losses of jobs. My point is that many of the people we support who have obtained a job are in those minimum wage entry-level positions and will be at risk of losing them.

Many people with a developmental disability are great employees, and this government, to its credit, has supported or led efforts to increase the number of people with a disability to become employed, but as a business decision, not as a charitable gesture.

With that in mind, OASIS would like to recommend to this committee and the government to consider a slower implementation timeline for the minimum wage increases, to allow employers to prepare. Secondly, we would also seek a commitment from government to fiscally support OASIS member agencies and other not-for-profit organizations that are dependent upon government funding, by funding the cost increases that will arise from Bill 148's provisions.

**The Chair (Ms. Ann Hoggarth):** Thank you. We begin this line of questioning with the third party, MPP Forster.

**Ms. Cindy Forster:** Thank you, Mr. Ferguson, for bringing us that grim story. Pay equity legislation came into place in 1990, 27 years ago, and I understand that this sector still in many cases has not met its pay equity obligations to its workforce. What percentage of the workforce has actually met their pay equity obligations?

**Mr. David Ferguson:** Well, ironically, given that we are a female-dominated workforce and a sector with approximately 80% of our employees being women and at least 50% of our executives being women, our estimates in the survey indicate that likely about 50% of the organizations still have not met their target rates. Organizations have target rates that are projected out that continue to go for another 30 years before they will hit that, if they can find the money to meet their objectives.

**Ms. Cindy Forster:** So some of the workforce will be retired before the obligations are actually met?

**Mr. David Ferguson:** Many already are and many more will be.

**Ms. Cindy Forster:** Many already are.

**Mr. David Ferguson:** Exactly.

**Ms. Cindy Forster:** And with respect to the frozen operating budgets, for nine years you've had frozen operating budgets, so you've had to already cut programs, cut services, cut hours of people in addition to not actually meeting pay equity obligations. It looks to me like the government needs to do an infusion of money into the sector to make sure that not only the workers—because I understand that the vast majority of the actual workers in the sector earn more than \$15 an hour; is that correct?

**Mr. David Ferguson:** That's our understanding as well. There are certainly overnight positions that would be minimum wage. Again, I've heard estimates of that being somewhere in the neighbourhood of a minimum of 3% of the workforce to hire.

**Ms. Cindy Forster:** So do you have any sense of how much money is needed on a yearly basis to actually meet the pay equity obligations, as well as the \$15 minimum wage?

**Mr. David Ferguson:** OASIS, in the pre-budget submission—we and the provincial network—had suggested and requested that the sector would need an immediate infusion of \$50 million this year and each of the next two years just to stabilize us. Those submissions were made prior to Bill 148 being tabled. We're looking at another \$50 million over and above that \$50 million to \$55 million each year, ongoing forever.

1520

**Ms. Cindy Forster:** Did you see—there was an announcement a couple of years ago now, I think—

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

**Mr. Mike Colle:** Thank you, Mr. Ferguson, for speaking on behalf of a lot of amazing people who help our most vulnerable 24/7. I certainly recognize that.

Just a follow-up: The thing is that most people who work for OASIS do make minimum wage or above, don't they?

**Mr. David Ferguson:** Yes. First of all, to clarify, OASIS is a provincial association. It actually has no employees. It's volunteer-driven.

**Mr. Mike Colle:** Yes, but I'm saying—the member organizations.

**Mr. David Ferguson:** In the member organizations, I think the estimate we have is that about probably two thirds of the workforce would be unionized and certainly would be paid much more than minimum wage; correct.

**Mr. Mike Colle:** And what about the other one third? Would they make below minimum wage?

**Mr. David Ferguson:** No. Obviously you can't pay less than minimum wage. At the most, it might be some overnight positions.

**Mr. Mike Colle:** So I guess the point you're making is that it's not so much the increase to the minimum wage that's going to cause financial hardship; it's the changes in the employment standards.

**Mr. David Ferguson:** The other items that I noted—equal pay for equal work is a big concern, how vacation pay is calculated etc.—will all have cost ramifications.

The estimates that we've made are conservative at this point because we still don't completely know how they're going to roll out and what will be seen agency by agency. When we do our fifth operating pressures report next year, we'll have a much better idea.

**Mr. Mike Colle:** So in principle, most of the member organizations would probably not be against improving the working conditions of the workers, but they're concerned about the cost implications of updating the employment standards?

**Mr. David Ferguson:** Exactly. As many employer groups and union groups have said to you today, obviously we are all dependent on a successful workforce and successful labour relations. So we're not opposed to the principles; what we're concerned about is the cost ramifications as we implement the ramifications of these changes.

**Mr. Mike Colle:** I think that's a very good clarification that you've made. It's certainly helpful to me. I think it's a point well made: excellent advocacy on the reality of these changes to the workplace that could have a serious cost impact that the government should look at very seriously because we're the number one funder, right?

**Mr. David Ferguson:** Absolutely. I certainly appreciate hearing that comment and would ask that you take that back to your cabinet and caucus colleagues.

**Mr. Mike Colle:** It has been discussed among my colleagues over the last couple of months. Thank you for reinforcing that.

**Mr. David Ferguson:** Thank you. I'm glad to hear that.

**The Chair (Ms. Ann Hoggarth):** Thank you, Mr. Ferguson. If you would like to send us a written submission, it needs to be to the Clerk by 5 p.m.—

**Mr. John Yakabuski:** We still have one.

**The Chair (Ms. Ann Hoggarth):** Did I miss you? I'm sorry. How could I forget? We'll go to the official opposition: MPP Pettapiece.

**Mr. Randy Pettapiece:** Thank you, Mr. Ferguson, for coming in today. I just wondered: Did the government ever consult with you or your member agencies before introducing this bill last spring?

**Mr. David Ferguson:** No, not that I'm aware of.

**Mr. Randy Pettapiece:** No consultation at all?

**Mr. David Ferguson:** No.

**Mr. Randy Pettapiece:** You noted that there are over \$55 million in new costs as a result of this bill. Without new funding from the government, can you outline some services that might be impacted?

**Mr. David Ferguson:** Some of the ones that I mentioned are coming out of the operating pressures report. As staffing is cut back, you can't integrate. You can't get people out into the communities for the recreational activities and social inclusion that you would like to. If you are having two staff on shift and one person calls in sick, you're not able to replace them because of the cost ramifications. That group of people aren't going to go out for their recreational activity that night. You're likely

going to be staying in the home. Those are the kinds of things that we've seen.

**Other service model changes:** As organizations have taken group homes or living arrangements where three or four people have been living together and it has been consolidated, you would have a group of seven or eight or five people in order to try and reduce your operating expenses that way.

Those are the ramifications on a day-to-day basis.

**Mr. Randy Pettapiece:** In a letter last month, the minister wrote that she has heard about the trepidation amongst agencies on Bill 148. She says she's also working collaboratively with her agency partners. Has the minister reached out to you at all?

**Mr. David Ferguson:** I do know that OASIS held an information day at Queen's Park the last week, in fact, or two weeks ago. There was a meeting with the executive of OASIS with the minister and a number of other MPPs. So at least there was that meeting, that discussion on that day, that I'm aware of.

**Mr. Randy Pettapiece:** Okay. Did she promise you anything?

**Mr. David Ferguson:** I wasn't there, so I don't know, but it's not my impression from the report at the board meeting last week that anything was promised.

**Mr. Randy Pettapiece:** Nothing promised. So there has been no offer of help moneywise with this at all?

**Mr. David Ferguson:** No, our impression would be that nothing is changing. Certainly another concern that we and other non-profits have with Bill 148 starting to be implemented in January is that that's mid-fiscal year for us. You're going to have budgets built last spring that go to this coming spring, and all of a sudden, all of those numbers will get thrown out of whack come January.

**Mr. Randy Pettapiece:** Yes, I've heard that from contractors: that they've bid on projects for the new year and now they're going to maybe have to either renegotiate the contracts—

**The Chair (Ms. Ann Hoggarth):** Thank you, Mr. Ferguson. If you have a written submission, please have it to the Clerk by 5 p.m. on November 3.

**Mr. David Ferguson:** Thank you very much.

#### FIGHT FOR \$15 AND FAIRNESS

**The Chair (Ms. Ann Hoggarth):** I now call on Fight for \$15 and Fairness to present. Please identify yourself for the purposes of Hansard, and then you may start your five-minute presentation.

**Ms. Pam Frache:** Thank you very much. My name is Pam Frache. I'm the Ontario coordinator of the Fight for \$15 and Fairness. I'm very happy to have this opportunity to speak to Bill 148, the Fair Workplaces, Better Jobs Act, on behalf of tens of thousands of workers who have joined our movement over the past couple of years, and also the tens of thousands of workers who have been paying close attention to all of the consultations that have taken place—from the Changing Workplaces Review to the consultations that took place last summer and this

current round of consultations—in addition to all of those who have been involved in labour and community advocacy and have been making the case for the need for modernizing our labour laws to address precarious employment.

I'll just start by saying that our movement unites union and non-union workers and it brings together students, staff and faculty on college and university campuses. We've been strengthened by the advocacy of health providers, people of faith, community organizations and anti-poverty activists in every corner of the province.

Representatives of these groups and organizations will be speaking in more detail to the many diverse aspects of Bill 148, so I'll be focusing my comments primarily on the issue of the minimum wage and on scheduling provisions. But before I do, I just want to first acknowledge that Bill 148 represents a substantial down payment on the kind of decent work agenda that working people in Ontario sorely need, and I want to congratulate the members of this committee for making this possible.

This legislation has helped to demonstrate to the public that there's nothing at all inevitable about low-wage precarious employment. By putting fairer wages, paid emergency leave, improved scheduling, temp agency regulation, greater access to unionization, respect at work and better enforcement on the table, we have started a crucial process that can begin to tackle the structural sources of bad jobs. But to do so, we must make sure that the stated purposes of Bill 148 are met by the language that's enshrined within it.

First of all, I'll start by talking a little bit about the minimum wage. Mostly here I want to counter some of the concerns that have been expressed since the bill was tabled. I think it's worth noting that a \$15 minimum wage, although sorely needed, is a very modest step forward in terms of workers' wages. We need to know that, once fully implemented, the \$15 minimum wage will only bring workers a hair's breadth above the poverty line. This is not a big ask by any stretch of the imagination. Although it's a modest improvement for workers, it will have the effect of adding an additional \$5 billion each and every year to Ontario's economy because we know that when there's money in workers' pockets, it is largely spent and it goes back into local businesses and stimulates the economy.

#### 1530

The fact that this modest step forward, though, has been met with such fear-mongering from the big business community has been shocking indeed. While the big business community focuses on profit rates and so forth, I think it's very important for us to point out the human cost and the actual cost of paying workers a below-poverty subsistence rate.

We want to remind the members of the committee that workers themselves bear the cost of low wages, children bear the cost of low wages, communities bear the cost of low wages, public services bear the cost of low wages and, in fact, we're hearing from more and more employers, the majority of whom agree that we should be raising

the minimum wage, that in fact businesses also bear the cost of low wages in terms of a higher turnover and lower productivity.

Those who suggest delaying the implementation of the \$15 minimum wage are disregarding the needs of the very people, the 1.7 million workers in Ontario, who keep this province working. So I urge there to be no delay—in fact, we needed a \$15 minimum wage last year. We urge that there be no delay whatsoever in the implementation of the minimum wage.

That being said, we also urge the government to make sure that we actually collect the revenues that we need to properly fund all of our public institutions and the agencies that we rely on so that we can eliminate bad, precarious and low-wage work in those sectors.

Now I'd like to turn to the issue of scheduling. Bill 148 addresses a long-standing gap in the Employment Standards Act, but, unfortunately, there was an amendment made last summer that weakens the provisions that allow employees to be paid for their time on call or a minimum three-hour shift at work and that weakens their ability to refuse shifts. By bringing in the provision of weather as a criterion for exempting employers and other highly defined emergency situations or broadly defined emergency situations, we believe that gives employers far too much leeway to define situations that would exempt them from meeting their obligations under the act.

**The Chair (Ms. Ann Hoggarth):** Thank you. We will start with the government: MPP Vernile.

**Ms. Daiene Vernile:** Good afternoon, Pam. Thank you very much for your presentation. There's a great deal of passion there, and it comes across.

You're following this debate. We've had hours and hours of debate in the House. We've had hours and hours of feedback from stakeholders such as yourself in committee work. There are those people who do support Bill 148 and there are those who do not want to see us go to a \$15-an-hour minimum wage, including the opposition Conservatives, who are about to ask you some questions next.

Let me ask you, Pam: Why do you think that we need to do this now?

**Ms. Pam Frache:** I think it's critical that we do it now. In fact, we probably should have been moving on this much, much sooner. I think that it's very important that workers have decent wages. With the rise of precarious employment, there are things that we can do like raising wages and changing the labour laws to make work pay for ordinary people. Frankly, I think that Ontario's economy depends on workers, on domestic demands—that means the disposable income that workers have in their pockets—to keep this economy running. This is an important step forward for the economy of the province.

**Ms. Daiene Vernile:** I represent Kitchener Centre. About a week ago, I was having a conversation with the owner of a local engineering company. His name is Bruce Taylor. He said something very poignant to me.

He said that he doesn't believe that any employer should ask an employee to take a vow of poverty to work for him so that he can earn big profits. What are your thoughts on that?

**Ms. Pam Frache:** I think that's a very important statement. I'd like to remind the committee that, in fact, the majority of small business owners actually pay decent wages because they are least able to absorb the impact of low wages and insecurity, with high turnover and so forth. It's actually large corporations that employ the bulk of minimum-wage earners, so those are the corporations that can afford and should do better in terms of wages. That's an excellent comment from that person.

**Ms. Daiene Vernile:** To those companies, small businesses, that really do have real concerns about the economic impact on them, what words of solace do you offer?

**Ms. Pam Frache:** We heard these same concerns in the United States and in other jurisdictions where small business owners sometimes can only imagine the exact same equation with one expense being higher, but what has been the experience in all the jurisdictions that have been moving to raise the minimum wage is that, actually, there's increased demand. When workers have more money in their pockets, it's more customers. I think what we need to remember is that what small business owners need most are customers. If small business owners don't have customers, then no amount of tax credits or any other assistance is going to help them out. What we need are workers who can spend money, who can buy flowers occasionally, can go out to dinner occasionally, can treat themselves occasionally. That's the sign of a healthy economy, and that benefits small and modest-size business owners.

**Ms. Daiene Vernile:** Thank you very much.

**Ms. Pam Frache:** Thank you.

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

**Mr. John Yakabuski:** Thank you very much, Pam, for joining us today.

On the issue of the wage increase, it's clear; we don't have to ask you where you stand on that. But we just heard from a presenter, and I've heard this across the province from governmental agencies, that their only source of funds is whatever the government provides them with. We had the OASIS people here earlier today. We talked to the home care sector, and they're talking about millions and millions of dollars of impact here. It's fine for the government to want to present themselves as the champion. Well, here we have one of the most vulnerable sectors out there, a sector that deals with those who have developmental disabilities. They have been frozen for nine years and are now being told—because we've heard back from those sectors—“There's no more money for you. Figure this out. Figure out all of the changes,” not just in the minimum wage, but all of the factors that are factored in to Bill 148, for all of these agencies that deal with the most vulnerable. A lot of those people are, as Mark Wafer said so eloquently at one

of our meetings earlier, the ones that are the most likely to lose their jobs if an employer feels they cannot meet those obligations.

What is your response and maybe your suggestion to the government? They seem to be asking you for suggestions to give us. Maybe you could give them a suggestion on how they might look after those vulnerable people.

**Ms. Pam Frache:** Well, I'm confident that we collect the revenue that we need to fund our public services and our agencies appropriately. I'm sure that a government that is committed to eliminating precarious employment and add jobs—

**Mr. John Yakabuski:** A nine-year freeze.

**Ms. Pam Frache:** —will take the necessary measures to make sure the funding is there so that we can meet these minimum obligations under the law, so that it will strengthen our agency network, it will strengthen our communities and it will strengthen the communities of Ontario. I'm confident we can do that together.

**Mr. John Yakabuski:** Thank you very much, Pam. I appreciate you coming in today.

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

**Mrs. Lisa Gretzky:** Pam, I want to touch on some of the points that you touched on right in the beginning.

As you are probably aware, the NDP fully supports a \$15-an-hour minimum wage. While the government is saying it's time to do it, and you pointed out it should have been done a year ago, we actually called for it two years ago.

I'm proud to say that in my community, we have many unionized and non-unionized workplaces where employers are recognizing the importance of a living wage, and they are actually doing that on their own without government direction to do so. However, that is not the case with every employer in this province, which is why two years ago we started the push toward \$15 an hour. Let's be realistic. As you said, \$15 an hour in many areas is just touching the poverty line; it's just a living wage.

You had talked about paid emergency leave. We had tabled an amendment to Bill 148, one that the government side actually voted against, which would give 10 paid leave days for someone who is fleeing domestic violence. What do you think that would mean to someone who is trying to get out of that situation themselves or with their children, trying to get their legal issues in order, trying to find housing, that kind of thing—10 paid leaves for someone trying to flee domestic violence?

**Ms. Pam Frache:** I think it's a very important provision that would allow people to make the necessary arrangements, but I would also take it one step further and say that workers need more paid emergency leave days in general; two days is not enough. We have all sorts of emergencies that take place, whether it's caring for children, being sick, and we need to be able to avail ourselves. I hope that this is the beginning of a process where we can expand not only the paid leave in the case

of domestic violence but we can actually expand the paid leave in cases of emergencies and other situations that may come up.

**1540**

**Mrs. Lisa Gretzky:** You also talked about making it easier to join a union. I proudly represent a very large labour community, incredible people who—many of whom, not all. Many people think that, because you belong to a union, that means you're making all kinds of money, and that is not factual. You might be making a fair wage; that doesn't mean you're getting rich. We often find that those within the labour community give back so much more than what they earn to the community—like United Way, like our Unemployed Help Centre, that kind of thing.

We had tabled an amendment to actually make it easier to join a union. That was also not supported by the government side. What do you think is the benefit to really making it easier—card-check certification—in order for employees to be able to join a union?

**Ms. Pam Frache:** I think the evidence is clear that when workers have the protection of a union, when workers have agency in the workplace, they can work themselves to improve the working conditions in their workplaces. That actually relieves a certain amount of responsibility from the government—

**The Chair (Ms. Ann Hoggarth):** Thank you. If you would like to give a written submission, Ms. Frache, it needs to be to the Clerk by 5 p.m. on Friday, November 3.

#### DECENT WORK AND HEALTH NETWORK

**The Chair (Ms. Ann Hoggarth):** I now call on the Decent Work and Health Network. Good afternoon. If you could please identify yourself for Hansard, and then begin your five-minute presentation.

**Dr. Andrew Pinto:** Thank you. My name is Andrew Pinto. I'm a family physician, a public health specialist and a scientist. My research has focused on the social conditions that impact our health, or what we call the social determinants of health. I'm also a member of the Decent Work and Health Network.

We're a diverse group of Ontario's health workers. We understand that employment status and working conditions are key determinants of health. I see this embodied, literally, in the patients that I serve in my inner-city Toronto practice. Many are dealing with the closely related issues of poverty and precarious work.

For example, I think of a patient of mine whom I'll call Aisha: She's in her forties. She's a single mom. She works as a personal support worker with very irregular hours. She is not unionized and she has low wages. She is constantly on call for work, and she is unable to plan ahead for herself or for her child. She struggles to make rent and to put food on the table. Recently, she developed diabetes. The chronic stress of her work situation, fear of losing her job, and low income manifest as insomnia, anxiety and difficulty controlling her blood sugar.

There's not much that I can prescribe to her that's going to assist her, but today this committee and your work as our members of government can do something for her through Bill 148. This is why the Decent Work and Health Network sees this legislation not only as employment policy but as health policy.

This single case that I've outlined is replicated hundreds of thousands of times in Ontario. Many studies at the population level confirm the link between precarious employment and poor health. I'm going to focus on three areas: the increase to the minimum wage, paid personal emergency leave and scheduling.

In terms of the minimum wage, I think that this will promote health in the province. A \$15-an-hour minimum wage will help people meet basic needs that are important for your health. As you know, the current minimum wage keeps people in poverty. There are many benefits to a higher minimum wage. Just to illustrate one, last week the Institute of Health Policy, Management and Evaluation at U of T hosted a researcher from the National Bureau of Economic Research in the US who described that, from his research, raising the minimum wage across multiple states in the US was associated with improvements in children's health in terms of reducing the risk of low birth weight and premature birth. I believe that this increase in the minimum wage cannot happen soon enough.

In terms of personal emergency leave, I'm also happy to see that the province is introducing this, so, for the first time, Ontarians can actually follow what their doctor says: to stay home if they're unwell. We know that without paid sick days, workers will go to work while they're ill because they can't afford to lose income and they could even be fired. This poses a risk to their health and also the health of others in the workplace. However, the current two paid days are not enough. Even the most common illness, for example, the flu—and we're just entering the flu season now—usually takes 48 to 72 hours to recover from. If a patient has to do tests or see a specialist, this quickly exceeds those two paid days. So we're encouraging the government to increase the number of days to seven. This allows patients enough time to address their health needs and other emergencies that arise.

Finally, I want to talk about scheduling and how unpredictable scheduling has an impact on people's health. A growing number of studies have shown that jobs with unpredictable and unstable work schedules are strongly associated with a higher incidence of work-related injuries, chronic stress, fatigue, and conflicts in people's lives. Even more serious conditions can result such as heart disease. We end up paying for these negative impacts through health care costs and other social costs.

I was concerned that during the amendments, the language of the scheduling rules was weakened. Now there are several exemptions. Without strict language, employers will interpret this to their advantage. It's important that no loophole is left open, and importantly, that workers receive their schedules at least two weeks in advance.

Just to summarize, the government has a responsibility to protect workers. A fair minimum wage, protection if you do fall ill and having your schedule at an appropriate interval will help protect the health of Ontarians. Thank you very much for your time.

**The Chair (Ms. Ann Hoggarth):** Thank you. We'll start this round with the official opposition: MPP Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Chair, and thank you very much, Dr. Pinto, for joining us today and for the work you do with those living in the inner city and their medical needs. Different people might have different philosophies on how we might get to the same place. Some of the things you did talk about, I'll cover; for example, the minimum wage and the poverty aspect of wages.

The Financial Accountability Officer, in his commentary—it's maybe best that I put on my glasses and I'll quote it. He said, "Since minimum wages target low-wage workers, but not necessarily low-income families"—and that's what his study showed—"raising the minimum wage would be an inefficient policy tool for reducing overall poverty." He backed that up with statistics based on the number of people who make a minimum wage, but the family income was not and in some cases was even above the provincial average.

The government using the vehicle of the minimum wage, he felt, was not exactly the vehicle that would be most efficient. Have you read the FAO report and could you comment on his position?

**Dr. Andrew Pinto:** Thank you. Yes, I have read the FAO report and I think, actually, its findings contradict a lot of other economic studies that have found that raising minimum wage actually does result in people being lifted out of poverty, including at a family level.

It's interesting that what I see in my clinic and what we can see from fairly simple math in terms of the number of dollars that people are bringing in if they're working at the current minimum wage, they're living in poverty and they're struggling to make ends meet. I think, actually, the raise to the minimum wage will result in people having more money in their pockets and being able to afford needs, whether it's housing, food security or being able to pay for their medications.

**Mr. John Yakabuski:** Other studies are predicting that some of the most vulnerable people—youth, women, minorities and particularly those with disabilities—will be the first ones to lose their jobs, or the ones that are most likely to lose their jobs. How does that raise their standard of living?

**Dr. Andrew Pinto:** It's interesting, because there are quite a number of studies that have looked at how changes in the minimum wage affect jobs. I know that this committee has heard from folks about these studies. Actually, they find that the fear of a huge number of jobs being lost is not founded, and that—

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

**Mr. John Yakabuski:** Thank you, Doctor. I appreciate it.

**The Chair (Ms. Ann Hoggarth):** We go to the third party: MPP Gretzky.

**Mrs. Lisa Gretzky:** Thank you, Dr. Pinto, for coming today. I want to talk about what you had touched on around the overall health of someone based on income. I actually am a certified dental assistant and I worked in a dental office in downtown Windsor where the majority of our patients were low-income, so they were either on some form of social assistance or they were trying to put the money together themselves to come in for a basic checkup. So I certainly understand that when someone cannot afford to come in when they have an abscessed tooth, that's actually a very dangerous situation. In fact, for those in the room who don't know, you could actually die from having an abscessed tooth.

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When I look at the patients we used to try to help and the way they were living overall, we found that their diets were lacking and that they didn't necessarily have the best housing conditions to live in, whether you're talking mould or standing water or whatever the case may be; there was a lump of things. We also found that their long-term health—they could have co-morbidities; they could have some chronic conditions as a result of not having money to get the things they need. So I just want you to speak a little bit more—because I think you did a really good job on it—about what it would mean for those people.

I will admit, when I was a dental assistant, I was not making a \$15-an-hour minimum wage. If my husband did not have a good union job, I could be some of the people we're talking about today.

So what does that mean for those people, to have that extra—because I know we want to talk about them losing their jobs, and that's a sad road to be going down, to be even considering that women could be targeted and suffer because of this. But what would that really mean to those people as far as their overall nutrition, their access to health care, their access to prescriptions that the doctors are giving them during visits, that kind of thing?

**Dr. Andrew Pinto:** Oral health is a great example of how poverty affects people's health, because in our system, of course, dental care is not covered, typically, so it ends up being the people who don't have benefits through their work who suffer the worst oral health. It's not only, as you mention, about being able to pay for the dentist or being able to go see one; it's also about the type of food that people can afford and are putting in their bodies, and also the time that they have to go and see a dentist. All of these things come together and it becomes a manifestation of how people who are living in poverty in this province have worse and worse health. Oral health is one of those things that can have these ripple effects throughout people's lives. It acts as a chronic stress on people's bodies, as well, over time.

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

**Ms. Harinder Malhi:** Thank you so much for your presentation.

You talked a lot about the impacts that minimum wage can have on a person's health. We've heard from Peterborough Public Health that having more money allows people to buy better food and improves their health. Do you agree with this statement and can you elaborate a little bit on why?

**Dr. Andrew Pinto:** It has really been heartening to see so many people in health come out and talk about this issue, including colleagues from Peterborough Public Health, Sudbury, Toronto Public Health, the Wellesley Institute and many others.

Absolutely, poverty is a major determinant of people's health. We see this gradient in countless economic studies that shows that the poorer you are, the shorter your life is going to be, the less access to health care, the worse quality of life, the greater degree of burden in terms of chronic diseases.

We've talked about oral health, but diabetes is also a great example. Diabetes cost Ontario \$6 billion a year in 2015, and that's predicted to rise to \$7.7 billion in 2025. Diabetes is a treatable condition. If people had money to pay for healthy food, to pay for their medications, to attend to their doctors' appointments so they can get monitoring every three months, they'd be doing better, and we wouldn't have these major costs down the road when their diabetes is uncontrolled and they end up needing amputations, transplants and other sorts of interventions.

**Ms. Harinder Malhi:** What impact do you think this new legislation will have on your waiting room? Do you expect to see your patients a lot more or a lot less? What kind of conditions do you expect to see?

**Dr. Andrew Pinto:** I think, actually, what we'll see is what I see when people's lives change after they get a new job and they're able to have a bit more money in their pocket. I remember a case of a patient of mine who told me that when his money increased by just a small amount, he was able to afford fresh fruit for the first time. He could taste an apple again. It was a striking image, to think about someone being unable to eat fresh food for weeks and weeks.

I think we'll also see things at a population level, so thinking about prenatal outcomes: pregnant women and our children who are born in this province. There will actually be a lot of impacts down the road that I hope we capture to be able to show that this was related to this policy change.

**Ms. Harinder Malhi:** Great. Thank you so much.

**The Chair (Ms. Ann Hoggarth):** Thank you. If you have a written submission, if you could please have it to the Clerk by 5 o'clock on November 3.

#### PRESTEVE FOODS LTD.

**The Chair (Ms. Ann Hoggarth):** I now call on Presteve Foods. Once you get settled, if you could please make yourself known for the purposes of Hansard and begin your five-minute presentation.

**Mr. Ulysses Pratas:** My name is Ulysses Pratas. I'm the CEO of Presteve Foods. Joining me are Jim Gracie,

the president, and Erik Grzela, our in-house counsel. Thank you for the opportunity to speak with you today in respect to Bill 148.

Presteve Foods Ltd. is the largest integrated fishing and fish processing operation in the Great Lakes. We employ 300 people across rural Ontario, as we catch and process fish from all the Great Lakes. We are proud that, together with the Ministry of Natural Resources, we operate a sustainable fishery with certified MSC products within the Great Lakes.

Our business starts with harvesting wild-caught fish. These fish are then sent to our processing plants in Wheatley, Kingsville and Sault Ste. Marie, Ontario, and transformed into products for wholesale and retail customers in Canada and the United States.

At Presteve Foods, our vertically integrated, rapid-response operations allow us to keep these jobs within Canada.

We are here today because Bill 148 contains several scheduling rules that would penalize our industry based on the uniquely unpredictable nature of our product. Simply put, an integrated fishery is the ultimate just-in-time, weather-dependent enterprise. We have to fish when we can fish on the lake, when we know where to go on that lake, and we have to process these fish immediately, as prescribed under the CFIA regulations.

The unpredictability of weather and the size of the catch already make it challenging for us to forecast our required staffing levels, and this bill would make it more difficult to do so. Unlike planted tomatoes and other food products, when it comes to fishing, there is no way to tell how big or how small a harvest size will be on any given day until those fish are landed. As a result, we need flexibility to be able to adapt to the changing circumstances.

Based on our review of the bill, it is unclear whether our industry—integrated fish producers and the processors—would be subject to these new scheduling rules. We maintain that we should not be subject to these rules and that the bill should clearly reflect that.

I'd like to focus on two of the scheduling rules.

Number one: right to refuse. The first rule allows employees to refuse work if the employer requests them to come to work with less than four days' notice. We have a very limited amount of time to process our fish in order to comply with the Canadian Food Inspection Agency's regulations. If our fish are not processed within a strict time frame, these fish cannot be consumed safely, posing a food safety risk to public health. In short, fish needs to spend its shelf life in our consumer's hands, not in our coolers for four days waiting for people to process it.

Harvest sizes are mostly random, and if we catch more fish than projected on any given day, we need more staff to process those fish in that short amount of time. If employees can refuse to come to work based on this rule, we may be unable to properly staff our workplace, and this would create serious food safety risks for the public. While Bill 148 exempts employers from this rule if their

request to work is related to remedying or reducing a threat to public safety, we want confirmation that these instances of ensuring food safety would also exempt us from this rule.

Number two: Cancellation pay. In addition, Bill 148 would require employers to pay employees for three hours of work if we need to cancel their shifts with less than two days' notice. As I mentioned, harvest sizes are very unpredictable, and if it is impossible to know staffing needs on a given day until nets are pulled—generally 10 hours before processing—this becomes a huge, significant cost to us. While a small catch already hurts our business by economies of scale, having to pay additional, unnecessary labour would hurt our business even more so.

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While Bill 148 exempts employers from this rule of weather-dependent reasons or causes beyond the employer's concern, we want confirmation that an unexpected low catch size would also exempt fish processors from this rule.

We need the appropriate classification in our industry, since these rules would be in the new part VII.2 of the Employment Standards Act. We want confirmation that our employees, fish producers and processors/manufacturers would be exempt from the scheduling rule. This clarification could come in the form in Bill 148 or in an amendment to the ESA regulation. There's already a part VII in the ESA which exempts commercial fishers and other agricultural employees, but not so with fish processors.

In conclusion, Bill 140 contains several scheduling rules that—

**The Chair (Ms. Ann Hoggarth):** Thank you. This round of questioning will start with the third party: MPP Gretzky.

**Mrs. Lisa Gretzky:** I'm going to start with one question, because I am from Windsor, so I am familiar with your company and the area down our way where you are. I want to know, first and foremost: How many temporary foreign workers do you use in your facility?

**Mr. Ulysses Pratas:** We're not eligible for temporary foreign workers.

**Mrs. Lisa Gretzky:** You no longer have temporary foreign workers. Okay. And if I can ask, are the executives at your company paid hourly or salary?

**Mr. Ulysses Pratas:** We have both.

**Mrs. Lisa Gretzky:** You have both. So there are some that are salaried employees?

**Mr. Ulysses Pratas:** Yes.

**Mrs. Lisa Gretzky:** So they have income that they can count on, on a regular basis, regardless of whatever hours they have to put in.

**Mr. Ulysses Pratas:** Yes.

**Mrs. Lisa Gretzky:** Okay. I understand that you have some unique situations. I certainly would not want to see you in the Windsor Star or on national news, where people are getting sick because you were putting out a substandard product because you sat on it. I thank you for

having quality standards and taking into account that you don't want people to become, in some cases maybe, deathly ill.

However, knowing that you do have some people at the top of the chain there that are on salary, and so they know that regardless of what hours they put in—and I'm sure some of them put in more hours than they would normally be told they would have to put in—do you think it's fair that we have some people who are receiving money that they know they can count on will always be there for them, but on the other end of that spectrum we have workers who could have unstable scheduling, where they don't know whether they're going to be able to make their rent payments or their mortgage payments or pay their bills? Do you think that that's fair, to have such a gap between those at the top of a company and those that are on the front lines that are actually helping that company stay in business?

**Mr. Ulysses Pratas:** Do I think it's fair? No. At Presteve, less than 3% of our staff is executive salary employees. We do everything that we can do ensure that we have as much optimization of employment of our general labour, middle management and any other employees that work for us. However, again, we're restricted to the element of weather. We're not a top-rated company. A lot of our employees do have to work under the conditions what weather could bring us or not. I hope I've answered your question.

**Mrs. Lisa Gretzky:** I believe you did, yes. So some of the employees that are paid hourly, though, would be management of some sort?

**Mr. Ulysses Pratas:** Management, yes.

**Mrs. Lisa Gretzky:** And they have set hours that they can count on? So this would only be—you're only speaking about the workers that might actually, say, package or prepare or—

**Mr. Ulysses Pratas:** They have hours they can work, but in our experience in past performance, we've laid off executives during the winter months, so we do have that past performance where even executives have—

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

**Mr. Mike Colle:** Can I take this?

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

**Mr. Mike Colle:** Thank you. And I take it because Mr. Gracie is a constituent and I communicated to you by letter, right—I appreciate you coming here to explain a very, very unique part of a very important Ontario enterprise, because it really is a niche business. The real issue here is that when you bring the fish in, you have no control over when and how much fish will be brought in on certain day. Is that what it is?

**Mr. Ulysses Pratas:** That is correct, yes.

**Mr. Mike Colle:** So would this be mostly smelt? Not smelt—smelt are disappearing. But anyway—showing my age here. Is it perch? What is it?

**Mr. Ulysses Pratas:** It's any primary species in the Great Lakes, perch and walleye being the two species of

more commercial value—and two species of smelt. Smelt are still in the lakes; that's another one.

**Mr. Mike Colle:** That has all disappeared, you hear, from Port Credit.

So the problem right now is that with this change, with the 48-hour notice, it is just going to make it impossible for you to operate, given the, let's say, unpredictability of when the fish come in to be processed. right?

**Mr. Ulysses Pratas:** Yes. Every day, we do not have certainty as to what our harvest levels are going to be, and harvest levels are what schedules the next day's work, or even that evening's work. There are instances like today: Our entire fleet went out to fish today, and the weather was such that we weren't able to lift our nets, so there is no work for tomorrow, but we did not know that until 11 or 12 o'clock today.

The undertaking that it takes to call all the people we do not have work for is not an easy process either. Making sure they're home and trying to ensure that everybody is made aware in a timely fashion: That responsibility does fall on us.

**Mr. Mike Colle:** How long have you operated the business in Ontario now?

**Mr. Ulysses Pratas:** Presteve Foods has been operating as a processor since 1986.

**Mr. Mike Colle:** Since 1986? So the workforce that you employ—describe your typical worker whom you employ in processing; not the persons who go out and fish, but the processing side of it.

**Mr. Ulysses Pratas:** It's an entry-level job in the processing plant. It's not the most desirable situation to be in. It is cold, it does smell like fish, you go home smelling like fish, and it's wet. We are in an area of the province where we're challenged with the size of our labour pool, so we do the best that we can to—

**Mr. Mike Colle:** What do you mean by that—challenged by the size?

**Mr. Ulysses Pratas:** There aren't that many people. It's a very small population.

**Mr. Mike Colle:** Okay.

**Mr. Ulysses Pratas:** And we are close to the city of Windsor, where there are higher-paying jobs. For those who can drive out to the city—

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

**Mr. Toby Barrett:** Thanks, Presteve, for testifying. I agree with the member opposite: It's a very unique industry, going back beyond Biblical times. How you would want to apply industrial standards to business—two of my sisters are married to commercial fishermen from Port Dover.

Did I hear you say that commercial fishermen are exempt in the same sense that, say, agriculture is?

**Mr. Ulysses Pratas:** In the same sense, but our issue is not so much with the actual producers, the fishermen, because the fishermen go out regardless of whether they're going to come back with fish or not. They need to go out because there are rules and regulations at the Ministry of Natural Resources that force us to ensure that

those lifts are pulled in a timely fashion so that we don't have any waste, which we do a good job at.

But the processors in the fish plants are not in the exemption, and this is where the challenge is. In many legislated rules, we have this challenge with the processors, where we're categorized in manufacturing when we should be categorized in the food processing segment.

**Mr. Toby Barrett:** And the \$15 minimum wage: How can you adapt to that, if possible?

**Mr. Ulysses Pratas:** We are currently unionized under Unifor Local 444, so we do have a scale that is close to the introduction of the minimum wage at this point.

**Mr. Toby Barrett:** Okay. Anything further? I don't know if I have any more time.

**Mr. Ulysses Pratas:** I just wanted to get back to the point that back in our area, where our labour force is a small labour force, we go out of our way to ensure that we maintain retention of our workforce, because we need to. Failing that, we're not eligible for any programs where we could bring other people in from other areas of the world or relocate them from other areas of the country. I think we've done a great job, particularly in the last nine years, to try to do everything that we can to bring up retention. We still have challenges with that.

When it comes to selling fish, we are also price-takers. We unfortunately cannot dictate our pricing, so how we survive—because we're controlled in what we pay for our fish and what we sell our fish for—is how we operate in between. Challenges like this really put some pressure on us.

**Mr. Toby Barrett:** Thank you.

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

**Mr. Ulysses Pratas:** Thank you so much. Thanks for your time.

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#### PARKDALE COMMUNITY LEGAL SERVICES

**The Chair (Ms. Ann Hoggarth):** I now call on Parkdale Community Legal Services. Good afternoon. If you would identify yourself for the purposes of Hansard, you may begin your five-minute presentation.

**Ms. Mary Gellatly:** Great. I'm glad to be here. My name is Mary Gellatly. I'm from Parkdale legal services. We work with people in low-wage and precarious work.

We're here to say that Bill 148 makes a number of really important strides for precarious workers, especially the \$15 minimum wage, scheduling, equal pay, paid emergency leave and steps to make it easier to join a union. However, we're concerned in particular around what we see as critical problems with a number of the provisions that we believe need to be fixed before the bill passes. They are around scheduling, equal pay and temp agency workers.

I'm going to talk about equal pay today, but just touching on scheduling—I know that Pam mentioned it and Andrew mentioned it. You'll find in the brief a number of detailed recommendations around amending the scheduling provision. In short, just to say that when we look at moving forward with employment standards, which provide a basic floor of rights when it comes to scheduling, enshrining these new exemptions which allow employers to be exempted from scheduling, as we just heard, the pay for cancellation of a shift and the right to refuse shifts without sufficient notice on the basis of emergency, weather or other exemptions that may be created down the road totally undermine the purpose of the scheduling, which is to provide workers with security in knowing about their hours of work. It also enshrines in legislation that when it comes to issues of weather or emergencies, workers, through their lost wages, should be the ones bearing the costs, not employers. It really is an employer cost to deal with in terms of variable weather conditions, but, by allowing these exemptions, we're saying, "Well, no; the ESA and the government of the day is saying, no, actually workers should bear the cost of bad weather through their lost wages." I urge people to take a look at those recommendations.

I'm just going to turn to equal pay right now. We support bringing equality in pay to temp workers and part-time contract and seasonal workers. Such a move will benefit in particular women, migrant workers, young workers, recent immigrants and low-wage workers. Equal pay for equal work takes away the economic incentive for employers to use precarious forms of work as low-wage staffing strategies. But amendments are necessary to ensure that people can actually access equal pay.

Unfortunately, Bill 148 relies on the Employment Standards Act's outdated language in equal pay on the basis of sex. That's a provision that has been around for years and years but it has proved basically ineffective for enforcing equal pay for equal work on the basis of gender. This is because of limitations in the language of the section and how it's applied by employers in Ontario workplaces.

Under the existing language, employers have been able to interpret the meaning of the act to require that jobs must be the same. They've been able to manipulate job duties to evade equal-pay-for-equal-work obligations, so that has continued in our workplaces. At the same time, though, jurisprudence on equal pay on the basis of sex has really evolved to develop a much broader scope of what is considered comparable work. The Ministry of Labour has adopted that broader scope of what's considered comparable work. We're arguing that Bill 148 should be amended to bring the language for the new equal pay provisions in line with the jurisprudence and in line with Ministry of Labour policy.

To do that, there are four areas. One is on scope of work for equal pay. The second is employer exceptions to comply with equal pay. The third is the definition of seniority on the basis of accumulated hours of work. The fourth is on enforcement.

Bill 148 requires that work be substantially the same. The Ministry of Labour policy on equal pay is different. It takes a broad application to comparable work. The policy doesn't just say that the job has to be substantially the same; it actually looks at jobs that are similar in the main characteristics or core duties of the job. It says that jobs don't have to be identical, that jobs don't have to be interchangeable. So we propose that amendments be made that actually take those, in a sense, tests, that analysis, and define it in statute through amendments in this process.

I can, certainly, in questions, respond to the other areas where—

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

We begin this round with the government side. MPP Vernile.

**Ms. Daiene Vernile:** Mary, thank you very much for being here this afternoon and for your presentation.

I've been giving your written submission a quick scan. I want to ask you about something at the bottom of page 1, where it says that for the Employment Standards Act to be a meaningful deterrent, there must be a real cost for employers who violate minimum employment standards. Can you give us some background on that? What do you think the punishment should be?

**Ms. Mary Gellatly:** Right now, basically, if something goes wrong, it's up to the worker to bring claims forward, to try to get their rights under the act. It's individual-driven. Then, when they go through the process, if they're lucky, they may get the wages they were owed in the first place. There's no interest charge, there are no fines, there's no cost to the employer for violating the law. The rate of fines is extraordinarily low.

The government just introduced increases to the penalties of \$100 per—it's called a contravention notice, which is a fine. Increasing the fines from \$250, I think, to \$350 is not a substantial increase. It's like one of those really expensive parking tickets.

In addition to proactively enforcing the law, we need to get the right language so that employers and employees can enforce it in the act, which is what I was talking about with equal pay. We also have to ensure that there's a cost to employers for violating the law, as a deterrent. We use it all the time in so many other parts of our life—taxes, parking etc. It needs to take place here because of the high rates of violation we see.

**Ms. Daiene Vernile:** For those who do not support increasing the minimum wage to \$15 an hour—some of the concerns we are hearing are that there are going to be widespread job losses, that we're going to see increased prices on products and on services. These are being characterized as real concerns for businesses, and yet we've heard the other side of it, that this is fear-mongering. When you hear the different points of view, where do you stand on it? How do you characterize it?

**Ms. Mary Gellatly:** I work with people who try to exist on low wages. Raising those wages so people can get themselves above the poverty line—people will be

using that money in local economies. I know that our economy is driven by consumer demand and household consumption, so to me that's a good thing. I've looked at the studies, I've looked at the report by CANCEA, and I don't agree. When you look concretely at what happens in real time with minimum wage increases in city after city in the US, in Canada—in BC, the increase was at the same rate of phase-in—

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

**Mr. Toby Barrett:** Do you want to finish your sentence? What were you going to wrap up with?

**Ms. Mary Gellatly:** I was just going to say: In BC they had the same rate of phase-in that Ontario is having when they bumped up their minimum wage. Instead of all the projections of job loss which we've heard from some of the similar organizations that are voicing their concern here—they predicted 50,000 jobs lost; in fact, there were 50,000 jobs added in the year that the minimum wage was increased at the same rate of phase-in as Ontario is doing.

**Mr. Toby Barrett:** Just further to that: We have the Ontario Chamber of Commerce that predicts 185,000 jobs lost. Are you predicting an increase in Ontario if the minimum wage is raised?

**Ms. Mary Gellatly:** I've looked at Keep Ontario Working's documents. I've looked at the other reports. I find them fundamentally flawed. I feel that they are an old, very simple model of economic forecasting. I think the body of peer-reviewed research really has demonstrated, by looking at concrete increases in minimum wage over time, that there is not that huge, massive job loss that is predicted by Keep Ontario Working, by CANCEA, by the Fraser Institute, etc. There might be adjustments but, in fact, there really is no increase in job loss per se. In fact, some areas have seen increases in job growth.

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I am very hopeful that the increase in the minimum wage at its current phase-in will be really good for workers—certainly the workers I work with. I think it will be good for the local economies. I'm in Parkdale, where we've got a lot of struggling businesses. I think it's going to be good for the small businesses. I think it's going to be good for Ontario's economy.

**Mr. Toby Barrett:** Apart from these studies, some of which are available to this committee, I think the beauty of this committee is that we hear from people directly. We do hear from employers. I'm thinking of many of the people you work with.

We had testimony, maybe on the last day of the previous round, an employer. A Tim Hortons franchise for many years had hired well over 100 people, as I recall, on disability. He indicated he will not be able to do that anymore. There is a concern, and I'm sure some of your clients would be in that category, perhaps.

**Ms. Mary Gellatly:** We work with people with multiple challenges all the time. I actually was in Kitchener-Waterloo when he said that, and I was quite offended

because of the way he was characterizing those employees as having lesser value.

**The Chair (Ms. Ann Hoggarth):** Thank you. We move now to the third party: MPP Gretzky.

**Mrs. Lisa Gretzky:** I want to start with first welcoming you. But one of the first things you talked about, actually, was around pay equity and how to make sure there is pay equity, and you mentioned gender pay equity. In my critic portfolio, I represent workers in developmental services, and it is a large issue in that sector where gender pay equity obligations are not being met. The number one answer given by any of these organizations is that they are publicly funded; the money comes from the government, and they are not given enough funding to actually meet obligations. I think that speaks somewhat to what you were saying about how you don't just need something in writing like this; you actually need some teeth behind it to make it enforceable. In this case, it would need help. I believe one of the Conservative members had asked this as well.

What would the government's role be in not only making sure that it's equal pay for equal work, which is something New Democrats have pushed for—if you're put in there through a temp agency and someone across the floor is doing the same job, you should be getting paid the same. No company should be making money on the back of the worker to the extent that these temp agencies are.

But when it comes to gender pay equity, it's like a warm, fuzzy thing to talk about, that we're doing something about it, but so many organizations that are publicly funded through the government do not have the budgets to actually address that. So what do you think the government's role would be? What would that look like and how quickly should it happen where the government is actually supporting organizations to meet their pay equity requirements?

**Ms. Mary Gellatly:** I think it's two things. Pay equity is a more systemic look at the gender wage gap. I think the opportunity right now is to look at Bill 148 and to ensure that the language is amended so that workers really have the tool to try and enforce equal pay for equal work. The amendments have to take place to do that.

In terms of our community services, working in the clinic system, I'm part of the broader public service. We get transfer funding. Clinics are largely women. We too are—I don't know. I think my gap is growing bigger. We need adequate funding for public services. Whether they're provided directly from the government, whether they are through agencies like mine, through Legal Aid Ontario, developmental, we need decent funding to ensure that we can provide decent jobs and decent services.

Moving forward, certainly Bill 148 is a step around our labour laws to give workers the tool to try to work for a decent wage, but I think provincially we need a commitment to decent work.

**The Chair (Ms. Ann Hoggarth):** Thank you, Ms. Gellatly. If you have another written submission, it needs to be to the Clerk by 5 o'clock on November 3.

**Ms. Mary Gellatly:** Okay.

**The Chair (Ms. Ann Hoggarth):** Yes, MPP Gretzky?

**Mrs. Lisa Gretzky:** Madam Chair, can I ask for quick five-minute break?

**The Chair (Ms. Ann Hoggarth):** Is there unanimous consent that we have a five-minute break? Yes. We'll have a five-minute recess.

*The committee recessed from 1625 to 1634.*

**The Acting Chair (Ms. Daiene Vernile):** Good afternoon, committee members. We resume sitting with the Standing Committee on Finance and Economic Affairs. We are hearing feedback on Bill 148.

#### CANADIAN CENTRE FOR ECONOMIC ANALYSIS

**The Acting Chair (Ms. Daiene Vernile):** I would now ask that the Canadian Centre for Economic Analysis please come forward. Make yourselves comfortable. For the record, please begin by stating your name. You will have five minutes to speak to our committee.

**Mr. Paul Smetanin:** Sure. My name is Paul Smetanin. I'm the president of the Canadian Centre for Economic Analysis. I appreciate the opportunity to speak before the standing committee regarding Bill 148.

CANCEA is an independent economics analytics firm. We have conducted an economic analysis of Bill 148. Our initial findings were released in August. Our report was peer-reviewed by Professor Morley Gunderson from the University of Toronto in September. We are, as far as we know, the only peer-reviewed economic analysis of Bill 148.

Our key conclusions include that if Ontario businesses do nothing, the bill is expected to increase the cost to our Ontario businesses by \$23 billion by the end of 2019.

Minimum wage increases only account for 58% of those costs. To put the costs into perspective, it's almost equal to all of the corporate taxes paid to the Ontario government over that same period. Of course, Ontario businesses will respond to their increased cost by attempting to reduce the impact upon them. They will do this in one of two ways. The first way is changing the way that they use their current employees and the way that they will reduce hiring new employees; and secondly, passing the cost on to their customers. We expect Ontario businesses will absorb part of the cost of Bill 148 to the tune of about 21%, and this cost absorption will create stimulus for the Ontario economy.

We expect the other 79% of the costs, however, to be avoided by businesses by the way they change the way they operate in Ontario. Prior to the bill, we had expected job increases between now and the end of 2019 of 210,000 jobs. If we consider just minimum wage changes only, we expect those jobs' growth to be reduced down to 110,000 between now and 2019. That's a 47% reduction in job growth rate.

With all aspects of the bill taken into account, the reduction growth will be even greater, and 195,000 jobs at risk seems to be well known at this stage.

For Ontario households, in addition to those people that can't get access to jobs, we expect that Ontario households will have a higher goods-and-services bill of up to \$1,300 per annum due to Bill 148. Of those receiving minimum-wage increases, we need to reflect that 11% of those households are either single parents or are single-income households. Eighty-nine per cent of what minimum wage would be going to are dual-income households or households without children under the age of 18. I can speak to other statistics in questions.

With the theme of precarious employment comes also the theme of precarious business. Many small to medium-sized businesses that hire employees are in precarious situations themselves. These businesses are significantly more exposed to changes contained in the bill in all industries with the exception of the retail industry. In the past month, I have been before 70 leaders of businesses large and small, where discussions of price increases, employee hiring reductions and closures have dominated the conversations. The economic risks measured are real. We plan to create a business registry in terms of employment plans and in terms of price plans in order to be able to monitor the situation closely.

Within the Bill 148 framework, we have some suggestions to mitigate the risks mentioned. The primary risk mitigation around Bill 148 is to give businesses more time to adapt to the changes. We have found that up to 74% of the jobs at risk can be avoided if the changes within Bill 148 were spread over five years instead of 15 months. While the first major rounds of changes are expected to go ahead, we recommend that in 2019, changes be reconsidered in light of what actually happens in 2018. In this regard, a business registry will help.

The bill casts a very broad net to change specific behaviours, which we will expect to have unintended consequences, particularly for small businesses that already operate—

**The Chair (Ms. Ann Hoggarth):** Thank you. We will go to the official opposition for this round. MPP Yakabuski.

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**Mr. John Yakabuski:** Thank you, Paul, for coming in to speak to us today.

You cast a different light than many people who have been here to visit us today, and not only today, but the 10 previous days of hearings. As you said, you're one of the only ones who actually produced an analysis of the bill. We hear over and over again that the findings in your report and the tales of caution or the suggestions of concern from businesses are nothing but fear-mongering, yet they don't do an analysis. They just say, "This is not going to happen."

The people I talk to on the street mirror some of the things you're saying. They say, "There are going to be job losses in my small business. There's no choice, because of the inflationary factors, the costs being put in the bill for small business."

The government apparently has no interest in the findings of your report. Have you had a chance to speak directly to the government on the findings of your report?

**Mr. Paul Smetanin:** We have. In fact, we're on several of the current government's expert committees in affordable housing, in infrastructure and so on and so forth. We do a lot of welfare work and policy work for the current government. We have explained the details of this report. We've found that our report has been mischaracterized. We have a test of whether people are being rational in our report, and we find that many of the critics actually can't pass the test within the report.

In terms of the findings, there is a \$23-billion cost challenge, and we even include that if you don't expect any major changes to jobs—we've even included that analysis as well. It essentially means that employers will have to suck up 80% of that cost into their profit margins or their capital investment. Now, whether that is considered to be reasonable or not, we don't think so and the literature certainly doesn't think so.

Possibly later, in questions, I can respond to what the literature actually says and how Bill 148 is different.

**Mr. John Yakabuski:** So the concern about the number of jobs being lost over the next two years—you absolutely stand behind that?

**Mr. Paul Smetanin:** Absolutely. In fact, we can report that it's in the third year that we see the biggest job losses.

**Mr. John Yakabuski:** In the what?

**Mr. Paul Smetanin:** Third year.

**Mr. John Yakabuski:** So it gets worse?

**Mr. Paul Smetanin:** It gets worse.

**Mr. John Yakabuski:** So the suggestion you've made, which is what we've been saying, that it—

**The Chair (Ms. Ann Hoggarth):** Thank you. We move now to the third party.

**Mrs. Lisa Gretzky:** I'm looking in your report at a couple of numbers here: 185,000 jobs lost and \$1,300 per year per household in price increases, although there are critics who are saying those numbers are inflated and not credible on their own, and that using them together is actually double-dipping when you are trying to tell people that they'll pay the cost of Bill 148 twice over. I think that's something important to have on the record.

I'd also like to know why in your report you rely significantly on a discredited Fraser Institute report for your estimate of the impact on the minimum wage jobs. Are you doing any new research on the impact of the minimum wage on employment, or are you going to keep going down the path of using the outdated assumptions based on this discredited Fraser Institute report?

**Mr. Paul Smetanin:** Okay, thank you. Well, first of all, I disagree with much of what you've said. We've found that the critics that you've relied upon and also a person that spoke earlier today are deliberately changing the numbers. We've even gotten to the point where we're almost looking at libel, given that we're a small business and our only currency is the quality of our numbers, right? This is not political. This is real. As a small business that operates in Ontario, we would not actually be a very good small business if we didn't stand by good-quality analytical work.

None of these critics you've mentioned have actually modelled Bill 148, so it's hard for me to comment on their comments, given that I actually don't believe they're being very rational at all.

**Mrs. Lisa Gretzky:** I would argue that they're saying they don't believe you're being rational.

But to the point of the critics, I just want to point out—because I was going to ask you the question, but I think you've already answered my question—there are Canadian economists on Twitter who have roundly dismissed the study, as well as the fact, as we heard, that over 600 US economists in the US, including numerous Nobel Prize winners, support the call for a higher minimum wage.

I should also point out, because I'm not sure you were in the room when I pointed it out earlier, that I come from a community that is actually moving towards a living wage. We have many small businesses and large businesses that are already moving towards a living wage, or are paying a living wage, which in Windsor is \$14 an hour, so a dollar an hour—and I recognize, to some small businesses, that could be a big thing. That should be a discussion within the government and the parties—how to actually mitigate any downside that small businesses may see. But there's a lot of on-the-ground, already-happening research showing that—

**The Chair (Ms. Ann Hoggarth):** Thank you. We move to the government now, please. MPP Colle.

**Mr. Mike Colle:** Thank you, Paul. Again, it's really appreciated. I'm certainly no one to challenge your numbers or your credibility. I think you're a very legitimate firm that has a very good reputation. As legislators, we get reports from different sources that we rely upon, and yours is one of the ones that we've taken into account. Certainly, we take that seriously, because it's one of the impacts—and I don't underestimate that you're trying to do something that is complex. I think it's part of the helpful process, and I want to say that we appreciate that, as much as we may disagree.

From a government perspective, what we're trying to deal with is the reality of this income inequality. Income inequality is growing. That has been my layperson's interpretation of what's happening not only to the Ontario economy but probably all over North America.

**Mr. Paul Smetanin:** Correct.

**Mr. Mike Colle:** Therefore, we're trying to deal with that income inequality, and this is one of the ways we're trying to deal with it. It's not the only way. The question is: Is it really without consequence? I think you've pointed out that there is consequence, perhaps. So what we're trying to say is that the static level of income—in fact, it's not even static; it's declining.

**Mr. Paul Smetanin:** In real terms.

**Mr. Mike Colle:** Yes, it is. Therefore, we're saying we have to try to do something to deal with that situation.

I know the members opposite in the Conservative Party talk to people on the street who own businesses. I talk to people who basically work two or three jobs who can't pay for the room they're renting. Sometimes there

are five, six people in a room and they can't pay for that. I hear from those people, and they're saying, "I don't want welfare. I want to work." So it's not really numbers, macroeconomics. It's really a conundrum that we have as a government and as legislators, to try to come up with something that may address this.

**Mr. Paul Smetanin:** I agree with a lot of what you've just said. Wealth and income inequality in our society is significant.

In terms of doing this from a Bill 148 point of view—and you look at minimum wage changes elsewhere on the planet. Bill 148 is much more than just minimum wage; it's Ontario's largest socio-economic experiment.

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

**Mr. Paul Smetanin:** Okay.

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#### ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

**The Chair (Ms. Ann Hoggarth):** Our next presenter: the Ontario Fruit and Vegetable Growers' Association.

I'd like to let the committee know that our 5 p.m. presenter has cancelled.

If you could, once you get settled, identify yourself for the purposes of Hansard, and your five minutes will begin.

**Mr. Jan VanderHout:** My name is Jan VanderHout. I'm Chair of the Ontario fruit and vegetable growers. My colleague beside me is Ken Forth. He's chair of our labour committee as well as the labour issues coordinating committee, representing all of agriculture in Ontario.

Bill 148 is too much, too fast. I represent 7,000 horticultural employers, small farm business owners who are extremely dependent on a cost-effective workforce to compete in an international produce marketplace. Ontario growers are price-takers—price-takers who do not have margins to absorb a drastic increase quickly.

Fresh produce is an expanding market, yet Bill 148 will cause the industry to hire fewer people, produce less product and stop investing. The expanding markets will be satisfied by foreign suppliers.

Workers fortunate enough to remain working will need to be seasoned and selected with the physical and mental capacity to work more productively and more effectively. Students, the handicapped, and English-as-a-second-language will be a distant secondary part of the labour market. Foreign guest workers are a premium workforce, as employers must also provide housing and transportation. Many growers will either quit or transition into less labour-intensive and less valuable crops.

It is ironic and hypocritical for the Ontario government to force local producers out of the market, seemingly encouraging Ontario citizens to buy product from countries that do not come close to our social standards in energy, environment, food safety and, of course, labour standards.

A mitigation plan must deliver either delayed implementation or \$225 million over five years. The plan must support all employers and reflect the payroll of each individual business. The plan must deliver funding in a timely manner.

**Mr. Ken Forth:** I'm Ken Forth. I represent 20,000 farm employers, including the 7,000 from the edible horticulture business mentioned by Jan.

To be frank, we are at a loss as to what the future looks like for agriculture. Most acts are driven by industrial or manufacturing sectors; rarely are those acts easily applied to farming. Is farming the unintended collateral damage?

Bill 148 offers a complex number of new standards. The lack of an impact study leaves us wondering how employer interests were considered. Clearly, there is a significant increase in administration for the employer. A large and complex piece of legislation has become larger and more complex. Will small and medium businesses be able to adapt to the complexity of Bill 148? For our industry to remain competitive in a global marketplace, our government must be competitive in their legislation.

Beyond Bill 148 but very closely related, MOL has indicated that it will consult with the industry on whether the current exemptions and special rules found in regulation 285 are still pertinent and relevant to agriculture. It is impossible to support something that has so many variables. Those special rules and exemptions were developed over many years to recognize the agricultural workplace, which is far different than any other workplace.

Here are the changes we think are a concern to agriculture:

—About the 96 hours of notice for work scheduling: We're weather-related—always weather-related. You can call it weather, you can call it Mother Nature or you can simply call it God, but somebody else controls that weather that happens to us in farming.

—Payment for three hours of work if cancelled within 48 hours of work period: How will weather-related exceptions apply to farming?

—Will the new public holiday pay apply to farming?

—Will the new vacation time and pay apply to farming?

—Entitlement to leave is admirable, but, in sectors with long-term labour shortages, highly variable schedules and perishable crops, how are employer interests taken into consideration? Personal emergency leave with two days paid up front will be a challenge.

Good legislation balances the needs of all stakeholders. How are employer interests protected by the new administration and enforcement powers?

Regarding the Labour Relations Act, there do not seem to be any changes for agriculture so far, so we won't comment on that.

Agriculture looks forward to real consultation in the development and the conversation about regulation 285.

**The Chair (Ms. Ann Hoggarth):** This round of questioning will begin with the third party: MPP Gretzky.

**Mrs. Lisa Gretzky:** I just have a few questions. I represent Windsor, so I don't have agriculture; however, the outlying counties around me do. I've had conversations with our greenhouse growers and some of their concerns. Something that I have heard from them is that they want to pay their employees \$15 an hour. They want to do this, but what they need is support in order to be able to do that.

You're saying that it's too much, too fast. What I'm hearing is that it's not too much; it's that they really would need the government to come to the table and offer some sort of support. You are from the same sector as those in the greenhouse industry. Is this the common thinking: that those who farm, those who have greenhouses, do want to pay their employees \$15 an hour, and they would do that if they were given the support they need to offset?

**Mr. Jan VanderHout:** Actually, I am a greenhouse grower, so I'm very close to that.

**Mrs. Lisa Gretzky:** All right.

**Mr. Jan VanderHout:** We really want to pay the worker a fair wage. It's common sense that we need to pay our employees a wage that is appropriate. We're not opposed to paying more, but what we are opposed to is paying more than we can afford. What you're alluding to is some kind of support to bridge the gap while we adjust to the increased cost. In this document, we reference \$225 million. There needs to be more work done to establish exactly what that number needs to be, but some kind of financing to bridge the gap financially.

**Mrs. Lisa Gretzky:** Okay.

**Mr. Ken Forth:** Most farmers are unable to pass it on. In a global marketplace like we're in, all of our commodities are judged on a world basis. Basically, in the fruit and vegetable industry we are played off against countries like Mexico and South America who have very low labour costs. We don't want their labour costs, but we think there should be something done for those crops coming into Canada that displace our crops. We can't go to our major chains and say, "We need a 10% increase." They won't buy it from us, period.

1700

**Mrs. Lisa Gretzky:** Okay. And me stopping at a roadside stand doesn't help a whole lot, does it, although it's good?

**Mr. Jan VanderHout:** It's a very small percentage of all our produce.

**Mrs. Lisa Gretzky:** It's very good, though. You know it's fresh; you know it's quality.

The other thing I wanted to talk about, because you talked about migrant workers: Can you tell me—and I understand, living in the area, that it's difficult often for the farming industry to build a workforce without having migrant workers. In our area, I would say it would be darned near impossible to build that industry without foreign workers. Can you give me an idea of how many foreign workers, on average?

**Mr. Ken Forth:** In Ontario?

**Mrs. Lisa Gretzky:** Yes.

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

**Mr. Han Dong:** Do you want to finish your answer? I'm also curious to know.

**Mr. Ken Forth:** Yes. She asked how many migrant workers—I like to call them “guest workers”—come into Ontario every year: about 18,000 this year. I happen to be one of the administrators of that program.

**Mr. Han Dong:** All right.

**Mr. Ken Forth:** That's what we get: 18,000. But we have a study that shows that for every migrant worker who comes into this province, there are two Canadian full-time jobs created as a result: as supervisors, as equipment operators, as truck drivers and on the periphery of the industry. So if we didn't have those people, 30,000 Canadians would lose their jobs, too.

**Mr. Han Dong:** I want to assure you that the Minister of Agriculture and Rural Affairs and also responsible for small business, the Honourable Jeff Leal, not only understands the challenges of this industry but also advocates to speak on behalf of—every chance he gets. Of course, aside from more resources that need to be provided, we should also look at the policy aspect of it.

I just want to expand a little bit on the guest workers you mentioned. We're exploring any possible room for change when it comes to deductions for room and board. As you know, this provincial policy hasn't changed since 1995. Do you have any suggestions on this particular piece?

**Mr. Ken Forth:** For the guest worker program and the seasonal agriculture worker program, for 52 years the hallmark of that particular program is that housing is supplied free of charge, period.

**Mr. Han Dong:** Okay.

**Mr. Ken Forth:** If the worker works long enough, he will pay half his airfare only. Lots of them don't achieve a long enough time—it's about \$3.50 a day that's deducted, to a maximum of half the ticket. A lot of the workers never achieve that because they're not here long enough. The average stay of a migrant worker is 22 weeks. Some stay eight months, but the average stay is 22 weeks.

**Mr. Han Dong:** The bill, as originally designed, does include exemptions for weather-dependent industries. Do you have any suggestions to that particular part and any improvement in wording or anything you want to add to that?

**Mr. Ken Forth:** I circulated a paper here today about the exemptions. We were asked by the Ministry of Labour in December 2015 to comment on every exemption and special rule for agriculture, and it's all in the documentation I supplied today. It's very important that they stay. We think the minimum wage is too high, too fast, but if anything changes in them to add to the cost, man, it's over. Those exemptions are there because we deal with living organisms and crazy weather that can happen.

**Mr. Han Dong:** So you agree with the exemptions? You want them to stay? That's your point?

**Mr. Ken Forth:** Yes.

**Mr. Han Dong:** Thank you very much.

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

**Mr. Toby Barrett:** Thanks, OFVGA, for testifying. You stress the importance of the exemptions that are in place, given the nature of agriculture, particularly focusing on labour-intensive agriculture. We've just heard the previous testimony—job losses could be even greater than the 185,000. I guess my concern, and linking that with guest workers—I think we have 6,000 just in Norfolk county alone in my riding. What is the wage rate for guest workers? I know it's negotiated country by country.

**Mr. Ken Forth:** Currently, in Ontario, this year it was \$11.43.

**Mr. Toby Barrett:** So it's just above the—

**Mr. Ken Forth:** Just above the minimum wage.

**Mr. Toby Barrett:** Yes, always above the minimum wage level.

**Mr. Ken Forth:** The federal contract reads that it's the prevailing wage rate set by the federal government, which was \$11.43, or the minimum wage in the province they're employed in, whichever is higher.

**Mr. Toby Barrett:** Yes. So, to go to \$15—and you make mention of the importance of a mitigation plan, either an offset in time or \$225 million over five years. That is just for the labour-intensive agriculture sector, the \$225 million?

**Mr. Ken Forth:** Pretty much. It's mostly for the labour-intensive agriculture.

**Mr. Toby Barrett:** Yes. Maybe you could just tell us a bit more about how—no government wants to kill 185,000 jobs. So how can they work through this?

**Mr. Ken Forth:** Well, they have to mitigate it. They promised to mitigate it. Minister Leal promised to have a mitigation committee set forward. We were there and the deputy was there, the ADMs and the whole staff of OMAFRA, and when it came time to have the scheduled meetings for that, they were unable to speak to us about any of the issue. That happened twice and then OMAFRA said, “We can't speak, so we won't have any meetings.”

**Mr. Toby Barrett:** Is the door still open to talk about this this fall?

**Mr. Jan VanderHout:** We are still in constant conversations with the government to try to establish some kind of mitigating program to keep the growers growing. Some of our members, apple growers and some of the outdoor guys in particular, the percentage of their costs as labour is astounding. So apple growers, as an example, 75% of their input is labour, and when that increases by 24% on January 1 and 32% the following year, that's going to be very difficult to withstand on single-digit margins. So, how can we keep them afloat? Something that directly offsets that labour cost.

**The Chair (Ms. Ann Hoggarth):** Thank you. If you have a further written submission, if you could have it to the Clerk by 5 o'clock on November 3.

**Mr. Ken Forth:** Thank you, Madam Chair. We gave them to the Clerk already.

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

### BEST BARGAINS

**The Chair (Ms. Ann Hoggarth):** Next presenter: Best Bargains. Good afternoon. If you could please identify yourself for the purpose of Hansard, you may begin your five-minute presentation.

**Ms. Anita Agrawal:** All right. Good afternoon, everyone. My name is Anita Agrawal, and I am CEO of the small jewellery manufacturing company Best Bargains, which is based in Toronto. We've been in business for over 30 years and we export to over 40 countries globally and supply major corporations, including Walmart, Visa, and TD Bank. I am also a professor at the faculty of business at Centennial College in Toronto and the president of the Organization of Women in International Trade, the Toronto chapter; we have 30 chapters globally.

I am here today in support of this extremely important bill. First, as a professor, I have seen the first-hand impacts that precarious employment has on students: students who start out the semester with eager enthusiasm and energy, and end up working two to three jobs during their term in order to pay for their ever-increasing tuition. As a result, their enthusiasm dies and they become unproductive and disinterested in their course work. We need to ask ourselves: Do we want a future workforce that is unproductive and exhausted while they figure out where and how they are going to make ends meet, trying to balance the scheduling of two to three part-time jobs in order to get by?

Secondly, as a jewellery manufacturer, according to a recent survey by the Jewelers Board of Trade, our industry has seen a 25% decline of businesses closing shop between the years 2014 and 2017—that is nearly one in four businesses—because of the decline in demand for consumer goods. To me, the decline of purchasing is directly related to how much disposable income people have. Studies have repeatedly shown that when people earn more money, they are more likely to invest that money directly into their local economies.

Finally, fair pay and labour practices need to be built into the foundation of any business, just as any other expense, whether that's rent, equipment, or shipping costs. This issue is not just about fair pay; it goes to the heart of how we evaluate human dignity. Whose labour do we value and whose labour do we not? By and large, we are taking advantage of the labour of students and people of colour in this province.

We have seen the benefits of regular scheduling and paying our staff a living wage as being in operation for 30 years. We have zero turnover. Some of my staff have been with us for nearly 20 years. When workers feel like they are respected and treated fairly, they are invested in the productivity and the goals of the company.

In submission, I also have a report which is a collaboration between Ryerson University and the Better Way

Alliance, which I am a member of. The Better Way Alliance has employers and small businesses that have four to 7,000 employees. The report here is called Smart Employers Talk: Building a Better Economy One Job at a Time.

In conclusion: Ontario, you deserve a raise.

**The Chair (Ms. Ann Hoggarth):** Thank you. We'll open this round of questioning with the government. MPP Malhi?

**Ms. Harinder Malhi:** Thank you for your presentation. It was great to hear how passionate you are about living wages and ensuring that everybody works and lives with dignity.

You've been in business for over 30 years, and you talked about being able to pay those living wages all this time. How do you think that has impacted the success of your business?

**Ms. Anita Agrawal:** Actually, we've only started paying a living wage about the last eight or nine years. It had a great impact. We had zero turnover. Our staff was more invested in building relationships with the clients. They were happier. They were able to spend more time—it just fostered a much better work environment than we previously had, for sure.

**Ms. Harinder Malhi:** We've heard arguments, as you've probably listened to earlier today, too, from both sides of the debate. We've talked about it being too fast and why it's important. Why is it that you support this? Why do you support a higher minimum wage and additional protections for workers?

**Ms. Anita Agrawal:** Because workers are the foundation of any business. The reason I am able to come here on a workday during working hours is because I have the staff taking care of my business right now. I wouldn't be able to be here if it wasn't for them. It's really that simple.

**Ms. Harinder Malhi:** Great. Thank you so much.

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

**Mr. Mike Colle:** You just mentioned you were a professor at Ryerson or—

**Ms. Anita Agrawal:** Centennial College faculty of business.

**Mr. Mike Colle:** Oh, good. So you also have hands-on experience in business and an academic background in business. In terms of your students, how do they feel about an increase in minimum wage? What are they saying, if anything?

**Ms. Anita Agrawal:** I have students who literally, by the end of the semester, have dark circles under their eyes. They are totally not talking, literally like zombies—it's terrible. I can't imagine.

**1710**

I talk to students who work till 4 a.m. at gas stations, on cash, who can't get by. They have to do two or three jobs in order to pay their tuition, their rent, their food, everything. It's unbelievable.

**Mr. Mike Colle:** So that's the other side: It's not only the data and the studies; it's the people and the impact that living below the poverty line and working below the

poverty line—that's what they're doing—is having on their health.

**Ms. Anita Agrawal:** Their psyche, their morale, their ability to function, their productivity—it goes to the heart of just about everything.

**Mr. Mike Colle:** They're going to school and working.

**Ms. Anita Agrawal:** And working, sometimes at two to three jobs. I've had students tell me that they go into work only to find out that there's no work, because of shift work. This is very precarious. Can you imagine going into your job and not knowing if you have work that day? Then somebody says, "Well, you're not going to get paid because you actually don't have a shift."

**Mr. Mike Colle:** Thank you very much for your very sincere and compassionate approach to this. I appreciate you coming here today.

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

**Mr. Toby Barrett:** We've heard so much testimony. We hear from organizations like the Ontario Chamber of Commerce or the Canadian Federation of Independent Business. Are you a member of those organizations?

**Ms. Anita Agrawal:** No, but I'm the chair of the Organization of Women in International Trade.

**Mr. Toby Barrett:** International trade.

**Ms. Anita Agrawal:** Yes. It's an organization that helps build relationships and educates women on how to improve their business. I'm also part of the Canadian Jewellers Association, the Quebec Jewellers' Association, the American jewellers' association and multiple other organizations.

**Mr. Toby Barrett:** How many people do you employ?

**Ms. Anita Agrawal:** I employ seven.

**Mr. Toby Barrett:** And they're students, right?

**Ms. Anita Agrawal:** No, of course not. They're all—

**Mr. Toby Barrett:** Oh, I'm sorry. Most of your presentation was about students. I assumed—

**Ms. Anita Agrawal:** No, I mentioned many other things in my presentation as well.

**Mr. Toby Barrett:** Okay. So your employees are not students.

**Ms. Anita Agrawal:** Yes. And they've been in my business for more than 20 years—most of them, anyway.

**Mr. Toby Barrett:** Yes. I'm just trying to square this, where organizations that represent small-business employers—like yourself, like CFIB—come up with so much information.

**Ms. Anita Agrawal:** As I have too, which I've brought here. It is from the Better Way Alliance, which is also representative of small businesses such as myself. There are opposing views, obviously, but there is a case for progressive economics and for paying a decent living wage. More than 50 economists within Canada have argued for that, and over 200 economists globally have argued for the same.

There is a variation of opinions, and I am also part of a small-business alliance.

**Mr. Toby Barrett:** Right. Just a quick question, then: Is there anything you agree with, coming from either the Ontario—

**Ms. Anita Agrawal:** I would love to see the same kind of passion indicated when my rents went up from \$4,200, right here in downtown Toronto, to \$6,000 a month overnight. There is no body that actually speaks out for commercial tenants in this province, and it is absolutely deplorable. That's what I'd like to add.

There was no outrage around that, and I see that happening all throughout the Yonge corridor, where I'm at. Nobody's arguing on behalf of rent increases. Most businesses I know have gone out of business because their rent increases overnight. Luckily I have the staying power to survive that.

**Mr. Toby Barrett:** Okay. Thank you.

**The Chair (Ms. Ann Hoggarth):** We go to the third party: MPP Gretzky.

**Mrs. Lisa Gretzky:** Thank you for coming forward as a business owner to speak to this bill. I want to ask you, because you did say that you are a college professor—often we assume—and I do as well sometimes because my son will be going to college next year—that we are talking about an 18-to-25 crowd. But you would have students who are adults, who have families, who work to try and keep a roof over the heads of their families and put food on the table, who would benefit from a raise in the minimum wage.

**Ms. Anita Agrawal:** Absolutely. Most of my students are of the average age of about 27, so they are mature students. I teach post-secondary students, so post-graduate students, and a lot of them have children. A lot of them have to worry about child care. They have to worry about how they are going to pay their bills, how they're actually going to take classes at the same time. On top of all of this, they barely get time to see their kids because they're working.

It becomes an especially difficult problem to navigate when you're a single mom, you also have kids and you're trying to get a better future for yourself. If that future doesn't include a decent living wage, I don't know what kind of future that is.

**Mrs. Lisa Gretzky:** So then I want to build on that, because we were talking about students. I know you talked about other things. We were talking about students, but I would suggest that those students don't have to go outside their post-secondary institutions. They don't have to go far outside of a university or a college to see a prime example of what it's like to be an educated, skilled worker who is living precariously. Colleges are at a point right now where we have so many college professors that are working contract or part-time work, struggling to make ends meet.

What else do you think, beyond raising minimum wage, the government should be doing in order to provide good, stable jobs for the people in the province?

**Ms. Anita Agrawal:** So much a part of this is having mandated shifts, right? I don't shift work in my staff. My staff come in every day at the same time, the same hours.

It makes life much easier to organize, especially if you're working multiple jobs. That would be one thing.

The other thing, obviously, would be access to child care, especially if you're a woman who works, which is the majority of us nowadays. There are so many things that we can do to support, better and improve our future.

**Mrs. Lisa Gretzky:** Would you think—because it's an amendment we tabled around 10 paid leave days, so if you have someone that's ill or someone who is fleeing a domestic violence situation, would you think that that would help raise people up? Not just the \$15 an hour wage, but knowing that they can take time off to deal with issues.

**Ms. Anita Agrawal:** Absolutely. In all honesty, currently I only have two days' paid sick leave in my office, but I would be happy and more than willing to support the 10 days.

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

#### CANADIAN LABOUR CONGRESS

**The Chair (Ms. Ann Hoggarth):** The next presentation will be a teleconference.

**Ms. Vicky Smallman:** Hello.

**The Chair (Ms. Ann Hoggarth):** Hello, is this Ms. Smallman?

**Ms. Vicky Smallman:** It certainly is.

**The Chair (Ms. Ann Hoggarth):** This is MPP Hoggarth. I am the Chair of the committee. In the room with me, I have MPP Yakabuski, MPP Barrett, MPP Gretzky, MPP Dong, MPP Malhi, MPP Colle and MPP Vernile. We'll start in just a second. I would remind all of the MPPs to identify themselves before they ask a question.

If you could identify yourself for the Hansard, your five-minute presentation will begin. Thank you.

**Ms. Vicky Smallman:** Thank you. My name is Vicky Smallman. I am the national director of women's and human rights at the Canadian Labour Congress. I would like to thank the committee for this opportunity to present. I'm sorry that I'm not able to join you in person.

The Canadian Labour Congress is the largest labour organization in Canada, bringing together dozens of national and international unions, provincial and territorial federations of labour and community-based labour councils. We don't ask very often to be heard in provincial legislative processes, as this work is coordinated by our colleagues at the relevant federation of labour. But this bill represents a real opportunity to make workplaces more fair, to address important gaps in legislation and to provide a model to other jurisdictions for necessary employment standards reform.

I'm here today to address one issue in particular. That's the issue of domestic and sexual violence leave. In 2014, the Canadian Labour Congress and our partners at Western University released the preliminary results of a groundbreaking national survey examining the impact of domestic violence in the workplace. We had an incred-

ible response to our survey, especially from workers in Ontario, and some very clear results saying that domestic violence has a significant impact on workplaces and workers, and it puts jobs and safety at risk.

We heard that one third of Canadian workers experience domestic violence in their lifetime. For over half of them, 54%, that violence follows them to work in some way; 82% found that domestic violence negatively affected their work performance, and 37% said their co-workers were also affected. Almost 40% said they were prevented from getting to work, and slightly less than 10% lost their jobs as a result of the violence they had experienced at home.

Since we released our survey results, the labour movement across the country has taken this issue on, and we've built some really incredible momentum. We're doing our part to ensure that workers receive the support they need to keep their jobs and address the violence they experience at home. We're negotiating clauses into collective agreements and working with employers on policies and procedures. We've developed and are rolling out an education program to train union representatives to recognize and respond to domestic violence at work and to help members get the support they need from the community. And we are working hard for legislative change.

**1720**

Ontario has already taken a number of important steps in clarifying employers' responsibilities to protect and support workers through reforms to the occupational health and safety legislation. In fact, we're working to see these provisions mirrored in other jurisdictions across the country.

We are also advocating for designated paid leave for survivors. This is not a new idea. There are numerous jurisdictions in the United States that have had this on the books for some time. In Australia, following a similar survey of workers, unions have negotiated paid domestic violence leave into collective agreements covering nearly two million workers. And, of course, Manitoba recently brought in legislation giving all workers the right to five paid days, plus an additional 10 unpaid, and up to 17 weeks of unpaid leave if necessary.

We were happy to see the inclusion of 10 designated days of domestic violence and sexual violence leave in this proposed legislation. Although we support the recent amendment to provide a designated leave, it falls short of providing the support and job protection that people experiencing domestic violence require. Designated paid leave is a vital component of helping survivors keep their jobs and their economic security. We know from research that being in employment is a key pathway for women to leave a violent relationship. The financial security that employment affords can allow women to escape becoming trapped and isolated in violent and abusive relationships. Dedicated paid leave gives the survivor job-protected time for the things they need to do to keep themselves and their children and family members safe, whether that's obtaining counselling, getting a new bank

account, meeting with lawyers or police—the things that you need time to do during the standard workday.

The unintended result of not providing a paid leave is that survivors may not be able to access a leave when they require it. Paid leave is important because of the dynamics of power and control in abusive relationships. Research shows that over 90% of survivors experience financial control in their relationship, so if accessing unpaid leave results in a lower paycheque than the abuser is expecting, there may be serious consequences for the worker. Again, it's an unintended result of not providing a paid leave.

For this reason, we're recommending that subsection 55 of the act be amended to allow for 10 paid days of domestic or sexual violence leave followed by up to 15 weeks of job-protected unpaid leave.

It's also important to mention that the bill, as it's currently stated, restricts—

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

**Ms. Vicky Smallman:** That's fine.

**The Chair (Ms. Ann Hoggarth):** Our first round of questioning will be from the official opposition: MPP Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Vicky, for joining us by teleconference. You were quite clear and easy to understand, which makes it easier for us as well.

The main issue you spoke about was paid leave for victims of sexual violence and sexual assault and domestic violence. I appreciate you bringing that forward. It came forward at the hearings as well, and I can tell you that we support it.

In the case of collective agreements, I understand who would be paying. I made a suggestion at committee that the cost of the 10 days be borne by the treasury, and in fact, when Ms. Horwath introduced her private member's bill, that was incorporated into it. There are a lot of small operations. We all have a responsibility, as a society, to protect those who are victims of sexual or domestic violence, but not all small businesses are in a position to be able to pay for that. So one of the changes that was made before Ms. Horwath introduced her bill was incorporating the fact that the provincial treasury would reimburse. We need the confidentiality so that the person is—there's no interruption in that person's pay. So the employer would initially be the one that would be continuing to make that paycheque out as it would normally would, but then they could apply to get that money reimbursed from the province. How do you feel about that?

**Ms. Vicky Smallman:** I think it's an interesting approach. I think it's important to recognize that we are not talking a ton of money here. In Australia, where these provisions have been in place, like I said, they cover a couple of million workers right now. They did a survey of employers to find out how much time is being taken and to get a sense of their experience with administering these clauses. What they found was that the average

leave taken—it could range from eight hours to 200 hours, but the average leave for employees was typically two or three days, taken intermittently, not consecutively. And really, there's enough of a stigma already just in taking these leaves. Only the really extraordinary cases would require a longer-term withdrawal from work. Most employees really just want to be at work. That's where they feel safe.

**Mr. John Yakabuski:** Absolutely.

**Ms. Vicky Smallman:** Yes. So we're not talking a lot of cost. For me, in terms of who pays for it, ultimately that's for you to decide. But whether it's the employer or the treasury, I don't believe that this is going to be a massive, big-ticket item. And indeed, from the employer's point of view—

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

**Mr. John Yakabuski:** Thank you very much, Vicky.

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

**Ms. Lisa Gretzky:** Hi, Vicky. Thanks for joining us today.

I want to talk about the 10 paid leave days because, as you probably know, the New Democrats did table an amendment to the bill asking for 10 paid leave days, and that was not supported by the Liberal government side of the House. I'm wondering if you can tell me what that would mean to someone. And let's be clear: We usually think of women when we're talking about domestic violence, but there are men that are also survivors of domestic violence. What would that mean to someone who is trying to flee that type of relationship and find lodging and possibly new child care or a new school for their kids, that kind of thing?

**Ms. Vicky Smallman:** There are a lot of things that a person needs to do if they are going to leave a violent relationship. It means finding a new place to live. It may mean getting a new bank account. It might mean getting counselling for themselves or their kids, finding new child care, and so on and so on. All of this requires time during the workday, which is very difficult for people to do without the support of their workplace, without the support of their employer. And they need to be able to do that and not have a financial hit.

My other concern, obviously, is the impact of bringing home a lower paycheque and the abuser wondering why and having to account for that. While the intention of providing the time is good, if you don't make it paid time, you're essentially asking people to choose between abuse and a paycheque, and that's not fair.

**Ms. Lisa Gretzky:** Okay. And the other thing I wanted to ask, because you mentioned that you have various unions who are now trying to work it into their collective bargaining, to provide this protection for survivors of domestic violence: I certainly support the work that the unions are doing. My husband is a Unifor member, so I know how valuable the work is that the unions do. Do you think that it really should fall on unions to be fighting for something like 10 paid leave days, or do you feel that is something that should be legislated by the government?

**Ms. Vicky Smallman:** Oh, I definitely think that amendments to employment standards—government legislation and protection for all workers—is the preferred option. What we want for ourselves, we want for others. While the labour movement does sometimes start our initiatives in the collective bargaining process, ultimately what we want to do is make sure that all workers, whether or not they have union representation, have access to these fundamental rights.

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

**Ms. Daiene Vernile:** Good afternoon, Vicky. This is Daiene Vernile. I'm the MPP for Kitchener Centre. It's a pleasure to talk with you this afternoon.

**Ms. Vicky Smallman:** Hi.

**Ms. Daiene Vernile:** I had the privilege and the honour of chairing the select committee investigating the issue of sexual violence and harassment. We toured the province in 2015. We certainly heard the need for this, to ensure that anyone who is a victim of domestic abuse, domestic violence, has the opportunity to have some time off if they need to sort out their life. We've gone to 10 days of leave, and I'm glad to hear that you support this. What are your thoughts on our extending the time?

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**Ms. Vicky Smallman:** You mean the additional unpaid time or extending the time to 10 days?

**Ms. Daiene Vernile:** Going to 10 days, Vicky.

**Ms. Vicky Smallman:** Oh, I think 10 days is great. That seems to be the average in collective agreements in Australia. It does provide a cushion for those victims or survivors who have complex situations and a lot to deal with, right? Although the average amount of time taken in places like Australia that have these provisions is lower, it's always good to err on the side of caution, right? The fact that the leave is to be taken intermittently, not necessarily consecutively—so it does allow people to take a day here and a day there without having to worry about their job, and if it's paid, without having to worry about their economic security.

**Ms. Daiene Vernile:** Okay. Vicky, I want you to know that the province, through this legislation, is going to protect a person's job while they're away. You talked about this being a paid leave. I also want you to know that our labour minister, Kevin Flynn, has written to his federal counterpart that we believe that this should be paid through federal employment insurance.

**Ms. Vicky Smallman:** Okay, I'd like to address that specifically. Employment insurance payment is appropriate for the 15 weeks' unpaid leave, but it is not appropriate to pay for the 10 days. The 10 days of intermittent leave: You do not want people to have to go through the process of applying for employment insurance so that they can have a half day off to go and meet with a lawyer or get a restraining order filled out. We're talking about two separate things.

It's great if you want to have that 15 weeks of unpaid time to work with the other provinces on the federal government with regard to EI, but for the 10 paid days,

which really is the priority and the focus for our work, that needs to be paid either by the employer or the treasury, as member Yakabuski—

**Ms. Daiene Vernile:** Okay. I'm going to take that back to my minister. Just to conclude, to let you know the first person who chatted with you, the Conservative member, seemed to say that he supports this leave when, in fact, he and his party voted against it. So just to be clear, okay?

**Ms. Vicky Smallman:** Thank you for clarifying.

**Mr. John Yakabuski:** No, it's not in the legislation. We voted for the private member's bill—

**The Chair (Ms. Ann Hoggarth):** Thank you. Come to order, please.

**Mr. John Yakabuski:** We voted for the private member's bill.

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

**Ms. Vicky Smallman:** Thank you.

**The Chair (Ms. Ann Hoggarth):** If you have a written submission, it needs to come to the Clerk by 5 p.m. on November 3.

**Ms. Vicky Smallman:** Okay. Noted. Thank you very much.

**The Chair (Ms. Ann Hoggarth):** Thank you, Ms. Smallman.

## RESTAURANTS CANADA

**The Chair (Ms. Ann Hoggarth):** Our final presenter: Restaurants Canada. If you would identify yourself for the purposes of Hansard, you may begin your five-minute presentation.

**Ms. Joyce Reynolds:** Madam Chair, members of the committee, thank you for the opportunity to appear today. My name is Joyce Reynolds. I'm executive vice-president, government affairs, for Restaurants Canada. With me is Steve Virtue, who is vice-president for Ontario. With just five minutes to present I'm going to jump right in.

Ontario's restaurant industry directly employs nearly 473,000 Ontarians, roughly 7% of the provincial labour force.

Since our committee appearance this past July, we have heard from more of our members and we've seen detailed research that outlines the significant impact of this legislation on our sector.

Members of this committee, we have grave concerns that countless small businesses and entrepreneurs will be placed at risk of closure, downsizing and reduction of service to the communities they serve. These closures and reductions will have a fundamental impact on the very people this government wants to help with the proposed reforms. This means the high school student looking for her first job; the college student looking to pick up a few shifts at a local restaurant to help offset his education costs; the new Canadian looking to get a foothold into the labour force and make a meaningful contribution to her community; the server, who receives

the lion's share of his earnings from tips, who will experience a drop in income because of a reduction in hours and gratuities.

It's important to note that our position on Bill 148 has remained consistent from the outset. Restaurants Canada and our members support the incredibly talented and hard-working staff who make the industry as vibrant and exciting as it is.

I want to assure this committee that the foodservice industry is not opposed to minimum wage adjustments in Ontario. We are, however, very concerned about the pace of implementation. The aggressive timelines will compromise the ability of this sector to absorb all of the additional costs. We believe it is simply unmanageable for any firm to face a 32% increase to the minimum wage over the course of just 18 months. No business or individual can possibly adjust their operations or finances to absorb such increases in this short time frame—but particularly, the labour-intensive restaurant sector, which has amongst the highest labour-to-sales-ratio of any industry.

The evidence is clear: In other jurisdictions, this type of increase, with even less aggressive timelines, has resulted in sweeping job losses, dramatic reductions in hours, and less money in the pockets of the very people the policy has meant to help.

The aggressive implementation timelines are going to come at some very real costs for the economy overall and for those in the most vulnerable positions. Extending the timelines for implementation will help these small and medium-sized employers prepare and adjust for the costs.

Ladies and gentlemen, restaurateurs in Ontario are very pessimistic about the impact of the government's labour reforms. In fact, 98% believe that the reforms will have a negative effect on the industry. To account for the impact, 96% expect to increase prices, 84% expect to cut hours, and 55% expect to invest in technology to reduce staff. Perhaps the most concerning outcome of the survey is that 26% expect that the changes will force their businesses to close. If these numbers seem dramatic, it's because they are.

Of all provinces, Ontario ranks dead last in Canada for operator profitability, at just 3.4%. Ontario struggles with higher rates of taxation, more fees borne by industry, and an overall business climate that continues to place significant burdens on our sector.

Estimates of the full impact of this legislation indicate more than 17,000 jobs at risk, and many will come from outside the GTA, where there are fewer opportunities. The broader implications have estimates as high as 185,000 jobs at risk.

We ask you to extend the full implementation of the legislation to help employers adjust to the financial impact on their businesses. We ask that you consider the impact of this legislation on communities from Thunder Bay to Cornwall to Sarnia.

I believe my time is expiring, but we would be happy to discuss in greater detail any questions that you have with regard to other aspects of the bill.

Thank you very much for your kind attention.

**The Chair (Ms. Ann Hoggarth):** Thank you. We will open with the third party, MPP Gretzky?

**Mrs. Lisa Gretzky:** Thank you for your presentation.

I have a question. You said it will result in a decrease in hours and tips. Most restaurants and bars and things like that have regular hours of operation. They might be open every day from breakfast through till 9 o'clock at night or—most of these establishments have regulated hours; correct?

**Ms. Joyce Reynolds:** Most restaurants are actually open seven days a week, sometimes 16 hours a day, sometimes 24 hours a day. One of the strategies that restaurants are looking at as they prepare for January 1 is to reduce their hours of operation.

**Mrs. Lisa Gretzky:** That was going to be my next question. If you're open and you know that you're busy at this particular time, how would cutting the hours of the employees help keep your business up when you don't have servers in the restaurant to serve the patrons of your organization? But I think you've addressed that.

If this bill moves ahead the way that it is, if it comes to fruition, if nothing changes from the way it's proposed now, if it's rolled out with the same provisions on the same timeline that we're looking at now, what would your need, your expectation, be in order to not see the adverse effect that you're suggesting there might be for the industry?

**Ms. Joyce Reynolds:** We've got the monumental increase in minimum wage, but there are 62 other areas of concern in the bill. Right now, there is so much uncertainty in terms of what those are going to be, how they're going to be laid out, the order in which they're going to be implemented, what they're going to mean and what the impact is going to be on their businesses. We're really concerned about the disruption and the chaos. If we could get some of those pushed back so that restaurants are not getting hit with everything at the same time, that would make a difference to our industry.

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**Mrs. Lisa Gretzky:** Okay. You had mentioned tips. Just to that point—because my thinking is that as I have a better income, I go out and I will eat out more often. I'll take my family out; my husband and I will go out more often. As I'm making more income, not only will I go out to these establishments more often, but I will actually tip more. I have kind of a standard of what I tip. If my income goes up, then I will pay more for that service. So my thinking is that it will actually in some ways possibly benefit servers that you have people who normally wouldn't be able to go out to eat—not just servers, but businesses. People who normally wouldn't be able to go out to some of the establishments in their community might have the extra income to do that. I know that's kind of contradictory to what you were saying, so maybe you can explain to me why you're saying that tips would go down.

**Ms. Joyce Reynolds:** Because servers earn by far the lion's share of their income from tips—

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

**Mr. Han Dong:** I'll share my time with MPP Colle.

Just very quickly: I hear this quite a bit in my riding. I represent an urban centre in Toronto, Trinity–Spadina. I've got a lot of restaurant owners talking to me about this, and I think it aligns with what they're saying.

I told them—and I'll tell you the same thing—that the minister responsible for small business, alongside with the Premier, has toured the province looking for solutions, looking for suggestions coming from the small business side, restaurants included—any suggestion that we can use to provide any relief for the businesses. I welcome any suggestions, if you have any, in terms of providing relief for small businesses.

The minimum wage is going up, but for servers it will still be slightly below \$14 and eventually \$15. Do you agree with that rationale? The belief is that liquor servers will earn the majority of their earnings from tips.

**Ms. Joyce Reynolds:** We appreciate that the tip differential has been maintained and that there is a slightly higher spread, but there's still a 30% increase in those wage costs.

Even before minimum wage, operators were grappling with the inequities between what they can afford to pay the back of the house and what they pay the front of the house given that the very, very large percentage of servers' income comes from tips. What they fear is that they're going to struggle even more to pay their back of the house what they really want to pay them. They want to give them the same incremental increases that they're giving the servers, but they're not going to be able to under the current rules.

We've got a broken restaurant model when it comes to tips.

**Mr. Han Dong:** Thank you. I'll give it to Mike.

**Mr. Mike Colle:** Just briefly, Joyce—and I know you're here to put forth some very valid concerns. I just want to say and I also want to put on the record that in Ontario, I think we've got the best restaurants in North America.

**Ms. Joyce Reynolds:** Yes.

**Mr. Mike Colle:** I know you said there are all these problems, but I'll tell you, we have the most variety, the most number—we've been rated only second to New York in choices in the Toronto area in restaurants. We have some of the best Indian, Greek, Chinese, Vietnamese, Italian and Polish, and great prices and great service. So I don't put the Ontario restaurants down.

I tried to get into three restaurants on Saturday night, just for pizza. One restaurant I couldn't get into because they had a private function: "Sorry, no room." I went to the next one; there were 20 people lined up outside. I said, "I'm not going to line up outside." Then I went down the street further, and finally got in, squeezed myself in, to get some pizza.

It is a thriving—not without problems; they work hard. But I'll tell you, our restaurants in Ontario are second to none for price, quality, choice—you've got it.

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

**Ms. Joyce Reynolds:** You're my MPP, so I'll talk to you afterwards about that.

**Mr. Mike Colle:** I'll tell you the restaurants to go to.

**The Chair (Ms. Ann Hoggarth):** Thank you. To the official opposition: MPP Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Joyce, for joining us today. Prior to the legislation, how much was your industry consulted by the government as to what was coming forward?

**Ms. Joyce Reynolds:** We worked very hard with the government in terms of legislation that was implemented that would increase minimum wage by inflation every year and would depoliticize the whole minimum wage issue. We were assured that that wasn't part of the Changing Workplaces Review, so we were completely taken by surprise when the announcement about minimum wage was made.

**Mr. John Yakabuski:** As recently as February, the Premier herself said that the current system—because the bill has not passed—was proper and was the one that should be used, which was to tie it to the rate of inflation every year. Would you suggest that that was a betrayal?

**Ms. Joyce Reynolds:** I would suggest that it really threw off employers in this province, particularly in our sector. Yes, it came as a total shock.

**Mr. John Yakabuski:** Mr. Colle talks about the lineup at restaurants. Just because there are lineups at a business, it doesn't mean that the profit margins are—

**Mr. Mike Colle:** Well, it's a good sign, I'll tell you.

**Mr. John Yakabuski:** It's a good sign. I'll tell you what: The profit margin in the restaurant business is one that I think a lot of people don't understand.

These changes in this short period of time, which you are opposing: What are they going to do to most of those margins?

**Ms. Joyce Reynolds:** Restaurants have really two things that they can do: They can raise prices or they can reduce their operating costs—and labour constitutes a very large percentage of their operating costs.

If they raise prices, they lose guests and they lose their cheque average. People say to us, "Just raise your prices." If we could just raise our prices, we wouldn't have margins of 3.4%. We've experienced what happens when prices are raised too quickly. It resulted in loss of sales. We've got lots of research that shows how that happens in our sector.

**Mr. John Yakabuski:** Thank you very much, Joyce. I guess I would say that you're going to see lineups at restaurants around meal times, because most people generally eat at the same time three times a day, but there are an awful lot of times in those restaurants where there are no lineups and you've still got people around being paid.

Thank you very much. We appreciate the input from your sector.

**Ms. Joyce Reynolds:** Thanks.

**The Chair (Ms. Ann Hoggarth):** Thank you very much, Ms. Reynolds. If you have a written submission, it

needs to be to the Clerk by 5 o'clock on November 3. Thank you for your presentation.

Committee members, just before we go: For all written submissions, would the committee like a printed copy for each caucus or one for each member, or would you like a printed copy for each caucus and an electronic copy for each member?

**Mr. Mike Colle:** As less as possible. As less as possible.

**Interjection:** Less paper.

**The Chair (Ms. Ann Hoggarth):** Where are you going?

*Interjections.*

**The Chair (Ms. Ann Hoggarth):** Could the members please return to their seats? MPP Vernile, could you

return to your seat, please? We have not adjourned. MPP Colle?

**Mr. John Yakabuski:** They can leave any time they want, Chair.

**The Chair (Ms. Ann Hoggarth):** Would each caucus like one printed copy and electronic copies for each member?

**Mr. John Yakabuski:** Yes, please. Thank you very much.

**The Chair (Ms. Ann Hoggarth):** Okay, thank you.

Also, committee members, we will be meeting in committee room 1 tomorrow from 9 a.m. to 10:15 a.m. We're adjourned.

*The committee adjourned at 1749.*





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