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**Official Report
of Debates
(Hansard)**

G-15

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des débats
(Hansard)**

G-15

**Standing Committee on
General Government**

Protecting a Sustainable
Public Sector for Future
Generations Act, 2019

1st Session
42nd Parliament

Monday 4 November 2019

**Comité permanent des
affaires gouvernementales**

Loi de 2019 visant à préserver
la viabilité du secteur public
pour les générations futures

1^{re} session
42^e législature

Lundi 4 novembre 2019

Chair: Goldie Ghamari
Clerk: Jocelyn McCauley

Présidente : Goldie Ghamari
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 4 November 2019

Lundi 4 novembre 2019

The committee met at 0900 in committee room 1.

**PROTECTING A SUSTAINABLE
PUBLIC SECTOR FOR FUTURE
GENERATIONS ACT, 2019**

**LOI DE 2019 VISANT À PRÉSERVER
LA VIABILITÉ DU SECTEUR PUBLIC
POUR LES GÉNÉRATIONS FUTURES**

Consideration of the following bill:

Bill 124, An Act to implement moderation measures in respect of compensation in Ontario's public sector / Projet de loi 124, Loi visant à mettre en oeuvre des mesures de modération concernant la rémunération dans le secteur public de l'Ontario.

The Chair (Ms. Goldie Ghamari): Good morning, everyone. The Standing Committee on General Government will now come to order. We're here today for public hearings on Bill 124, An Act to implement moderation measures in respect of compensation in Ontario's public sector.

CANADIAN TAXPAYERS FEDERATION

The Chair (Ms. Goldie Ghamari): I will now call on Jasmine Pickel, interim Ontario director of the Canadian Taxpayers Federation, to please come forward.

Pursuant to the orders of the House dated October 31, 2019, you will have up to 10 minutes for your presentation, followed by 20 minutes for questioning, with eight minutes allotted to the government, 10 minutes allotted to the official opposition, and two minutes allotted to the Green Party independent member.

Please state your name for Hansard, and you may begin.

Ms. Jasmine Pickel: State my name, you said?

The Chair (Ms. Goldie Ghamari): Yes.

Ms. Jasmine Pickel: Jasmine Pickel.

The Chair (Ms. Goldie Ghamari): You may begin.

Ms. Jasmine Pickel: Great. Thank you, Chair, and honourable members. My name is Jasmine Pickel, and I'm the interim Ontario director of the Canadian Taxpayers Federation.

For those of you not familiar with our organization, we're a non-partisan, not-for-profit citizens' advocacy group advocating for lower taxes, less waste and more accountable government. It's an honour to be here this morning.

Before I begin, I'd like to point out something interesting about the agenda for today's committee meeting. You'll notice there's a total of 17 witnesses coming to speak to you today. Of those 17 witnesses, 16 are union representatives. In other words, 94% of the witnesses weighing in on today's discussions come from strong, well-funded, highly organized labour groups with an interest in increasing government spending.

Although I'm greatly outnumbered, I hope to be a strong voice for the majority of workers in this province, who don't work for government but who work hard to pay the salaries of each and every government employee in this province.

I don't fault these union bosses; their job is to fight the government for more money, and they've obviously been successful. I fault the government of Ontario for failing to stick up for taxpayers over the past two decades, which has landed this province in the precarious financial position that it's in today.

By now, it should be news to nobody in this room that Ontario is the largest subnational debtor on this planet. This province should be a land of prosperity, but due to decades of government overspending, we're currently more than \$350 billion in debt.

And, yes, it's a spending problem, not a revenue problem. According to a recent review of Ontario government expenditures by Ernst and Young, Ontario would have spent \$331 billion less, from 2003 to 2018, had government spending simply stayed in line with population growth. Imagine that: We could be almost debt-free today.

Instead, our government will waste over \$13 billion worth of taxpayer money on interest payments this year. In the half hour I'm in front of you today, we'll spend \$750,000 on interest payment. That's money that could have been spent on hospitals, schools, or better yet, left in the pockets of taxpayers.

But instead of cutting spending, our government continues to spend \$45 million more every day than it brings in. Sadly, I suspect that many of the witnesses who will come before you today will urge you to spend more and give bigger raises to government employees. They're already the single biggest expense to taxpayers. Approximately half of all provincial expenditure, or about \$72 billion, is currently being spent on government employees. In order to balance our budget, we need to reduce spending by approximately 6% across the board, and that includes on government salaries. However, Bill 124 can increase

the cost of government employee salaries by up to 3% and leave taxpayers on the hook for over \$2 billion in additional costs.

As this government itself has stated, every 1% increase in compensation-related spending translates into \$720 million in additional costs. That's why, in our pre-budget submission to the government earlier this year, the Canadian Taxpayers Federation called for a wage freeze in future contract negotiations with government employees until the budget is balanced, after which point we'd call for wages to increase at no more than the rate of inflation.

Therefore, although we believe that Bill 124 should have gone further, in light of the province's dire financial situation, it's nonetheless refreshing to see a government take steps in the right direction to curb out-of-control government employee raises.

Both the size and cost of government are out of control in this province. From 1997 to 2017, the population of Ontario grew by 25% while the number of government employees grew by 43%. That's 30% faster than the growth of jobs in the private sector in the same period.

As of 2018, the Financial Accountability Office of Ontario, the FAO, reports that there are more than 1.3 million people employed by the province of Ontario in the broader public service. That means one out of every five salaried employees in this province is living off the taxpayer dime.

While the number of government employees has sharply increased, so too has the average cost of each government employee. According to the government's own data released from the Treasury Board, the average salary of all Ontario government employees increased by more than 48% between 2003 and 2018. Last year, the number of government workers earning over \$100,000 went up by nearly 20,000 people. That's an increase of 15% from the year prior. As of 2018, there were more than 151,000 government employees on the sunshine list.

Any decisions around government employee compensation should be guided by the principles of both fairness and sustainability. In a report last year, the Fraser Institute found that government workers in Ontario out-earn their comparable non-government counterparts by 11%. This wage premium comes in addition to other bonuses, including, on average, earlier retirements, as well as better benefits and better pensions.

The government's own data concede that in 2017, "the average private sector worker earned \$16,049 less than the average Ontario public sector employee." But Ontarians already know what these reports confirm: Government employees have it better than non-government employees, and they're the ones working hard to pay their salaries. It's unfair, and the skyrocketing cost of the public sector in Ontario is simply not sustainable.

However, it's difficult to have these rational conversations on this topic because, as I'm sure you've all experienced, as soon as anyone questions the growing cost of government salaries, he or she is instantly accused of devaluing the role of a public servant or, worse, in the case of education spending, they're accused of wanting to "hurt kids." Those attacks are intellectually dishonest.

Nonetheless, let me, as a taxpayer, state my unequivocal respect for the important role of government workers in this province, including those in education. If anything, the importance of the vital role they play in our society demands that we scrutinize spending in those areas, to ensure that the finite taxpayer dollars are being spent in a way to maximize value, especially for the oftentimes vulnerable populations with whom they work.

According to the FAO, education workers comprise the largest proportion—about 53%—of government employees. Education union bosses have also been quite vocal about Bill 124 recently, so let's examine the growing costs of funding for education workers.

Although this government has increased education spending by \$700 million, class sizes are still getting bigger. So where is this money going? A 2019 Fraser Institute report revealed that 91% of the increases to education funding in Ontario in the decade preceding 2017 went into the pockets of teachers and staff in the form of salaries.

A quick review of the Ontario government employee sunshine list last night revealed the names of more than 10,500 teachers in Ontario who earn more than \$100,000 a year. Indeed, we've heard from the unions that "cuts hurt kids," but class sizes wouldn't need to get bigger if paycheques weren't so exorbitant in the education sector.

Recalling that every 1% increase in compensation-related spending translates into \$720 million in additional costs, we could cover the cost of 8,372 teacher salaries if we simply froze government employee salaries instead of proceeding with the 1% increase over the next three years.

Referring to the caps proposed by Bill 124, Elementary Teachers' Federation of Ontario (ETFO) president Sam Hammond said he was "offended" that they would be getting three 1% increases over the next three years.

0910

According to Ontario government data, the average Ontario teacher earns a salary of \$86,000 per year. Under the proposed legislation, that would allow for an annual salary increase of up to \$2,580 after three years. While education union bosses—

The Chair (Ms. Goldie Ghamari): Ms. Pickel, I'd just like to give you your one-minute warning. Thank you.

Ms. Jasmine Pickel: Great. Thank you.

While education bosses bemoan a \$2,500 raise, IPSOS just released a poll on October 28 which found that nearly half of Canadians are \$200 or less away from financial insolvency. Likewise, taxpayers will contribute over \$1.7 billion to the teachers' pension fund this year, which is more than we'll give to post-secondary students in financial assistance. The teachers' pension fund is worth over \$200 billion in assets, and taxpayers are on the hook for its defined pension liabilities.

While taxpayers work hard to pad teachers' pensions, a recent BDO Canada poll found that 39% of Canadians have no retirement savings at all, and over 50% live paycheque to paycheque.

Although I live in downtown Toronto now, I'm from a small rural community in southwestern Ontario where

many people find work in physical occupations. It seems grossly unfair to me to witness many of these people work past the age of retirement—

The Chair (Ms. Goldie Ghamari): Thank you, Ms. Pickel. Your time is up.

Thank you very much for that. This round of questions will begin with 10 minutes for the official opposition. Ms. Shaw, or MPP Shaw. My apologies.

Ms. Sandy Shaw: Thank you very much, Madam Chair.

Thank you for your presentation. I'd just like to start by making sure—because I don't think your understanding of who this bill applies to coincides with the understanding of the opposition. I know you talked a lot about teachers and you talked about a lot of people on the sunshine list, but I'm wondering whether you've had the opportunity to look at the average wages of people who are impacted by this, which would be personal support workers who work in long-term-care homes, who work in home care, who do not make the kinds of salaries you're discussing. I'm wondering if you've had an opportunity to understand what a school bus driver earns in the province of Ontario.

Our real concern with this bill—and it seems something that you've completely missed in your presentation—is that this is a bill that is severely impacting the most vulnerable workers in our province, workers who also serve the vulnerable population. I would like to also remind you that within the broader public sector services their average increase has not kept pace with inflation over the last 10 years. That's actually data that comes from the Minister of Labour.

So if you wouldn't mind, I would like to hear you address specifically how you feel that the million families that this will impact, specifically the most vulnerable workers in our province, personal support workers, school bus drivers, the people who keep our roads safe—can you let me know how you think that an imposed wage freeze on their families will be something that will help the province of Ontario?

Ms. Jasmine Pickel: Thank you for your question, and I can respond to it quite personally as my mother spent her entire career working in a nursing home, and my uncle is a school bus driver.

This legislation is not specifically designed to focus on the bottom-tier earners in the Ontario public service. It will affect every employee, obviously, that's included in the piece of legislation, some of whom are on the sunshine list. I think that if the legislation were different, to focus on perhaps a very targeted group of people to maybe address their—

Ms. Sandy Shaw: So we're clear in what we understand, you do understand that this legislation will freeze the wages of school bus drivers, personal support workers in our nursing homes and our long-term-care homes? That is what this legislation will do. Are you saying that the government could have drafted a better piece of legislation that targeted the higher income earners, as you're talking about, those on the sunshine list, and excluded the workers who will be severely impacted and harmed by this legislation?

Ms. Jasmine Pickel: I would actually disagree with the statement in the question that this legislation is freezing wages. It's not freezing wages. The Canadian Taxpayers Federation called on the government to freeze wages. Instead, this government has chosen to proceed with up to a 1% increase over the next three years, and each 1% increase will cost taxpayers over \$720 million each time around.

Ms. Sandy Shaw: One per cent is below inflation. So when it's below inflation, that's essentially a cut. That's an inflationary cut for workers, not just a freeze. What advice would you have for a personal support worker, perhaps a visible minority woman, who's cobbling together two or three jobs, going from home to home, working over hours that she's not paid for? What is your advice for that person on how she can manage her personal finances, given that this government is going to keep the wages frozen at 1% over the next three years?

Ms. Jasmine Pickel: Thank you for the question. I would inform that worker that, on average, 44% of every household income in this country is consumed through taxation, so I think that small government is the answer far more before big government.

Ms. Sandy Shaw: Thank you for that. I'm sure that'll be really helpful when she tries to pay rent and her electric bill.

But I want to focus on another area, which is you did talk about things that we do agree on, which is government overspending. We completely agree with you, in fact, that when there is waste, that is something that shouldn't be spent frivolously. Taxpayer dollars should be respected. So I have two points where I would like to have your input. I know that the Canadian Taxpayers Federation denounced Doug Ford's spending on the gas tax stickers as frivolous and a waste of taxpayers' money.

Now, with this bill, we are certain to have a charter challenge. This seems to be a government that loves to head to court, that seems to have no hesitation to spend millions of dollars of taxpayer dollars on vexatious, I would say, court challenges. Given that this is a government that has already earmarked \$30 million to fight the carbon tax in court, can you answer for me specifically what you think about the fact that this legislation will end up as a charter challenge, just like the Liberals before when they tried to impose a wage freeze? We like to say on this side of the House, "Liberal, Tory, same old story." That attempt to wage-freeze cost millions and millions of dollars in court. At the end, it was a failure. They, in fact, had to award all kinds of awards.

So what do you think about the waste and the cost that this will be on the backs of taxpayers when this government and its lawyers end up in court fighting a charter challenge—fighting their attempt to infringe on the charter rights and freedoms of a personal support worker whose only job is trying to pay for her family and trying to get ahead?

Ms. Jasmine Pickel: Thank you for the question. Well, it is difficult to speak to a future hypothetical situation. I would not know what legal bills this government would be prepared to spend, but I can speak to, in the case of fighting

the carbon tax, the government earmarked \$30 million toward the court battle and legal fees. Although no taxpayer in this country likes to see governments fighting governments and wasting our tax dollars, frankly, we support the government's move 100% of the way—110%—to fight the carbon tax, because the FAO has already said that this carbon tax will cost taxpayers many billions of dollars compared to \$30 million.

Ms. Sandy Shaw: And you support the government spending millions and millions again in a charter challenge to squash the wages of the most vulnerable workers in the province of Ontario?

Ms. Jasmine Pickel: Well, this government is already prepared to spend \$720 million over the next three years on government employees that already out-earn the private sector, so we would say \$720 million is something that Ontario can't afford. We advocated that they freeze. They actually are the middle ground here, and they're saying, "You know what? We're going to just cap." They didn't do a wage freeze.

Ms. Sandy Shaw: Yes. Well, but I will say that that will be cold comfort for someone that's barely earning minimum wage in the province of Ontario. I would like to be clear: Some of these workers that are impacted by this bill are earning less than minimum wage in the province of Ontario when you factor in their unpaid labour. So, really, this is a bill that penalizes—despite all the grandiose values that you're purporting, it does actually, in fact, penalize low-income workers and their families in the province of Ontario. This is on top of the cuts that people are seeing in their services, that this government has already implemented. I don't necessarily agree with you that it's a good use of taxpayers' dollars to end up in court fighting a charter challenge against the people of Ontario.

But I will cede the mike to my colleague. Thank you.

The Chair (Ms. Goldie Ghamari): Thank you, MPP Shaw. MPP Glover?

Mr. Chris Glover: Thank you. Thank you very much for your presentation. I would argue that you're looking at one side of the equation. The first thing you said is that you believe in small government. Well, health care in the United States costs 17% of GDP, and in Canada it costs 11% of GDP. So our public health system is actually much, much cheaper than it would be in the States.

When we're attacking, when you're looking at small government, this government has already taken some steps to privatize some public health services, and they're looking at steps to undermine our public education system and to move our public colleges and universities further in the private sector. So I would argue that, actually—and I'd like to hear your response to this—the public sector can actually be a competitive advantage for us, and small government can actually create more competitive disadvantages, because if we undermine the public sector, the public health care and public education systems, we actually end up paying more money. Would you like to respond?

Ms. Jasmine Pickel: Thank you for the question. Respectfully, I have very little faith in the government to spend money wiser than I would spend it myself. This is a

government that just lost \$42 million selling marijuana. I have very little faith in the government to conduct business better than the private sector or myself.

0920

However, in the case of health spending, as you mentioned, I don't think anyone—

The Chair (Ms. Goldie Ghamari): This is your one-minute warning.

Ms. Jasmine Pickel: —would advocate for an American-style system.

Mr. Chris Glover: We finally agree on one thing: I don't have much faith in this government either.

I just want to quickly go through the carbon tax. You talk about the four cents per litre that was the carbon tax, but a recent study showed that by 2050, global warming, and that's largely carbon pollution, will cost \$60 billion for Canadians. It's by one dollar per litre that future generations will be subsidizing the gas that we pay today. How do you speak to future generations when you're complaining about a four-cent-a-litre carbon tax versus the dollar that they will be paying for the gasoline that we are burning today?

Ms. Jasmine Pickel: Although Canadians need to act on climate change, we're 1.6% of greenhouse gas emissions right now. I think setting up our economy for prosperity would position us much better to fight climate change than halting our economy while China, India and the US continue to increase their emissions.

Mr. Chris Glover: And do you recognize that we in Canada are actually—

The Chair (Ms. Goldie Ghamari): Thank you, MPP Glover. The time is up. This concludes the round of questions.

Mr. Chris Glover: Thank you very much.

The Chair (Ms. Goldie Ghamari): I'd like to now turn to the leader of the Green Party, MPP Schreiner. You have two minutes.

Mr. Mike Schreiner: Thank you, Chair. I appreciate that.

Thank you for joining us here today. In your comments, you suggested that it might be more responsible for the government to differentiate between high-wage earners such as those on the sunshine list versus lower-wage workers in the public sector. Would you agree that it would be more responsible for the government to enter into negotiations at the bargaining table so that we could deal with those kinds of differentiated costs and salaries rather than trying to legislate an across-the-board wage setting?

Ms. Jasmine Pickel: To be frank, I'm not prepared to weigh in on that question. What I would say, though, is that, on average, it's no secret that even government workers on the bottom tier out-earn their private sector counterparts substantially—by, on average, 11%.

I had simply mentioned—I had disagreed that this bill is designed to help the lowest earners in government. It's helping all employees covered in the bill. Simply, we can't afford it. That was just my statement; it wasn't necessarily a policy recommendation.

Mr. Mike Schreiner: Would you agree that the government could better protect taxpayers if we could avoid legal costs associated with the constitutional challenge and actually bargain fairly at the table?

The Chair (Ms. Goldie Ghamari): You have 30 seconds, MPP Schreiner.

Ms. Jasmine Pickel: Like I've said, oftentimes—it's sad to see taxpayer dollars spent on legal fees, but if it's going to save us hundreds of millions of dollars in the long run, I think we would prefer that we save taxpayers dollars. If legal fights are going to do that, then so be it.

Mr. Mike Schreiner: Thank you for your time. I appreciate it.

The Chair (Ms. Goldie Ghamari): Thank you. Before I turn to the government side, I'd like to ask all members—*Interjection.*

The Chair (Ms. Goldie Ghamari): Excuse me.

Before I turn to the government side, I'd like to ask all members from both sides to please refrain from speaking or whispering. Voices echo and I can hear, and it's a little bit distracting for me. So I would ask everyone to please be respectful of the time for the witnesses, and for the members as well.

I turn now to the government. I'll start with MPP Parsa.

Mr. Michael Parsa: Thank you very much, Madam Chair.

Good morning and thank you very much for your presentation. I want to start off with the current fiscal health of the province. A couple of my colleagues across were questioning why it's so important, restoring the fiscal health of our province. For me, the sustainability of some of these vital services that so many Ontarians—in fact, some that my honourable colleagues were mentioning—heavily rely on now and in the future, at all pay grades, is what we're trying to protect here with this bill: the sustainability of these vital programs now and in the future. This bill: Would you say that it captures that?

Ms. Jasmine Pickel: As I mentioned earlier, the Canadian Taxpayers Federation has called on the government to freeze wages. We applauded this government's move to institute a hiring freeze and offer buy-out packages, but again we wish that the government would have gone much further. We would actually call this kind of a middle-of-the-road solution, because it's not a wage freeze; it's a cap on increases for an already very-well-paid sector. I think the government is trying to take the middle of the road here. I would argue that we could go further, but obviously I'm not running for election in the next go-around.

We would ask that the government go further, but in terms of the sustainability of the public sector, as you mentioned, again, because you'll be hearing from the next 16 witnesses who are going to be telling you to spend more, I just want to really use my time to emphasize that these unions talk about how cuts hurt kids, but what hurts kids and what they won't talk about is that every child born in this province today is already saddled with \$24,000 worth of government debt, solely at the Ontario level. It's more when you add in the federal debt.

We've created—and I feel funny saying this in the Legislature—an organization or campus group for youth

called Generation Screwed that focuses on how immoral, frankly, it is for governments to run big deficits and pass on debt to the next generation. If we want a sustainable education system, we need to address costs.

Ms. Sandy Shaw: Point of order, Madam Chair.

The Chair (Ms. Goldie Ghamari): Yes, MPP Shaw?

Ms. Sandy Shaw: Thank you. I would like to clarify for the record that at no point did myself or my colleagues on this side ever say that we were not concerned with the fiscal health of this province, as MPP Parsa has indicated. I'd like the record to reflect that that's not what we discussed. We were concerned with the well-being of the vulnerable workers in the province of Ontario. We did not say that. Thank you.

The Chair (Ms. Goldie Ghamari): Thank you, MPP Shaw.

MPP Parsa, I stopped the clock, so we're going to resume.

Mr. Michael Parsa: Thank you very much. I appreciate it.

We talked about the cost right now and where we are fiscally in the province of Ontario, burning over \$13 billion of interest every single year, money that could be going to important, vital services—hospitals, schools, infrastructure, all the programs that people rely on. Over \$1 billion a month calculates to \$36 million a day. I mean, that's just money that we are losing.

I want to talk to you about the process, if you don't mind. This bill was introduced in good faith. There were consultations before June 5. On June 5, the bill was introduced, and we continued having dialogue and left the door open for a consultation process throughout the summer and received feedback. We met with many stakeholders. Could you tell me about the process and if your organization was a part of it? Were you able to contribute to this?

Ms. Jasmine Pickel: In full disclosure, I'm covering for a mat leave and have only joined the Canadian Taxpayers Federation a couple of months ago after selling my own business, so I was not around for that process. But I trust that had we been involved, we really would have emphasized that union groups and organized labour in this province, as you can see from the 16 out of 17 witnesses at the committee today, are very vocal. They have very loud voices and they are very well organized and represented.

The taxpayers who are at their jobs today don't have a union member here; they have me, which is one out of 17 voices that you'll hear today. We would have done what the Canadian Taxpayers Federation has done for the last 30 years, which is advocate for lower taxes in this country.

Mr. Michael Parsa: So you did provide feedback throughout the process from the organization?

Ms. Jasmine Pickel: I don't believe "throughout the process," but we did, in our pre-budget submission this year, call for a wage freeze.

Mr. Michael Parsa: Okay.

The Chair (Ms. Goldie Ghamari): MPP Harris.

Mr. Mike Harris: Thank you, Ms. Pickel, for being here today and going through your presentation. I wanted to go back to a point you made a couple of times about the public sector employees making 11% more than private sector employees, outpacing them by that amount last year. I wanted to ask you, do you worry that compensation growth in the public sector is going to have an adverse impact on the fiscal health of this province moving forward?

Ms. Jasmine Pickel: Oh, undoubtedly. Public sector growth and spending comprises about half of all expenditure provincially every year. Without question, we need to address this.

0930

But we don't even have to look that far back ago—I can't remember if it was 2012 or 2013—when the Wynne government at the time had to actually legislate changes to the number of teachers we were allowed to have because there was a lineup of 30,000 excess teachers waiting to land teaching jobs in this province. In the private sector, if you have a lineup of 30,000 people waiting to get a job, you would probably lower your wages. But that's not something in a public setting that the government would have to do. I think that's a really clear example that shows that these wages are out of line with—

The Chair (Ms. Goldie Ghamari): Two-minute warning.

Ms. Jasmine Pickel: —the taxpayers, who are working hard and retiring much later. And again, many of them are within the cusp of financial insolvency, working hard to contribute, for example, to the \$200-billion teachers' pension investment fund.

Mr. Mike Harris: Thank you.

Ms. Jasmine Pickel: My pleasure.

The Chair (Ms. Goldie Ghamari): MPP Kramp?

Mr. Daryl Kramp: Yes, thank you very much. I come from a bit of an interesting perspective. I spent a lot of my life in the private sector and a significant amount of my life in the public sector. One of the challenges, of course, in the private sector is, if you don't control expenses you're out of business. In the public sector, you have two choices: You either raise taxes or you find an effective balance.

We find ourselves in a difficult position, given the economic realities of this province. We have to work with all of our partners, and we have a significant—significant—public sector. A large, large portion—

The Chair (Ms. Goldie Ghamari): One minute.

Mr. Daryl Kramp: —is half of government expenses. Therefore, they're necessary; they're needed; they're efficient; they're effective. But we have to provide a written arrangement. Can we not somehow find that balance between sustainability and affordability?

I do believe that this legislation is a proposal to take us through to the next stage. It's not forever. It's recognized in the realities of today, but we need to move forward together. We need to be able to have all the unions and the private sector working with government to try to collectively solve this problem because if our head is just in the sand, it is not going to be a solution for any of us here.

Do you believe that we can work effectively as a team on this?

Ms. Jasmine Pickel: I certainly hope so, because that's a lot of money that's being spent.

But I would challenge when you say that there is either a choice of raising taxes or cutting services. It's not a binary. There's a third very real option, which is cutting government waste.

The Chair (Ms. Goldie Ghamari): Thank you for your presentation and your questions. The time is up. Ms. Pickel, thank you for your presentation today. You may step down.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Ms. Goldie Ghamari): I would now like to call on Eduardo Almeida, the first vice-president and treasurer of the Ontario Public Service Employees Union. Thank you very much for joining us today here at Queen's Park. You have 10 minutes for your presentation.

Mr. Eduardo Almeida: Thank you very much. As Madam Chair had said, my name is Eduardo Almeida. I am the first vice-president and the treasurer of the Ontario Public Service Employees Union, better known as OPSEU.

I wish I could say that I'm happy to be here, but I'm not. I'm really annoyed, actually. What's the saying? "Say hello to the new boss, same as the old boss." The government promised a change in tone, but you only gave us a few minutes to talk about Bill 124. This is the same kind of disrespect we've been getting from the start.

The bill will hurt the vast majority of OPSEU members, whether they negotiate at a table or argue before an arbitrator. It violates our right to bargain and it violates an arbitrator's right to be objective. Even worse, it's a colossal waste of time—mine and yours.

Ontario faces urgent issues that require all of our government's time, attention and energy: climate change, hallway health care, the gender pay gap, and record high personal debt—that's not just of public servants; that's everyone. These are issues that need attention; they need our government's attention.

Instead, we're all stuck here—again—talking about a bill that is flagrantly unconstitutional and that unfairly targets front-line public service workers. I noticed that this bill has a section in it where it basically excludes managers. It's interesting.

Since most public sector workers—indeed the majority of my members—are women, this is a blatant attack on women that will worsen the gender pay gap. And it's a bill that won't end up saving government a single penny—not one penny. In the long run, this bill will cost Ontarians, just like the whopping increases you just handed out to your hand-picked deputy ministers. There is no 1% on that.

When the Liberals tried to limit teachers' bargaining in 2012, they failed. The law was overturned because it violated their constitutional bargaining rights. The foolish

move cost the government more than \$100 million in settlements. Adding insult to injury, the government—or, rather, the taxpayers—had to pay their legal fees and the teachers' legal fees. The only people who benefited were the lawyers hired to fight a needless fight.

I promise you: The same will happen with Bill 124. So stop wasting our time, stop wasting our money, and stop this terrible bill in its tracks. And for goodness' sake, start listening to people. Start listening to the front-line people. They know what they're doing. They know how to do their job. They know how to save money.

This past spring, brother OPSEU president Smokey Thomas as well as our members took part in the government's consultations on making the public sector more sustainable, gave ideas and thoughts. Members of the government didn't even have the decency to show up. Instead, they sent high-priced Bay Street lawyers. How much money did that waste?

By the way, the deputy ministers you just gave increases to? Not one of them showed up. No one; just lawyers. Whatever those lawyers cost—I'm sure the Auditor General of Ontario could probably find out—Smokey told them loud and clear: Do not interfere with our collective bargaining.

You didn't listen then, so please, I'm asking you: Please don't waste our time and money again. Listen to me now. The submission I am leaving you today is almost exactly the same submission we made in the spring. The only thing that has changed is the size of the province's deficit. It's roughly half the size of what the government said it was. This was misleading to the public. It was a lie. So if the deficit is half the size as you said, the answer is we don't need this. We don't need half of what you're saying we need.

There are other reasons we don't need this bill. If you refuse to listen to me, then you'll listen to your own statistics, hopefully. Over the past 10 years, unionized public sector workers, and all workers in general, have lost money to inflation. In eight of the past 10 years, inflation has been higher than our raises. That means that in eight of the past 10 years, we've had pay cuts—but not for friends, not for ministers, not for deputy ministers. In other words, workers have seen their pay cut by 5% over the past decade. Again, since most public sector workers are women, this is a direct attack on them.

When you compare public sector wage increases to the big raises of deputy ministers and public sector CEOs, well, there is no comparison. There is none. Why pass a law to push them lower? Don't you have enough confidence in your government's, in your deputy ministers', ability to bargain?

Our wage increases are not the problem. In fact, our wage increases are causing solutions. When we have less to spend at our local businesses, the economy suffers. Again, if you refuse to listen to me, then listen to this year's winner of the 2019 Nobel Prize for economics, Abhijit Banerjee. I apologize if I said his name wrong. He said, "You don't boost growth by cutting taxes" for rich people and your corporate pals. You do it "by giving

money to people. Investment will respond to demand." His comments could easily apply to tax breaks for the Premier's corporate pals.

Look, I get it. I really do. In the end, you want to be as efficient and do the job and get the work done as best as possible. Nobody wants to waste money, and I'll tell you, I'm not one of those people. When I was first elected as treasurer of OPSEU, we were \$14 million in the hole. But I rolled up my sleeves, I looked at policies, I looked at the work we had to do, and I did it. And do you know what? I didn't have to lay anyone off. We still negotiated fair contracts with our staff. That's how we did it. Listen, I'm asking you to do the same thing: Find the real waste in government spending and cut it.

0940

It's time for you to cut back on the bloated layer of management weighing on our public services—

The Chair (Ms. Goldie Ghamari): Mr. Almeida, you have three minutes left.

Mr. Eduardo Almeida: Okay, thank you very much.

The number of people on the sunshine list grew by 14% last year. The vast majority of those people are managers—your managers. For example, the executive director of a housing agency here in Toronto makes 18% more than he did three years ago. That's just one example of many. We need more money for the front lines, not less. More money going to more people means a better economy. You don't have to be a Nobel Prize winner to know that.

It's time for you to stop wasting time and money on health care amalgamation. Mike Harris spent \$3.9 billion amalgamating health care, and do you know what that saved? Eight hundred million. That's not a success story.

Privatized blood testing costs 40% more. That's what that costs. When it was in public hands, it was cheaper; it was more cost-effective.

Hydro—don't even get me started. I'm sure everyone in the province is sick of hearing about hydro, but it costs 150% more.

The Auditor General found privatized infrastructure has cost us at least \$8 billion more since the implementation of more privatization—not less. It costs more.

Cancelling the Beer Store contract: more. Blowing up plans to sell cannabis and alcohol responsibly: more. Cutting the size of Toronto council—all this stuff. Firing the Hydro One CEO, fighting the federal carbon tax, the unconstitutional law to cap wages: All these things are going to cost more and more and more, not just of my money and my union's money, but of taxpayers' money.

The Chair (Ms. Goldie Ghamari): This is your one-minute warning.

Mr. Eduardo Almeida: Thank you, Chair.

We didn't start this fight over our constitutional right to free and fair collective bargaining, but I promise you, if you haven't heard of OPSEU, you will. You will.

Please listen to me. Stop wasting my time and yours on this ridiculous bill. Society always does better when we're pulling together, rather than when we're trying to pull each other apart.

Thank you, Madam Chair.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Almeida. This round of questions will begin with the Green Party independent member. You will have two minutes.

Mr. Mike Schreiner: Thank you for being here today. I really appreciate it.

In your statement, I just want to clarify: When OPSEU participated in the consultations around how to make government more sustainable, no members of the government actually participated in the consultation?

Mr. Eduardo Almeida: No, there were no government officials there. It was all lawyers. We made sure. We asked around and said, “Who’s here in regard to the government?” No one.

Mr. Mike Schreiner: If you had the opportunity of having government there at the consultations, what would be the savings that you could identify that would prevent us from taking away your constitutionally protected bargaining rights?

Mr. Eduardo Almeida: Well, most of the savings—and I’ve said it before: The government is a vast line of defence or support for the public. A lot of what could be saved is in regard to actually putting money into the front lines. The amount of overtime that occurs with front-line staff, and the burnout and all the other spinoff effects that occur—I’ll guarantee: If there are any people that we represent in the collective agreement, the majority of them, if they’re on the overtime list, it’s because they are being forced to work overtime. And when you’re forcing people to work overtime rather than putting more people on the front line, what you’re actually doing is you’re creating stress on them and you’re creating stress on the system. That’s typically a big piece of this.

We have one of the largest populaces in Ontario—I think we are the largest population in Canada, correct?—but we spend the least amount of money on the actual public.

Mr. Mike Schreiner: How did it make your workers feel to see deputy ministers get a 14% pay increase and then look at this particular bill?

Mr. Eduardo Almeida: Well, I think, like most people, any time you look up—you try to lead from the top, right?

The Chair (Ms. Goldie Ghamari): Thank you. Your time is up. I will now turn to the government. You will have eight minutes, and I will begin with MPP Parsa.

Mr. Michael Parsa: Thank you very much, Madam Chair. Mr. Almeida, thank you very much for your presentation and thanks so much for being here.

I do want to ask you a question about the process you mentioned. First of all, this wasn’t meant to be a political engagement. That’s why there were no MPPs present at the time of consultations. This was an open and inclusive process for you to be able to consult.

Prior to the bill being introduced on June 5, there was a consultation process. After June 5, there was the entire summer available for you to be able to submit. Did you participate in the consultation?

Mr. Eduardo Almeida: We did.

Mr. Michael Parsa: Before and after?

Mr. Eduardo Almeida: We participated, as I’m sure you know, and thus the question. We participated because we didn’t want to be—and we understand—

Mr. Michael Parsa: We need it on the record. That’s why I need to ask you the question.

Mr. Eduardo Almeida: Yes. So we participated because we understand that the fact of the matter is, if we didn’t participate, the government would turn around and say that we didn’t participate. We also understood, when we submitted our submission, that more than likely it would fall on deaf ears, and it looks like it has, because here’s this bill.

Mr. Michael Parsa: Mr. Almeida, one of the points you raised was the automatic wage increases for executives. We put an end to that. That was put by the previous government and we put an end to that. Do you agree with that?

Mr. Eduardo Almeida: Do I agree?

Mr. Michael Parsa: We agree on that, right?

Mr. Eduardo Almeida: I agree that automatic increases in regard to outside the collective agreement, where we actually have it written in law—is that what you’re talking about? But if you’re talking about giving senior management something written in your legislation, do I agree with that? Sure, if you want to do that. If you want to start negotiating, maybe they want to join OPSEU and maybe we’ll represent them.

Mr. Michael Parsa: Can we talk about what this legislation will not include, and that’s impacting existing collective agreements? It would not impede the collective bargaining process; it would not impose a wage freeze; it would not impose a wage rollback; it would not impose job losses.

Mr. Eduardo Almeida: So what I would say to that: It does impose a cap, correct?

Mr. Michael Parsa: You are allowed to increase above the 1% as long as it’s in the collective agreement and it is within your grade.

Mr. Eduardo Almeida: So you’ve capped it. Right there, what you’re doing is you’re hamstringing collective bargaining. That’s not the way we do it. Obviously—and I’ll say it again. You obviously don’t have a lot of faith in the managers you just gave increases to to actually negotiate a collective agreement. That’s what I see this as, because if you actually had faith in them, you would just get rid of this bill and bargain in good faith and not put a 1%. You can call it whatever you want, but once you start saying it’s 1% and you’ve got to stay within the 1%, you’ve capped it. You’ve told us what the bargaining is.

Mr. Michael Parsa: Mr. Almeida, the vital services—we’ve talked about this, and I know you were here at the previous presentation. This is about sustainability, for me. I got elected to office and I would like to be able to look in the eye and go back to my constituents and talk about doing everything right to make sure those vital services that Ontarians rely on are sustainable for them now and into the future.

Given the current fiscal reality of Ontario, we're talking about \$360 billion of debt.

Mr. Eduardo Almeida: Right.

Mr. Michael Parsa: We're talking about having the largest sub-sovereign debt in the world, bleeding over \$13 billion of interest. How would you address that?

Mr. Eduardo Almeida: The first thing I would do is give your managers an increase. That's the very first thing I would do, and I'd also talk to the stakeholders on how you're going to fix it. By the way, service in the communities is imperative. I agree. That's important, but the way you actually make sure that service occurs in your communities is not by treating the very people who provide the service—by telling them they're only worth less than inflation.

Mr. Michael Parsa: Madam Chair.

The Chair (Ms. Goldie Ghamari): MPP Cuzzetto.

Mr. Rudy Cuzzetto: Thank you for being here. I'm not sure if you're aware that I come out of Ford Motor Co. I worked for them for 31 years, and 10 years out of that time we didn't get a raise. We had our benefits cut. We had our holidays cut as well. Those were tough times for the company and we wanted to make it sustainable so that we could still produce vehicles in the future.

0950

Something else I wanted to allude to is that you mentioned the 14% increase to the deputy ministers; correct? It wasn't our government that did that; it was the previous government that did that. I hope you're aware of that as well.

In 1993, the GDP ratio was 25%. Today, it's about 40%. Do you think Ontario is sustainable under the current fiscal conditions we're in?

Mr. Eduardo Almeida: I would say no. What is happening here is we're continuing down the same road of paying for lawyers and consultants. We're still spending money on litigation that shouldn't be spent. We're still going down the same road in regard to everything that happened before. All that has happened is, instead of a Liberal government that's in power, we now have a Conservative government that's in power, but you're not doing anything different.

By the way, you keep on making these promises—promise made, promise broken. You keep on breaking promises. What is this government—

Mr. Rudy Cuzzetto: Could you give me an example of those promises?

Mr. Eduardo Almeida: Sure. Buck-a-beer—I'll give you the easiest one, that everyone loves to refer to.

The Chair (Ms. Goldie Ghamari): MPP Cuzzetto, I just wanted to give you your two-minute warning. Thank you.

Mr. Eduardo Almeida: Buck-a-beer—start there. Let's start with the whole fiasco in regard to cannabis. The cannabis part had such potential in regard to regulating and controlling, and making sure it never went into the hands of youth.

The wine in the stores, the beer in the stores—and by the way, the LCBO. One of the greatest things this

province has in the regulation of a controlled substance is the LCBO, but you want to hand that away, all the profits. Those go into the coffers.

The representative for the taxpayers was talking about X number of dollars spent on public servants. What is government for, other than to service the people of the province? Why do you spend that money? Where are the additional funds supposed to go?

You want to talk about pensions. Pensions are good. Pensions aren't a bad thing. People retiring with a pension is a good thing. They go back into your communities, by the way—a lot of your communities where you have no industry other than retirees and people with some money. People have to wake up. As an esteemed Nobel Prize winner said, "Give people money." People need money to spend.

You could give the top 1% all the money in the world, and they're only going to buy one or maybe two houses, maybe one or two cars. By the way, those cars and those houses probably aren't even built here in Ontario. They're built somewhere else.

When are you going to start putting money into the pockets of the taxpayers who actually spend money in their communities?

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Almeida. This concludes the round of questioning for the government.

I now turn to the official opposition. You have 10 minutes. I will begin with MPP West.

Mr. Jamie West: Thank you, Mr. Almeida. I have a couple of questions, briefly. I wanted to let you finish on MPP Schreiner's question about the 14% deputy minister raise. As the member opposite said, it came from the previous government. I think they could have had some influence on that.

The reason I'm asking this is because I want to point to the amount of money they're talking about, the debt and the deficit, and that we have to be fiscally responsible. So when people who are making over \$200,000 get a 14% raise—also MPP Parsa, with his parliamentary assistant sign, reminded me that 15 days after the summer recess, the Conservatives increased the size of their cabinet. Parliamentary assistants went from 18% to 31%. They get 13.7% more than a regular MPP. There are five associate ministers, each getting 19.2% more than MPPs. We have more cabinet ministers than any other province in the country. There are now 21 ministers making 42% more than MPPs.

I just want to hear your thoughts on the 1% cap to your workers, and the workers you represent, versus the wages here for highly paid workers.

Mr. Eduardo Almeida: Well, it's obscene, isn't it? Anyone who reads that—it's just stats. Once you start looking at the numbers—and I'm great at numbers. Once you start looking at the numbers, it's obscene; it's truly obscene. Once Ontarians find out about those numbers, they go, "Hold on a second."

The front-line workers get, at the most, 1%, and those are the people who actually spend money on hockey, go

out to restaurants in my community. But the managers—and by the way, the rich are really good at holding on to their money. I know. I know. That trickle-down effect that was always pushed—it doesn't go back into the communities, because they get to write off their taxes. They get to write this off; they get to write this off. As a common taxpayer, who gets to write that stuff off? Not you. I bet you don't. Business people sometimes do—but they're not big business. So when you see those numbers—what do I say? I'm a taxpayer and I say, "That's obscene. That's ridiculous."

The government is saying one thing over here, and over here they're doing another thing. How does that even balance out in any type of human common sense? I'm going to take that back. Common sense is something that people actually have to come back and take back as their own.

Mr. Jamie West: I have a question about wages in general. Last Monday, we were debating the bill and the government often talked about the highest-paid union members. Can you talk about some of the wages of the lowest-paid union members?

Mr. Eduardo Almeida: Yes. We have those support workers. We have people who make around \$25,000, \$30,000. We have precarious workers—most people know them as part-time workers—who have to work one, two, three jobs. They're working three jobs just to make ends meet. We represent those people. We have a lot of precarious workers in our union, and we are just trying all the time to get better contracts and make sure that, at some point, they can have better jobs.

By the way, a lot of those people are young people. The speaker before me talked about how there's a movement about being screwed as a young person—and it's true, what happened to people. Part-time jobs used to be something you did if you wanted a little extra money on the side or that you did to supplement while you were going to school. It wasn't supposed to be your full-time job having three jobs.

Mr. Jamie West: I agree with the statement. We often talk about jobs, as politicians, when we should be talking about careers. We don't have a jobs problem. I know three or four people who have five or six jobs.

Mr. Eduardo Almeida: My kids do. We have three young people in my household, and they all have two or three jobs. It's what they do.

Mr. Jamie West: The member opposite talked about consultation. Last week, while we were doing the debate for Bill 124, several times the government talked about all the consultation they had, but they never talked about what came out of the consultation. They said, "We had consultation with many unions." They named all these unions. They named basically everybody who has a membership through the OFL or an affiliation with the OFL. Then there was a pause, and then, "So, anyway, here's what we're doing."

Would you enlighten the committee on what came out of the consultations, what sort of things were recommended?

Mr. Eduardo Almeida: Here's what I'll say: Apparently, it wasn't a consultation with the government, because it wasn't supposed to be political. That's what I heard from the government. Apparently, it was supposed to be with Bay Street lawyers because this wasn't going to be political. So the consultations that occurred—and you'll see our submissions. Read our submissions and see what we said, because to talk about a very small piece isn't going to do it justice. Read our submissions, please. Read our submissions and see what we said to the government—I'm sorry, to the lawyers of the government.

Mr. Jamie West: We're going to have a lot of reading to do because it has been time-allocated like everything else that has come through in terms of labour law, and so we end up with these large boxes of things to read.

Just from memory, do you remember anyone in the consultations who represented front-line workers recommending a 1% wage cap?

Mr. Eduardo Almeida: No. No one recommended a 1% wage cap.

Thank you for your question.

Mr. Jamie West: I just wanted to clarify.

Mr. Eduardo Almeida: Thanks.

The Chair (Ms. Goldie Ghamari): MPP Shaw.

Ms. Sandy Shaw: Thank you for your presentation.

You touched on this, but I was hoping you could just expand further on how this 1% wage freeze is impacting the most vulnerable workers in the province, women who work as personal support workers, school bus drivers—how this is impacting them, and specifically, the fact that we are talking about a bill that primarily will impact women. As we know, women have come nowhere close to achieving wage parity. The income gap in Ontario between the wealthiest and the lowest-paid continues to grow, but that gap is even higher for women.

I'm going to give you a chance to speak. But in my riding of Hamilton West–Ancaster–Dundas, we have Wentworth Lodge. We have personal support workers who have worked there forever, and they put in hours that they're not paid for. They say, "We're supporting our seniors. These are old people that we will likely spend the last minutes of their days with. We are doing"—

The Chair (Ms. Goldie Ghamari): Pardon me, MPP Shaw. It's now 10 a.m., and this concludes our business for the morning.

A reminder to committee members that, pursuant to the order of the House dated October 31, 2019, the deadline for written submissions is 6 p.m. today.

Public hearings will resume this afternoon at 2 p.m.

Thank you for your time today and your presentation.

Mr. Eduardo Almeida: Thank you, MPPs. Thank you, Madam Chair.

The Chair (Ms. Goldie Ghamari): The committee is now adjourned.

The committee recessed from 1000 to 1400.

The Chair (Ms. Goldie Ghamari): Good afternoon, everyone. The Standing Committee on General Government will now come to order.

Good afternoon, members. We'll now resume public hearings on Bill 124, An Act to implement moderation measures in respect of compensation in Ontario's public sector. Please note that written submissions received to date are on your desks before you. I would remind all members not to speak when others are speaking. If I have to interrupt the hearing or the proceedings to remind you not to speak because others can hear your voices, that time will be used against you because we're on a very strict timeline.

I would now like to call upon CUPE—

Ms. Sandy Shaw: Hi, thank you, Madam Chair. I have a point of order or a point of clarification about the process of this morning. We had a witness this morning, and because of the hard end—when we had to go back at 10 o'clock—it was my understanding that we had three minutes left on the clock. I understand why that's not the case, but on the government side, they had been given a three-minute warning. When it came to our side, we did not get the three-minute warning in terms of our time. So my question or point of clarification is, is the three-minute warning something that will be happening as a mandatory, or is that something that is discretionary on the part of the Chair?

The Chair (Ms. Goldie Ghamari): It's not mandatory. However, if you would like the three-minute warning, I'm happy to give you that three-minute warning.

Ms. Sandy Shaw: So it's discretionary on the part of the Chair. Is that correct?

The Chair (Ms. Goldie Ghamari): It's not required on the part of the Chair to give any mandatory—or any—warnings, but I'm happy to do it moving forward.

Ms. Sandy Shaw: Or just consistently would be what I would request.

The Chair (Ms. Goldie Ghamari): Absolutely.

Ms. Sandy Shaw: Okay, thank you.

The Chair (Ms. Goldie Ghamari): Thank you.

CUPE ONTARIO

The Chair (Ms. Goldie Ghamari): Having said that, I will now call upon CUPE Ontario president Fred Hahn to please come forward. Pursuant to the orders of the House dated October 31, 2019, you will have up to 10 minutes for your presentation, followed by 20 minutes for questioning, with eight minutes allotted to the government, 10 minutes allotted to the official opposition and two minutes allotted to the Green Party independent member.

Please state your name for Hansard, and you may begin.

Mr. Fred Hahn: Good afternoon. My name is Fred Hahn. I'm the president of CUPE Ontario. As many of you will know, CUPE is Ontario's largest union. Since its creation in 1963 and up until last month, we continue to grow. We now represent 280,000 members living and working across the province. We appreciate the opportunity to be here today to talk to the Standing Committee on General Government to present our concerns on Bill 124.

I recognize that there is limited time, so let me be clear about the things that I want to tell you. Bill 124 is

unconstitutional. It will not end the deficit, but it will make life harder for hundreds of thousands of hard-working people and their families. If passed, Bill 124 will, for years, prevent the majority of Ontario's 280,000 CUPE members, as well as tens of thousands of hard-working front-line workers who belong to other unions in Ontario, from exercising their constitutionally protected right to engage in free collective bargaining. For Ontarians who respect the charter, that's unacceptable.

I should tell you that recently I participated in a conference call convened by the Ontario Federation of Labour with the leaders of Ontario's unions, who were all unanimous. If this bill is passed, we will act together to bring a constitutional challenge to the courts as soon as possible, just as we did when the Liberals used legislation to interfere in free collective bargaining.

But offending the Constitution is only one of the reasons why this bill is a bad idea. Bill 124, as you know, would place an arbitrary annual ceiling of 1% on newly negotiated increases in wages and benefits. In the context of Ontario's inflationary economy, this amounts to using the tool of legislation to reduce the real earnings for workers and their families. Far too many front-line public sector workers are already struggling to pay their bills on incomes that have not kept pace with inflation.

In CUPE, our members' average annual salary sits at about \$40,000 a year. Because this is an average, it means that many front-line workers who do enormously important work have incomes at or barely above the minimum wage, a wage level already \$1 per hour lower than what Ontario law previously provided for, up until the intervention of the current Conservative government.

While it's bad enough that this government that came to power on a promise to help the little guy would introduce a law that directly hurts front-line workers by cutting their real income and annual wages, it gets worse when that same government acts in a way that is completely inconsistent with this damaging measure.

It may very well be that deputy ministers require and deserve a wage increase; we have no quarrel with that. But when the government tells people earning \$40,000 a year that they should be happy with a 1% increase and then moves to provide people earning over \$200,000 a year a 14% wage increase because they're underpaid, that smacks of hypocrisy. It also makes it clear that public sector wages don't have anything to do with the deficit.

In the written submission we are providing today, you will see a series of charts using data from the Ontario Ministry of Labour and from Stats Canada to illustrate points that we are asking you to consider.

Chart 1 on page 4 shows that both public sector and private sector wage settlements in Ontario have been below the rate of inflation every year for the last 10 years. The ministry's own data proves that wages are not a problem.

To appreciate why Ontario has a deficit problem, our second chart, on page 5, shows that this government, just like the previous Liberal government, raises less tax revenue per person than any other provincial government

in Canada. This is a direct result of lowering taxes on the wealthiest individuals and on profitable corporations in Ontario.

Again on page 5, chart 3 makes it clear that in contrast to the image of a government that is overspending on public services, this government, just like the previous Liberal government, spends less per person on public services than any other provincial government in Canada. Ontario is dead last in spending on public services—at the absolute bottom of the pack—even though Ontario is a large, diverse and growing province.

Finally, our fourth chart, on page 6, shows that as a share of government spending, public sector salaries have actually been shrinking for almost two decades. Public sector wages haven't caused the deficit, and violating the charter-protected rights of workers to engage in free collective bargaining won't solve the deficit problems we face.

The point that all of these charts make is that Bill 124 is designed to fix a problem that doesn't exist. Public sector wages are not out of control. In fact, they haven't really been growing at all. They have been falling behind inflation for 10 years. The share that wages make up in public sector spending overall has also been dropping for the last decade.

The deficit has not been caused by workers' wages. It is a direct result of continuing Liberal and Conservative tax policy which fails to raise sufficient revenue. This has created the deficit, but it has also driven down Ontario's credit rating and driven up our interest payments, leaving public services underfunded and leaving in place a deficit which need not exist.

For all of these reasons, I am here today to ask you to withdraw Bill 124. It is unnecessary. It is unfair. It violates the charter. It makes life more difficult for hundreds of thousands of hard-working people and their families.

Finally, in light of the recent announcement to pay 14% more to deputy ministers, who already make over \$200,000 a year, it makes the government look like hypocrites who care nothing about public sector salaries and are simply using this as an excuse to target and scapegoat hard-working front-line public sector workers and their unions.

Thank you. I'd be happy to take questions.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Hahn. We will now turn to the government. You will have eight minutes for questioning. I will begin with MPP Parsa.

Mr. Michael Parsa: Thank you, Mr. Hahn, for being here and for your presentation. We really appreciate it.

Mr. Hahn, the deputy minister numbers that you mentioned: That was the automatic wage increase for executives that was put forward by the previous government, which we stopped, as you know. So that was the previous government that had put that in.

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I'm going to ask you a question about the process in which this bill was introduced. On April 4, we initiated this. We went through a consultation process. On June 5,

after six weeks, this bill was introduced in the House. And then there was an extensive 11-week period where people were allowed, had the opportunity, to submit questions, inquiries and proposals, etc.

How much did you participate in that?

Mr. Fred Hahn: Well, during that time, we were able to meet with Minister Bethlenfalvy to speak to him about our concerns, to provide him with the same information.

If you're referring to the consultations that happened with public sector entities, we participated in those as well. All of the same—similar data, and more—we provided during those consultations. And there were many people who participated in those.

What is unfortunate, though, is that even with all of that evidence—which uses government data, I might add. This is Ministry of Labour data that demonstrates that wages haven't kept pace with inflation, ministry data that demonstrates that the percentage of wages in terms of overall spending on public services has been falling for more than a decade. All of this evidence, this government data that demonstrates that wages are not a problem, has still led to the government introducing this legislation.

So we are here to make this presentation at these committee hearings, but we also have to make it clear that this legislation not only offends the charter, which is a big problem for all of us in Ontario, but it actually targets workers who didn't create the deficit. It doesn't deal with the deficit. It won't actually help to rectify any of the problems that are happening in relation to the deficit in the province of Ontario. That can only be helped if the government actually raises revenue at a level sufficient to fund public services that people need in their communities.

Mr. Michael Parsa: Mr. Hahn, the salary ranges—one of the things that's important to me is that I want to make sure that we talk about the fact that the salary increases above 1% are still authorized under this, as long as it was agreed on in the previous agreement, that they can still—they're still entitled to above the 1%.

Mr. Fred Hahn: My understanding of this legislation is that it prevents people who are currently negotiating collective agreements from bargaining a wage increase that is above 1%. One per cent is far below the rate of inflation.

Mr. Michael Parsa: Sorry, go on. I don't want to interrupt you. Go on.

Mr. Fred Hahn: Well, that's what I understood this bill to say.

Mr. Michael Parsa: Okay, so I just want to—as long as it's from within, then they're allowed a 1%.

I want to touch on the current situation of where we are: \$360 billion in debt, Mr. Hahn, in the province, paying more than \$13 billion of interest. That's money that we're not using and we're not providing in vital services. We talked about that earlier this morning—those vital services that my family, your family and everybody, Ontarians, rely on, quite frankly. For us, we're taking measures to make sure that those programs and these vital services are available now and in the future.

The process that started this: How would you have done things differently? Can you tell me, please?

Mr. Fred Hahn: Well, look, I would say that the front-line personal support worker, the front-line child care worker, the front-line developmental service worker, whose wages haven't kept pace with inflation, who sees their hydro bills increase, their food costs increase, their costs for lodging and everything else go up, simply aren't going to accept that it's somehow their responsibility to take a 1% wage cap when the most profitable corporations in the province are paying some of the lowest corporate tax rates they've paid in generations and when some of the most wealthy individuals are paying low taxes as well. If there is a revenue problem, and we believe that there is, then there are ways for government to address it.

What this bill does is it targets one section of the population. It targets public sector workers. It seeks to blame them for the deficit by limiting their ability to have access to freely negotiated collective agreements.

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Fred Hahn: And it doesn't understand or acknowledge that, in fact, collective bargaining follows the market. It takes away people's rights without recognizing that in any way.

Mr. Michael Parsa: So, Mr. Hahn, over a million employees—it's about \$72 billion annually.

You mentioned the credit rating downgrade and about the cost to Ontarians. Every time that happens and we don't take measures to correct the mistakes that have been made in the past, it's going to cost us even more and more and more. The more that we slip, the more that we go into debt, the more it costs us now and in the future.

Mr. Fred Hahn: The credit rating downgrade that just happened happened as a result of policies that your government put in place by decreasing revenue available to deal with—

Mr. Michael Parsa: Sorry, Mr. Hahn. Our credit rating recently went—is stable.

Madam Chair, I'd like to pass on whatever time I have to my colleague Rudy Cuzzetto, please.

The Chair (Ms. Goldie Ghamari): MPP Cuzzetto, the floor is yours.

Mr. Rudy Cuzzetto: Thank you very much. It's very important to note here that Bill 124 will not interfere with the collective agreement; correct? It will not. It will not limit the right to strike. It will not impose a wage freeze. Do you agree with that? There's no wage freeze coming here, no rollback or job cuts. All we care about is keeping front-line workers working. It's very important to do that in the province of Ontario, especially with a \$12-billion deficit. That's a billion dollars a month that we spend to service the debt. Can you imagine what we could be doing with that \$12 billion? There's a \$360-billion debt in this province.

Mr. Fred Hahn: Bill 124 offends the Charter of Rights because it violates people's ability to have free collective bargaining.

The Chair (Ms. Goldie Ghamari): One minute.

Mr. Fred Hahn: That is clear to us. It will be clear to others. If this bill becomes law, then we will challenge it and the courts will decide on that question.

But if there is a problem of \$12 billion that needs to be raised, then you could institute corporate taxes that actually have profitable corporations paying their fair share. You could institute taxes on high-income earners that could have them paying their fair share. In fact, we have presented before the committee in relation to the budget of the province of Ontario for a number of years now a series of tax measures that could raise that money and more that could deal with not just the deficit but could actually fund services for people.

What this bill seeks to do is to blame front-line workers, child care workers, developmental service workers and personal support workers, saying somehow to them, "It is your fault, and that your rights have to be violated, that your ability to make sure that your wages keep pace with inflation must be targeted as a result of—"

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Hahn. Time is up for the government side.

I will now turn to the official opposition. You will have 10 minutes. I'll begin with MPP Glover.

Mr. Chris Glover: Thank you for your presentation, Mr. Hahn. Let's see, I want to especially thank you for pointing out that Ontario is last in spending on public services and also pointing out that we need to look at the revenue side of why we've got a deficit and a debt in this province.

This morning, the Canadian Taxpayers Federation was in. They were saying that the average wage in the public sector is 11% higher than in the private sector. So at lunch, I went and did some research. I found an old CUPE piece of research. It's a bit dated, but it said that when you compare comparable occupations between the public and private sectors, employers are very similar. The average annual pay in the public sector was only 0.5% higher than in the private sector. The reason for the difference was that the pay equity between men and women in the public sector is greater than in the private sector. So basically, the wages are almost the same. The only reason there is a difference is because women are paid more equitably in the public sector.

The research is a decade old. Would CUPE update that research so that we can counter the narrative from the Canadian Taxpayers Federation?

Mr. Fred Hahn: Absolutely, we can do that. It is important to note, as you did, that the comparison between public sector and private sector wages, where there is a difference, is exactly as you articulated: It is because previous governments of all stripes have supported legislation that understands that women who do the same work as men are simply not paid the same and therefore there should be a rectification of that historic injustice. That we've been able to make some progress in the public sector in relation to that as it relates to having a law that forces employees to do it is part of the reason for that very small wage discrepancy.

Mr. Chris Glover: Thank you very much. The other thing I would like to point out and ask you about is part-

time, temporary professors in our colleges and universities. Some of them have been working on a part-time, temporary basis for decades and making very low wages.

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There's a written submission from one graduate student—a PhD student and teaching assistant. She writes: "I'm writing about the negative ramifications that Bill 124 will have on the graduate student community at the University of Toronto trying to live in Toronto with less than \$24,000 a year in salary. It is an absolute disgrace that the provincial government is considering forcing us to accept contracts that don't even keep up with inflation." Can you comment on the students and those workers?

Mr. Fred Hahn: Certainly. We're proud to represent workers who do this important work. At the University of Toronto, like many other post-secondary institutions, the reality of the teaching is that it is done not by full professors, but by associate professors or itinerant workers of this nature. They're paid piecemeal. Some of them have to stitch together teaching and instructional assignments not just at one university, but two or three. I personally know members who travel back and forth between Kingston and Toronto and up to Barrie to instruct through the course of the week just to try to stitch together enough to actually feed their families. It is completely unacceptable in terms of an environment in the post-secondary institutions where you would assume your professor is somebody who is revered enough to make a wage that could feed themselves and their families.

But this legislation will have a differential impact for these kinds of workers, who are temporary, in effect, who are itinerant workers. Those workers exist not just in the post-secondary area. Of course, they exist in post-secondary. It's growing. More than 50% of the instruction at U of T is now done by our members, not by full professors. But when you look at personal support workers, when you look in the health care system, when you look in social services, when you look through all of the different kinds of work that our members do in the province, this differential impact will absolutely negatively impact these low-income workers incredibly.

Mr. Chris Glover: Thank you very much. I pass it to my colleague.

The Chair (Ms. Goldie Ghamari): MPP West.

Mr. Jamie West: Thank you very much, Chair. Thank you as well, Mr. Hahn. I want to give you an opportunity to talk about the credit rating. I know that my colleague MPP Stiles last week had met with 50 teachers who had lost their jobs, and the response from the Minister of Education is that no teachers have lost their jobs, so there seems to be a difference on facts. I know when you talked about the credit rating, you were cut off. I'd like to give you the opportunity to expand on the low credit rating in Ontario.

Mr. Fred Hahn: Certainly. Look, we're seeing jobs being decreased and lost across the province in a bunch of different places. There are either people who have actually been laid off. There are folks who have the threat of layoff. I know I was just talking with some child care workers in

Peterborough. There's the threat to close two child care centres there. There are a number of long-term-care facilities, as a result of funding changes, that have been talking about the possibility and actually giving notice of layoff. We actually were able to bring back 1,300 jobs, who were support staff workers in schools, through a collective agreement that we were able to reach that forced funding to be put back into the system.

All of these things, related to the question of the credit rating—I mean, it's our understanding that part of the challenge here is that the government made a decision to decrease revenues. That decision to decrease revenues actually caused rating agencies to re-evaluate the credit rating of the province of Ontario because there's a decreased revenue, and at some point, the deficit goes up. If you're increasing your revenues and the spending is somehow maintained, then, of course, there will be a larger deficit. All of this is just a reminder, again, that that deficit was not caused by front-line workers, not caused by folks who are instructing at universities or personal support workers working in long-term-care facilities, or child care workers working in child care centres. None of these folks caused the deficit, and they should not have to pay the price for it.

Mr. Jamie West: That leads to my next question, actually. In the beginning, you talked about the average salary of your workers being \$40,000. I would imagine, if it's average, that many of your members make below that. Later on, you talked about deputy ministers getting a 14% increase, which you say you didn't have an issue with. I believe that workers deserve a living wage. But 14% of \$200,000, just on back-of-a-napkin math, is \$28,000, which is likely one of your members' wages. So I'd want to know if I understand that properly.

Also, I want to understand. Can you make sense of the government saying, "We have no money, the cupboards are bare" when it comes to workers who make \$28,000, but the cupboards are full when it comes to workers who make \$200,000 and want a \$28,000 raise?

Mr. Fred Hahn: Yes, it is incredibly inconsistent. Look, again, we have no quarrel with workers who are underpaid getting a fair salary increase. The challenge here is that at the very same time as deputy ministers and others who are senior folks making much more money than most folks in Ontario—I would wager, never mind most of our members—are getting a wage increase, our members' rights are being undermined—

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Fred Hahn: They're actually unable to access their charter rights to free collective bargaining, and they're being told that they should be happy with a 1% wage increase that keeps their wages driving below inflation year after year after year.

Mr. Jamie West: There was a question earlier about the consultation—if you were part of the consultation, the 11 weeks. It reminded me that we had recessed for five months this summer and that we've only been back for a little over a week. We came back last Monday, and one of the things we did last week before we left was that we

time-allocated this so that we have minimal debate and minimal time for deputations.

Does that seem like listening to front-line workers? You said that this is a government that said they are for the people and for the little guy. Does this sound like a government that's for the little guy?

Mr. Fred Hahn: We were part of consultations that honestly weren't very consultative. In fact, we took the position that they weren't consultative at all. We were asked a series of questions. When we tried to present issues that were outside of the range of those questions and when we asked our own questions, we were told people would get back to us with the answers at a later date.

This is legislation that impacts hundreds of thousands of people in Ontario, and from our perspective it deserves more than one day of hearings. It deserves debate in the House. It deserves there to be careful consideration. And it's a piece of legislation that, in our view and in the view of many others, actually offends the Charter of Rights and Freedoms. So it is also offensive that we would time-allocate such an important piece of legislation, in our view.

Mr. Jamie West: I can imagine the cost for the charter challenge that's going to come out of this that will drive up our debt as well.

You mentioned having 280,000 members who drive the economy by spending money in the workplace and also that, really, the wealthy should pay their fair share. Is it your opinion that the lowest-paid members of your organization are carrying the burden of this debt while the highest-paid people in Ontario are getting away with a lighter load?

Mr. Fred Hahn: Certainly the legislation, Bill 124—

The Chair (Ms. Goldie Ghamari): One minute.

Mr. Fred Hahn:—would absolutely make it clear that the target of government in terms of aiming at the deficit seems to be front-line workers whose wages are not the problem. If in fact the deficit was the target, then they would be raising corporate taxes; they would be raising taxes on the most wealthy; they would be actually generating income sufficient to deal with the deficit and to fund services properly. Instead, they're removing the constitutionally protected rights of front-line workers, picking on some of the lowest-paid folks in the province and scapegoating them for the deficit. It's unfair.

Mr. Jamie West: With the seconds we have left, do you believe that the 280,000 members you represent and the members who are going to be affected by this across the province, the unionized members capped at 1%, are interested voters and will be paying close attention to this?

Mr. Fred Hahn: Yes, every one of them.

Mr. Jamie West: Thank you.

The Chair (Ms. Goldie Ghamari): There's 20 seconds.

Mr. Jamie West: That's fine.

The Chair (Ms. Goldie Ghamari): Thank you. I now turn to the independent member from the Green Party. You will have two minutes. I will give you a one-minute reminder.

Mr. Mike Schreiner: Thank you, Chair. Thank you, Mr. Hahn, for being here today. I really appreciate it.

I'm just wondering if you could take a moment and tell the human side of this story. Your members' average salary is \$40,000. They care for some of the most vulnerable in our society: seniors, children, people in our communities. What does it mean to those members and the care and the services they provide when we have the lowest per-capita spending of any province in the country? We've seen their share of wages at a 20-year low, and their wages aren't keeping up with inflation, even at a lower level than private sector workers. What does it do to their ability to care for people in our communities?

Mr. Fred Hahn: It makes it incredibly difficult. We have increasingly heard this from our members who work in long-term-care facilities, folks who work for community agencies. These wages have been historically low, often as a result of the fact that many of these jobs have been seen as jobs that reward—

The Chair (Ms. Goldie Ghamari): One minute.

Mr. Fred Hahn:—performance, why the Pay Equity Act is so important. But the work is also getting harder. Because the share of spending on services is decreasing, it means that workloads are rising. When we look at long-term care, we know that the acuity levels of seniors in long-term-care facilities are increasing. We actually need more workers, not less, and we need people who can actually continue to afford to feed their families while doing this important work. No one gets into these jobs to become rich, but they deserve to be able to live in their communities with their families and raise their families while doing this important work.

Mr. Mike Schreiner: Do you think it negatively affects their ability to care for people when they have other concerns around feeding their family, paying the bills?

Mr. Fred Hahn: Absolutely. Those worries wear on people's minds. As challenging as the workload is, to then have to worry while every cost goes up, while the cost of hydro goes up, while the cost of food goes up, while the cost of transportation goes up at the same time when their wages are held below inflation, it makes it increasingly difficult to piece things together.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Hahn. Time is up. Thank you for your presentation. You may stand down.

SOCIETY OF UNITED PROFESSIONALS

The Chair (Ms. Goldie Ghamari): I would now like to call upon Mr. Scott Travers and Mr. Nathan Jackson from the Society of United Professionals.

A quick reminder: You will have 10 minutes for your presentation, and then there will be 10 minutes for opposition, eight minutes for government and two minutes for the independent Green Party member. Please state your names for Hansard, and you may begin.

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Mr. Scott Travers: For the record, my name is Scott Travers. I'm joined today by Nathan Jackson. I'd like to

thank you for the opportunity to address the Standing Committee on General Government. I am the president of the Society of United Professionals, Local 160 of the International Federation of Professional and Technical Engineers. We are a union of more than 8,000 professionals working in the public, private, regulatory and not-for-profit sectors. Our members are engineers, legal aid lawyers, scientists, accountants and more.

As proposed, Bill 124 would affect approximately half of our membership, including members working at Ontario Power Generation, the Independent Electricity System Operator, Ontario Energy Board and Legal Aid Ontario. The Society of United Professionals calls upon the government to abandon Bill 124 and uphold workers' rights to free and fair collective bargaining.

Before I get into the substance of my remarks, I'd like to state that we view Bill 124 as a circumvention of our statutory rights and a violation of our constitutional rights. Bill 124 is an unwarranted interference in free and fair collective bargaining, and the society's participation here today should not be viewed as a waiver of the rights of the society and/or our members to challenge the legality of Bill 124 and any other decisions and/or actions of the government.

Further, we do not believe the so-called consultations that were held just weeks before Bill 124 was tabled were conducted fairly or in good faith. The society participated in meetings on May 10 and May 14, 2019. We made submissions on all the government's questions and submitted questions to the government's legal counsel. Incomplete and inadequate answers to our questions were provided just hours before the final submission deadline. This demonstrated disinterest in genuine consultation or dialogue with public sector workers' bargaining agents. Given the timing of the consultations and the date Bill 124 was tabled, it appears that the bill was drafted before hearing from unions like us.

According to Bill 124, "The purpose of the act is to ensure that increases in public sector compensation reflect the fiscal situation of the province, are consistent with the principles of responsible fiscal management and protect the sustainability of public services."

The way in which Bill 124 impacts society members is proof that the true purpose of the legislation is simply to extract a pound of flesh from public sector workers.

None of our members at Ontario Power Generation, the Independent Electricity System Operator or at the Ontario Energy Board have a net cost to the treasury. Therefore, they do not contribute to Ontario's deficit and could not compromise Ontario's fiscal sustainability. OPG is, in fact, a major source of income for the Ontario government, IESO employees are paid through regulatory charges, and the Ontario Energy Board is self-funded.

Further, even a cursory economic and employment analysis shows that our collective agreements are already more than sustainable. First, let's look at the labour market. In just the past 12 months, Ontario has added 252,800 net new jobs, while the unemployment rate has remained at or below 6% since August 2017. This led RBC

Economic Research to declare that the province is "effectively at full employment." On economic growth, Ontario has averaged 2.5% real GDP growth over the last five years, which far surpasses the national average for real GDP growth.

If we consider society members' wages in the context of this economically prosperous period for Ontario, our public sector energy professionals have seen weighted-average wage increases between 2014 and 2018 of, in order, 1.83%, 1.75%, 1.13%, 1.04% and 1.06%. What that means is the only year in which the weighted-average wage increase was above inflation was 2015. All other years, it was below the rate of inflation.

At Legal Aid Ontario, the staff lawyers' average wage increase from 2018 to 2021 is just 1.5%, also behind CPI so far.

Next, according to the Financial Accountability Officer, Ontario's deficit is far smaller than the government stated in 2018, even after adding in billions of dollars in new spending. When we raised these issues at the meetings, there was discussion about the costs in the energy sector. So maybe you're thinking that even in the energy sector, where salaries don't affect the province's bottom line, it will still impact the cost of electricity. I ask you to recall that our electricity sector is a highly capital-intensive sector. The wholesale electricity market in Ontario amounts to about \$17 billion in transactions each year. The reality is that society members' total compensation is just 4% of that total cost.

You can find evidence of the sustainability of current and recent salary levels by looking our employers' own statements. For example, the IESO's 2019 business plan says that the agency hasn't had to increase its fees on consumers since 2011. The average residential ratepayer pays the IESO just one tenth of a cent per kilowatt hour. The government response to our members' success at IESO is that we must, in effect, take pay cuts, despite the IESO not having had to raise its rates since 2011.

Government decisions have taken a far greater toll on electricity consumers than employee compensation has. The previous government spent \$1 billion to cancel gas plants. The current government has shelled out \$133 million in penalties because its meddling ended Hydro One's Avista deal. The impact of future wage growth pales in comparison to these sums.

Part of the assurance that future wage growth will remain affordable is in our collective agreements, which provide interest arbitration as the dispute resolution mechanism. The vast majority of our public sector members are at OPG and IESO. Both of these agreements include mediation-arbitration, and the system we have agreed to takes into consideration the ability to pay and financial soundness of the employer.

In addition to infringing on our legal rights, legislating away even part of our collective bargaining rights will make it much more challenging for workers and employers to reach mutually beneficial collective agreements. Oftentimes, wage settlements are trade-offs for non-monetary changes in the collective agreement, and it's just

not possible to make these kinds of trade-offs with a heavy-handed bill like Bill 124 taking away access to free and fair collective bargaining.

The Ontario government also has a documented problem attracting the talent it needs to fill high-skill positions. In the Financial Accountability Officer's July 2018 commentary he found that "Ontario's historically low unemployment rate and an increasingly competitive labour market are contributing to more unfilled public sector positions."

Bill 124 will only exacerbate this problem, especially among professionals like engineers and lawyers, who are in high demand with skills that are easily applicable beyond the public sector.

Thank you for the opportunity to address the committee. I'll be pleased to answer your questions.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Travers, for the presentation. I now move to the official opposition. You'll have 10 minutes, beginning with MPP Shaw.

Ms. Sandy Shaw: Thank you for your presentation. I want to focus on three parts of your presentation, which are the workers themselves, the consultation process, and finally the unconstitutional nature of this bill, Bill 124.

Let's focus first on the workers. I think it would be a surprise to front-line workers in the province of Ontario that they are responsible for the debt of the province of Ontario. I think specifically of some of your members who are legal aid workers. They've already had to face—I think something like 30% of their budget has been cut by this government. We're already seeing layoffs and job loss in the province: public health nurses, teachers, PSWs. You name it; we're seeing job losses in some of these sectors.

I guess my question specifically to you would be: How would your members feel if they heard the opposition say, "We're imposing this wage freeze on you as a favour, because this way we can save your jobs"? I'm wondering if your members would be appreciative of that explanation as to why this is happening to them.

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Mr. Scott Travers: The short answer would be no, they would not be appreciative. In fact, I just left our annual convention, where we had quite a lengthy conversation about this. In the situation of Legal Aid Ontario, our members there work for very low salaries relative to private sector lawyers with comparable skills. They do it because they believe in the services they offer and in helping Ontario's most vulnerable. They also know that the Ontario Bar Association has identified that every dollar spent on legal aid saves \$6 in other parts of the jurisdiction, so they know that the 30% cut to their budget is going to, in fact, drive up costs for the people of Ontario while jeopardizing the rights of vulnerable people's access to justice. So no, they're not appreciative of this kind of legislation.

In fact, one of the things that was so ironic was when we were at the meeting to discuss the questions the government had, there was a representative they had just finished bargaining with. They had, in fact, just signed

their first collective agreement and there was a representative from finance who had been part of the bargaining team who was there during discussions. Frankly, they also found the entire process very confusing because they had just done a free and fair collective agreement, renewing at 1.5%.

Ms. Sandy Shaw: We would find the process very confusing ourselves, because it doesn't seem to follow due process, but that's another question I'll get to.

If I could just focus a little bit further on the workers themselves, one of the things we've been hearing here is that the deficit—this is about addressing the fiscal reality. What is, actually, the current fiscal reality—the current, current fiscal reality? Because we have had a government that has inflated the deficit to use as a sledgehammer to impose these drastic cuts on front-line service workers, in addition to the fact that we have seen, as has been mentioned before, significant increases to deputy ministers. These are the kinds of highly paid public service workers that most people think of when they look at this legislation, not the front-line workers and PSWs and so forth.

But the other part is that this government has handed itself out promotions that have resulted in huge increases to their salaries. That's self-dealing, where they created more parliamentary assistants; they have the largest cabinet of ministers in the country, I believe; they created something called associate ministers. They've increased government. They've created big government and handed themselves big increases to their salaries while we're asking the lowest-paid workers in the province to tighten their belts.

What would you have to say about that to the government, or how would your members feel about that irony? Or hypocrisy, I guess, is the word.

Mr. Scott Travers: The word you used, "hypocrisy"—certainly the sentiment of that was a lot of our discussion at our convention recently: the unfairness of the request, the unfairness of the process, where there had really been no ability to discuss what a sound fiscal policy for the province would be, to simply come in and demand these kinds of concessions without any discussion. There was no ability to discuss proper financing for the province or what the appropriate debt would be—and really, the unfairness.

Again, I spoke about the legal aid organization earlier, but I'll go back now to the electricity sector and, again, the hypocrisy. One of the first things this government did was interfere in Hydro One with a cost of \$133 million to Hydro One and the sector, no end of poor decisions by government in the past and yet, again, turning to our members, asking us to effectively take pay reductions.

Ms. Sandy Shaw: And if I could add to that, this is a current government that railed against the Liberals' fair hydro plan. In fact, they're continuing to support the fair hydro plan at a cost of \$4.2 billion to the taxpayers of Ontario. I think that would be news that your members would like to hear. That's the kind of money the government is prepared to spend to subsidize IESO, but when it comes to the front-line workers who are just trying to pay their hydro bills, which are actually going up despite the

Premier's promise for them to go down 12%—this would be something that would be really difficult for those workers to accept, I believe.

But my question is on the whole idea of the unconstitutionality of this bill. I know that in my riding of Hamilton West—Ancaster—Dundas, CUPE Local 3906 are teaching assistants. They make \$11,000 a year. They were at the bargaining table, literally, on the day that this bill was tabled, and management just stepped away from the table. It is affecting the free and fair collective bargaining process, mindful that 98% of all collective agreements happen at the bargaining table. So the fact that this is impacting our free and fair collective bargaining rights, as we speak, the fact that everyone and their brother and sister will be wanting to challenge the constitutionality of this—how does this make any sense for a government that's trying to save money when they're going to be spending money on lawyers and legal fees and settlements?

Mr. Scott Travers: Our view is that the bill is unconstitutional, and it will be challenged. To some of your points: In our history as a union, we've only had one round of collective bargaining where there was a work dispute; the employer locked us out. Other than that, in our entire history, we've never had a strike. As I mentioned, our largest public sector employers, Ontario Power Generation, IESO, have binding arbitration as the dispute mechanism and we have the rules for the arbitrator built into the collective agreement. As I mentioned, those rules direct the arbitrator to make a fair and independent decision based on general economic conditions in comparison to the private sector and on the employer's ability to pay. We did bring these points up in our meetings in May that the government could achieve its objectives without imposing Bill 124 on our members and interfering with their constitutional rights to free bargaining.

Ms. Sandy Shaw: Right. So the system works without having to put the thumb on the scale on the part of the government, and they should have at least tried at the bargaining table. They skipped that process altogether.

Mr. Scott Travers: Yes. We've been at the bargaining table at Ontario Power Generation since June and our two-party negotiations just completely stalled with Bill 124 looming over the process.

Ms. Sandy Shaw: Thank you. I'm going to cede to my colleague.

The Chair (Ms. Goldie Ghamari): MPP Glover.

Mr. Chris Glover: Thank you for your presentation. You mentioned the worker shortage reported by the FAO. Can you give us some details about the actual impact that that is having on the services that are provided at the agencies that you're working with?

Mr. Scott Travers: We did reference in our written submission the electricity human resources council report, which is a national report on staffing specifically within the electricity sector. That document has pointed out upcoming shortages in—now I'm going to have to get my reading glasses out.

Interjection.

Mr. Scott Travers: So to date—Nathan?

Mr. Nathan Jackson: Sure, I'll jump in with this. The EHRC report said that the sector needs to recruit 20,000 new employees—that's the electricity sector—15,414 of which to replace retiring employees and almost 3,000 to meet expansion demand.

The reason why we highlight the EHRC report is because I think it does highlight the skilled nature of the work our membership does. Workers in the electricity sector are in very high demand in relatively high-paying jobs across the province and across the country. If wage growth in this sector doesn't keep up with what we're seeing in the private sector or in other parts of the country, it's very easy for our members to find work with other employers because they're in very high demand.

I would say—Scott touched on it—it's a similar argument with our legal aid lawyers as well. These are our—

The Chair (Ms. Goldie Ghamari): Thank you very much. That's time.

I now turn to the Green Party independent member. You will have two minutes.

Mr. Mike Schreiner: Thank you, Mr. Travers, for being here today. I really appreciate it. I just want to be clear on this: Bill 124 would apply to you. I share the government's concern and the opposition's concern about the deficit, but it's my understanding that it would apply to you and affect the deficit in no way. Is that correct?

Mr. Scott Travers: That's correct. It would have absolutely no impact on the deficit whatsoever. None of our members are paid from tax revenue. They're paid out of the energy sector.

As I mentioned, the IESO hasn't raised its tariffs since 2011 and Ontario Power Generation has just finished its second year of record-breaking profits of \$1.2 billion, and it pays revenue into the coffers.

Mr. Mike Schreiner: Right. I guess the costs of a court challenge—taking away your constitutional rights to bargaining will cost the deficit more than any costs associated with a labour agreement with your members.

Mr. Scott Travers: I would agree with that. Yes.

The Chair (Ms. Goldie Ghamari): One minute.

1450

Mr. Mike Schreiner: And I guess in that case, the cost of meddling in the affairs of a private corporation like Hydro One costs the province's deficit more than taking away your members' constitutional rights to collective bargaining. Is that correct?

Mr. Scott Travers: Yes, that's correct. There was a direct cost of \$133 million, which would affect returns from Hydro One to the province. That's right.

Again, a lot of our conversation in May was to challenge why they were doing this. We were able to provide the evidence that our wages were, in fact, below the rate of inflation, and we provided evidence that sustainability is an issue, not just from wage growth, but also from the ability to attract high-quality people to run one of the most sophisticated energy sectors in the world and to defend public, vulnerable people—

The Chair (Ms. Goldie Ghamari): Thank you very much.

I now turn to the government, beginning with MPP Harris.

Mr. Mike Harris: Thank you, Mr. Travers, for being here today. Obviously you're in a bit of a unique position, representing the folks you do within our society.

I heard you make reference a few times to the IESO not increasing their tariffs or rates since 2011. Part of the reason why I got into politics was because of the Liberals' Fair Hydro Plan. I was not a huge fan of it. Everyone over here will laugh, because I always bring up my five kids when I talk about different things in the Legislature, and that really was one of the key, core reasons as to why I'm sitting here today. I'm curious to know—and you alluded to this, so maybe clear it up a little bit for us—are you in favour of raising hydro rates in order to pay your workers more?

Mr. Scott Travers: I am in favour of fair outcomes at the bargaining table. I am in favour of our members being paid a fair and competitive salary for the skills they bring to the table. I think that whether a person's employer is a public sector employer or a private sector employer, there is a process for establishing wages. I think that if you have a highly skilled employee, such as a professional engineer, who has expertise in an area, that employee is deserving of fair compensation, and I don't think that that should be established unilaterally by a government without regard to what the market is and what compensation for such a position would be.

Mr. Mike Harris: So raising hydro rates to be able to do that would be part of something you'd like to see?

Mr. Scott Travers: The hydro rates are regulated by the Ontario Energy Board. Part of what is a little confusing for our members in this process is, Ontario Power Generation puts together a submission to the Ontario Energy Board where they submit their costs, and we have very public and transparent hearing processes where the Ontario Energy Board allows Ontario Power Generation, for example, a rate for the energy they produce. So there is oversight through the Ontario Energy Board on Ontario Power Generation's cost structures, and Ontario Power Generation negotiates with our members for their services.

Mr. Mike Harris: Obviously outside of raising rates, because I don't think anybody wants to see that—and that was an excellent non-answer, by the way—what could we do, as a government, thinking outside the box, to be able to try and move on reducing down our \$360-billion largest subnational debt in the world? We inherited, obviously, a \$15-billion deficit from the previous government last year. What are some creative ways that you think we could move forward with that agenda?

Mr. Scott Travers: We did actually ask at the so-called consultations in May if that topic was open for conversation. We were told that it was not. So I didn't really come here today with a full presentation on that. But certainly what we tried to point out is that we believe there should be an appropriate review of corporate tax rates—they have been lowered over time—and that our view was that there are two sides to a deficit; there is revenue and there is spending. We asked if we could have a conversation on

that, and we were told no, that was not open for conversation.

Mr. Mike Harris: Okay. Thank you.

The Chair (Ms. Goldie Ghamari): MPP Mitas.

Miss Christina Maria Mitas: Hi. Thank you for being here as well. Continuing on the compensation topic, currently our government is spending roughly half of our expenditures on compensation, so approximately \$72 billion annually. Given the fiscal realities that we are facing as a province—as we know, it's dire—does your organization think that it is important to manage compensation growth to protect the long-term sustainability of the public service?

Mr. Scott Travers: So again, this was the dialogue that was presented. What I've pointed out is that the members that the society represents are not paid for out of government coffers; they're paid through the electricity sector. So we do not have any impact on the expenditures, so your data doesn't really apply to us. That is part of what we tried to point out: that this is a very broad, far-reaching bill—

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Scott Travers:—very blunt. When we tried to have the conversation about sustainability and about our sector and our members, there was no ability to have that conversation in the meetings.

Miss Christina Maria Mitas: So as I'm giving you the opportunity here, do you think that our overall compensation growth trend is sustainable as a province?

Mr. Scott Travers: My understanding is that wage growth in the public sector has been running, in other unions much as in ours, below the rate of inflation. When we asked the government for a definition of sustainability, they refused to give us a definition.

I struggle to understand a position that would present that wage growth below the rate of inflation—which means that the employees are actually taking pay cuts year over year—is seen as unsustainable, as in too high. It may be unsustainable as in it's going to become difficult to find skilled people to fill the positions, and that was part of the sustainability argument we wanted to have in a discussion. It seems that the government is focused on sustainability with the mindset that any salary is too high a salary, but there is another piece to sustainability, which, as we mentioned, the Financial Accountability Officer has pointed out: When you're running at full employment, if you start putting salaries that are less than market value on the table, you may in fact end up having trouble attracting quality employees.

Miss Christina Maria Mitas: So what would you do differently?

Interjections.

Mr. Scott Travers: Are you offering me the Premier's position?

The Chair (Ms. Goldie Ghamari): Excuse me; sorry. I would like to take a moment to remind all members to provide the courtesy of your attention to the member who has the floor and to the presenter here today. Any comments must be made through the Chair. If I have to

stop these proceedings again and remind members, I will be docking 30 seconds from your time moving forward.

You may continue.

Ms. Sandy Shaw: Well, I do have a point of order. The questions that MPP Mitos are asking are not specific to Bill 124 that's currently before us.

The Chair (Ms. Goldie Ghamari): You do not—okay, fine. Continue. You may continue.

Ms. Sandy Shaw: That's my point of order: that the questions that MPP Mitos are asking are about a prospective consultation that hasn't taken place. They're not about the bill that is before us and what is in the bill. They're speculative questions that go outside the scope of this committee hearing.

The Chair (Ms. Goldie Ghamari): I have been listening intently, and the questions are within the scope of the bill. We're going to proceed.

Moving forward, let's just remind everyone to keep them within the scope of the questioning. But at this point, I see no issues.

Ms. Marit Stiles: I agree.

Mr. Scott Travers: I will quickly answer that question. I'll start out by saying that my understanding is that the deficit is only \$7.4 billion, not \$15 billion. When you ask what I would do, I would engage in free and fair collective bargaining at the lowest level possible. When you impose high-level solutions, you create inefficiencies. When you allow agencies to bargain at the local level, they can find efficiencies by doing trade-offs between monetary and non-monetary items. For example, in our jurisdiction, we have sometimes made concessions on the ability for employers—

The Chair (Ms. Goldie Ghamari): Thirty seconds.

Mr. Scott Travers: —to contract work out to third parties in exchange for salary. A broad interference like Bill 124 will, in fact, in my view, create inefficiencies rather than save money.

The Chair (Ms. Goldie Ghamari): We are now out of time. Thank you. You may stand down. Thank you for your presentation today.

ONTARIO ENGLISH CATHOLIC TEACHERS' ASSOCIATION

The Chair (Ms. Goldie Ghamari): I would now like to call upon Liz Stuart and Paul Cavalluzzo. You have 10 minutes for your presentation. Please state your names, and then you may begin.

1500

Ms. Liz Stuart: I'm Liz Stuart, president of the Ontario English Catholic Teachers' Association.

Mr. Paul Cavalluzzo: I'm Paul Cavalluzzo. I am counsel to the association.

Ms. Liz Stuart: I'm here today on behalf of 45,000 Catholic teachers across the province to share our views on Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act. Catholic teachers oppose this legislation in the strongest possible terms. Bill 124 is yet

another example of how this government is attempting to trample on the legal rights of Ontarians.

There are many problematic and regressive aspects to Bill 124. Today, I will focus my comments on three areas of particular concern to my association: the way the bill interferes with free and fair collective bargaining; the faulty foundations on which it is built; and the government's misleading rationale.

First, Bill 124 clearly hinders collective bargaining rights. Although the proposed legislation states expressly that the right to bargain collectively and the right to strike can continue, the legislation has a very prejudicial effect on the collective bargaining process. Like any other Ontarian, teachers and education workers deserve the right to bargain issues such as compensation and working conditions.

Our association places a priority on negotiating an agreement that recognizes Catholic teachers' vital contributions, protects against this government's reckless cuts, and ensures quality learning and working conditions in our schools. To work toward this, we expect to be able to engage in free and fair negotiations. Instead, in June, before our first bargaining session had taken place, the government introduced Bill 124.

Since then, the Minister of Education and other members of the Conservative government have continued to make public statements about using the proposed legislation to address the issue of salary. Such statements clearly interfere with our collective bargaining rights.

Now the government has returned from the longest summer recess in a generation and is trying to ram Bill 124 through the Legislature at warp speed. Why? What purpose does this serve?

Given the timing of the introduction of this bill and the haste to get it passed into law, it seems clear that the bill targets teachers and education workers, tying the hands of both the employer and employee representatives who are currently negotiating collective agreements. This is unacceptable, and in our view, it is unconstitutional.

Ontarians fundamentally understand that workers have a right to collective bargaining in a process that is fair and free from interference. These rights have been upheld by all courts, including the Supreme Court of Canada. Bill 124 is an attack upon these rights. It is a sad irony that a government claiming to be for the people has introduced legislation that strips people of their rights.

Next, I would like to provide clarity on some of the government's assumptions and rationale related to this legislation. For instance, it's important for all Ontarians to understand that any idea about public sector wages being excessive or out of control is false. In fact, according to Ministry of Labour data, in all but one of the past nine years, private sector wage increases have outpaced those in the public sector. Teacher wage gains follow the same pattern.

As the independent Financial Accountability Office has made clear, since 2010, the average annual growth rate of teacher salaries has been half of that in the private sector.

In fact, over the past decade, wages for all public sector unionized workers have failed to keep pace with the rate

of inflation. Bill 124 would not only continue this trend; it would entrench it into law. It would say to public sector workers that we are not deserving of salaries that maintain the cost of living. This would be a shameful statement for the Ford government to make.

I would also like to shine some light on the government's continued efforts to misrepresent the facts about Ontario's finances. After Bill 124 was introduced, Treasury Board president Peter Bethlenfalvy claimed that putting a cap on compensation is necessary because of the province's fiscal reality. He and other members of the government speak frequently about Ontario's deep deficit. Despite these attempts to mislead Ontarians, last month we had confirmed what many Ontarians already expected: The Ford government is using controversial accounting practices and unrealistic projections to inflate the deficit. In reality, the Financial Accountability Office pegged the deficit at \$7.4 billion, which is half of the \$15-billion figure that Premier Ford continues to cite in the Legislature.

Behind the deficit distractions is another, more fundamental problem. The Ford government has committed to an agenda that would deepen Ontario's long-standing revenue problems. Ontario remains the lowest per capita spender on government programs of any province. We are also the lowest per capita collector of revenue, which is largely the result of personal and corporate tax cuts under successive governments over the past few decades. Unfortunately, the government has chosen to make the problem worse by cutting taxes for wealthy individuals and corporations, while eliminating revenue-generating programs such as cap-and-trade, which would have generated \$3 billion in revenue over four years with a portion of that allocated to annual funds for school repairs.

We can agree on the importance of making efficient and effective use of public resources, but this government's fixation on reducing spending and cutting taxes is short-sighted and counterproductive. We've already seen the effects of this approach in our publicly funded education system. Despite the government's disingenuous claims of historic investments—

The Chair (Ms. Goldie Ghamari): Three minutes.

Ms. Liz Stuart: —the reality is that they have cut per pupil funding and are spending almost three times less on core education costs than what is necessary to keep pace with inflation. The increase they talk about is entirely the result of a new boutique tax credit which has absolutely no bearing on classroom funding and for which less than 0.1% of families will be fully eligible.

When you cut through the government spin, the reality becomes clear: It is impossible to reduce core spending in education and other social services without negatively affecting the well-being of individuals and families. These reckless and devastating cuts are choices, not moral imperatives. Just as the government should be able to find ways to manage its budget without damaging our world-class publicly funded education system, they should be able to do so without stepping on the constitutionally protected rights of public sector workers.

The bottom line is that despite its title, Bill 124 has absolutely nothing to do with protecting the public sector or making it sustainable. It is, instead, a statement about how the Ford government chooses to undermine public sector workers and our rights. These rights are fundamental. They should not be time-allocated or confined to one day of committee hearings. The government may believe it has a mandate for actions like these, but our association believes that Ontarians expect the government to fulfill its duty to uphold constitutional rights. We also expect the government to foster an environment in which public sector workers feel respected and supported. Bill 124 does the exact opposite. It is an attack on the public sector, it is an attack on workers and it is an attack on the fundamental rights of Ontarians. No amendment can salvage a bill so fatally flawed.

The Chair (Ms. Goldie Ghamari): One minute.

Ms. Liz Stuart: Catholic teachers join with workers across the province in demanding the government withdraw Bill 124 immediately and instead concentrate on building positive, productive relations with Ontario's public sector workers.

Thank you. I'd be happy to take questions.

The Chair (Ms. Goldie Ghamari): Thank you very much for your presentation. I will now turn to the Green Party independent member.

However, prior to doing so, a reminder, again, to all members: Loud, private conversations are discouraged in committee. I would ask that those willing to do so carry on such exchanges outside in the hall.

I now turn to the independent Green Party member. You have two minutes.

1510

Mr. Mike Schreiner: Thank you, Ms. Stuart, for being here today. I wonder if you'd expand a bit more on why it's so important and why you're so concerned about the need to protect people's bargaining rights.

Ms. Liz Stuart: I think what we have seen ever since the government took office is there has been a systematic attack on workers' rights. They recalled the Legislature to pass back-to-work legislation during the York strike. They've instituted public sector wage freezes that cancelled planned increases to the minimum wage. There was no consultation at scrapping Bill 148, on fair workplaces, which would have raised the minimum wage to \$15 on January 1, 2019.

In order for workers to move ahead, they need to know that they can engage—

The Chair (Ms. Goldie Ghamari): One minute.

Ms. Liz Stuart: —in meaningful dialogue with their employer so that they can ensure that the needs of their membership have been heard and the needs of those workers are being heard. This bill fundamentally removes that right.

Mr. Mike Schreiner: My time is very limited, so, quickly, the previous delegate said that you can find efficiencies and savings at the bargaining table in good faith. Do you believe that's the case with your bargaining as well?

Ms. Liz Stuart: I would say that I have been bargaining for a very long time, both locally and provincially. We have always come to the table with an open mind ready to negotiate and work together. When a government introduces legislation before we even hit a bargaining table, and then while we are at the table moves to push it through as fast as possible, I would say that makes it very, very difficult for us to have the types of conversations that may be necessary.

Mr. Mike Schreiner: Thank you for your time.

The Chair (Ms. Goldie Ghamari): I now turn to the government. We will begin with MPP Parsa. You may begin.

Mr. Michael Parsa: Thank you very much, Madam Chair. Thank you very much, both, for being here. My first question is the average salary of your members, both in elementary and secondary schools—what are they?

Ms. Liz Stuart: The average?

Mr. Michael Parsa: Roughly.

Ms. Liz Stuart: I believe it's \$82,000, but I could be wrong.

Mr. Michael Parsa: And how do they rank nationally, compared to other jurisdictions?

Ms. Liz Stuart: Off the top of my head, I couldn't give you that answer. I believe we're toward the top end of that, but I'm not 100% certain.

Mr. Michael Parsa: Okay. We talked about the salary increases. I just want to point out that increases that are resulting from movement in the salary grid, or increases that are resulting from merit or acquiring educational credentials, are exempt in this bill. I just want to point that out.

Also, the timing of it that you mentioned—you mentioned about the timing of the bill. This was initiated in April—a consultation process. June 5, the bill was put forward. The process remained open for people to be able to come in with questions and comments and suggestions; perhaps, for example, the benefits pooling was as a result of these consultations that came from our stakeholders and partners. That has now been April 4 to—we're now at November 4. It's quite extensive. How much time would you spend on consultations on all of this? What would you think is fair? We're talking now of April 4 to November 4.

Ms. Liz Stuart: During the consultations, which were quite limited in scope, we made it very clear that we believe that salary negotiations belonged at a bargaining table. The legislation was tabled on June 7. We had already filed, but we arrived at a bargaining table on June 17. We have currently sat, and have been for over 21 days now at the bargaining table, bargaining in good faith, because we believe that fair collective bargaining happens through dialogue and discussion, not through legislation and regulation.

Mr. Michael Parsa: Okay. The government was recently able to reach a voluntary deal with CUPE, the educational workers. That included a 1% salary increase. Do you believe that would be a reasonable outcome for your union, and if not, why?

Ms. Liz Stuart: I believe that many public sector workers—I will speak for teachers—have already faced

wage restraint in the public sector over the past decade. If you look at the Financial Accountability Office, that also confirmed that. The average annual growth rate of teachers' salaries since 2010 has been about half of that in the private sector—about 0.9% versus 1.8% annually. The annual salary growth for teachers over the past decade has been half of COLA.

Teachers and educators, like all Ontarians, deserve the right to engage in free and fair negotiations, as our CUPE sisters and brothers did. That is what we are asking for. We are asking for the ability to have free, fair and open contract negotiations, which will come to whatever resolution they come to, without it being imposed upon us through legislation.

Mr. Michael Parsa: Given the state that we're in, Ms. Stuart, and our—it's not a secret; everybody knows. We've repeatedly talked about the \$360-billion debt. We're burning billions every year to service this. One of the reasons that I wanted to run for office is, as a small business owner—and the other small business owners here as well can tell you that when we have difficult times, and people go through them, you have to make decisions. Given that the province is now \$360 billion in debt, with billions of dollars going every year, that are not going to schools, that are not going to hospitals, infrastructure—our traffic on the road speaks for it; it was neglected for years and years—how would you address that?

The Chair (Ms. Goldie Ghamari): Three minutes.

Ms. Liz Stuart: There are two issues here. I think we have to recognize that if there is the deficit—we know it's not the \$15 billion that the government has talked about—

Mr. Michael Parsa: I'm sorry to interrupt you; my apologies. But we know we have the highest subsovereign debt in the world. We're now paying over \$13 billion—billions of dollars every year to service the debt.

Ms. Liz Stuart: We also recognize that Ontario has one of the lowest per capita spending in public services, but it also has the lowest in terms of revenue production. So perhaps not cancelling things like cap-and-trade would have been helpful, perhaps looking at corporate tax rates would be helpful—so that we could look at revenue tools.

I strongly advocate for the fact that education—as is health care—is an investment. We are investing in the future of the students of the province. It is important that we make sure we adequately fund that. It is not a profit centre. It is an investment in the future of the province.

Mr. Michael Parsa: Ms. Stuart, we agree with that, which is why we're making those decisions—to make sure that, as I said earlier, these vital services are available now and in the future, which is why we increased funding in education, which is why we increased funding in health care.

Madam Chair, I'd like to pass on my time to my colleague Rudy Cuzzetto.

The Chair (Ms. Goldie Ghamari): MPP Cuzzetto.

Mr. Rudy Cuzzetto: Thank you for being here. I have a lot of family members who are Catholic teachers in Ontario, so I'm really proud that you're here today.

What feedback would you have given during the consultation process that would have helped?

The Chair (Ms. Goldie Ghamari): One minute.

Ms. Liz Stuart: We actually have said consistently that we believe that these conversations belong at bargaining tables, where true decisions can be made for the good of all. That has been our feedback consistently—that these matters, especially salary, belong at bargaining tables.

Mr. Rudy Cuzzetto: Why didn't you provide feedback during the consultation period?

Ms. Liz Stuart: We actually provided the messaging that we believe that this belongs at the bargaining table. I will ask Mr. Cavalluzzo to expand, but we believe it is unconstitutional to do wage restraint through legislation.

Perhaps you could finish?

Mr. Paul Cavalluzzo: Yes. One of the things that section 2 of the charter guarantees is the right to bargain collectively.

1520

The Chair (Ms. Goldie Ghamari): Thank you. Time is now up.

I will now turn to the official opposition, beginning with—who would like to go? MPP Stiles.

Ms. Marit Stiles: Thank you. Mr. Cavalluzzo, would you care to continue what you were beginning to explain? We would really like to hear it.

Mr. Paul Cavalluzzo: Thank you.

Ms. Marit Stiles: Thank you.

Mr. Paul Cavalluzzo: The Supreme Court of Canada has been very clear that workers in this country are constitutionally guaranteed the right to bargain collectively. The reason for that is the only way that workers can really advance their collective goals is to act collectively in some kind of association or union.

When the government interferes, particularly in regard to salary, which is of course one of the most important working conditions that a worker has, it's a massive affront to the workers' rights. This is how the workers have advanced in this country for over 100 years, and when governments arbitrarily step into the process and take away those rights that are so important and cherished to workers, it can only lead to arbitrary results. That's what we're going to see with this legislation, and we're quite confident that it is unconstitutional.

Ms. Marit Stiles: Thank you. I appreciate that, and I might ask you to even expand a little more in a moment on that.

First of all, I just want to say thank you for being here at very short notice. I understand it's really a privilege to have both of you here in the Legislature today on this important and, I'd say, unfortunate legislation. I thought that the member opposite's questions with regard to consultation were perhaps maybe a little unfair, given the circumstances and actually the significant lack of consultation that has happened.

I know you mentioned, Ms. Stuart, the timing of this with regard to your bargaining, and I know how hard bargaining is. I've been on both sides of the table, and I appreciate how much work and pressure you're under right now and how hard you're working, I'm sure, to come up with a fair deal and to bargain in good faith.

Can you expand a little bit more on how that felt to your members when the government came out, just as you were about to head into bargaining, with what amounts to, I would even argue, a bit of a threat in terms of where you could be headed in those negotiations, how that feels heading into bargaining?

Ms. Liz Stuart: I will tell you that we have a membership who are extremely discouraged on a number of fronts. Heading to a bargaining table where there have already been significant changes to their working conditions, where we are watching our most vulnerable students lose valuable services, where we are looking at struggling students who require courses to graduate—and that is just in year one of these massive changes. When we compound that by the feeling that they are undervalued and disrespected because rather than having conversations at a bargaining table, they are faced with a government who chooses to legislate or—barring reference to class size—regulate before we've had an opportunity to have those full dialogues which we have done and proven ourselves to do in a collegial, open, problem-solving manner in the past, and certainly that is how we approach everything, it's extremely discouraging.

But I think one of the biggest pieces is just the feeling of discouragement they have when they look at those most vulnerable students and realize that they don't have the time to deal with all of those students, nor do they have the resources that those students desperately need.

Ms. Marit Stiles: Absolutely. Thank you for that. Further to that, I don't remember the exact saying, but it's along the lines of the teacher or the education worker's workplace is the student's learning environment.

Ms. Liz Stuart: That's right.

Ms. Marit Stiles: I wondered if you wouldn't mind expanding a little bit as well, further to that in relation to the bill, what it is like right now facing the changes that we've seen: the impact of class size increases, the threat of mandatory e-learning programs, the 10,000 teachers who are expected to be cut in this province over the next four years. But the status quo wasn't all that great either. I know, having spoken to many of your members before, the experience of violence in the classroom, for example, is something that, again, is experienced by the education workers, but also students. I wonder if you wouldn't mind expanding a bit more on that.

Ms. Liz Stuart: As you know, we did a study a few years ago regarding violence in the schools. We discovered that fully 90% of our membership reported that they had either witnessed or had been subject to some form of violence or harassment in the workplace. Those numbers we found completely staggering but not surprising. I know that other affiliates have done similar studies, and the information continues to come back the same. And that was before many of these cuts.

One of the major things that we focused on for the longest time was student mental health, because the bottom line is that student mental health impacts teacher mental health. It impacts education workers. It impacts an entire school, and there are inadequate resources.

In 2017, during the extension agreement, we actually managed to negotiate those local priority grants, those monies that we were able to dedicate. What we did as an affiliate, because it was open dialogue—we were able to talk about what the needs of the system were. Part of that was putting in additional mental health supports because we understood that that was so necessary in order to make sure that the students who are the most vulnerable within our schools would be able to access services or, at the very least, be able to access someone who could assist them and point them in the right direction. That funding was lost.

The Chair (Ms. Goldie Ghamari): Three minutes.

Ms. Liz Stuart: Now we no longer are able to offer those supports to students.

We're looking at class sizes. If I'm a teacher in a secondary school right now, I have a classroom that is much larger than what I had last year. I look down the hall and see my friend, and my friend is retiring next year. I know that there will be no one to replace them. But those students are still going to remain, and those students still need to be served. We still need to make sure that students have pathways forward.

I know it sounds very simplistic when we boil it down to numbers, be it 22 to 1 or 25 to 1 or 28 to 1, whatever number you want to pick. It sounds simplistic, but it does not mean to say that there were, last year, 22 secondary school students in each classroom. That is not what happened. What it actually meant is that you may have a class where there were only 10 students because it was a specialized program. But you would have another class down the hall where there could be 32, who were in an academic math, because that is how the averages worked.

Now what we're looking at is: Either those smaller classes don't run, or they do run and you've got classes of nearer 40—or we have students who are trying to complete programs, who need that grade 12 university physics course—

Ms. Marit Stiles: It's gone.

Ms. Liz Stuart:—and it's gone, because there are only 15 other students in the school who would require it. Those are the impacts that are being felt, and it's not a simple—I know that e-learn is a tool, and it is a tool that is currently used and is successful for some students. But it is not successful for the vast majority of students—

The Chair (Ms. Goldie Ghamari): And that concludes our time. Thank you very much for your presentation. You may stand down.

UNIFOR CANADA

The Chair (Ms. Goldie Ghamari): I would now like to call Jim Kennedy and Sarah Sullivan from Unifor Canada. Please come forward. You'll have 10 minutes for your presentation. Please state your names for Hansard, and you may begin.

1530

Ms. Sarah Sullivan: I'm Sarah Sullivan.

Mr. Jim Kennedy: Jim Kennedy.

Mr. Mike Yam: Mike Yam.

Ms. Sarah Sullivan: Good afternoon. My name is Sarah Sullivan. I'm an executive member of Unifor 5555 at McMaster University. To my left is Jim Kennedy, the president of the Unifor health council and a 29-year health care worker. To my right is Mike Yam, a Unifor researcher.

We are here to speak on behalf of our 160,000 Unifor members across the province. This includes 26,000 members in health care, over 4,000 members in education and 2,400 members working in social services.

First of all, the context for this bill is important. Since coming to power, we have heard this government talk about controlling government costs and scaling back spending, despite the impact it could have on public services. However, when it comes to the important public services that Ontarians rely on, we do not believe that there is a spending problem. The reality is that government spending since 2011 has not kept up with population growth, and Ontario has the second-lowest spending per capita out of all the provinces.

This government's first budget saw public program funding reduced, frozen or marginally increased at sub-inflationary rates for all sectors. These projected levels of funding are very concerning given the growth in the population, program demands and other rising costs of programs.

Fundamentally, there is a problem with attacking public sector workers with wage-restraint legislation—first is the issue of fairness. Over the last decade, public sector wages have lagged behind private sector wages. In health care, where Unifor represents the most members in the public sector, the gap is even larger. Wages have not kept up with inflation, and with this bill, you're asking public sector workers to take a pay cut in real dollars. Our members are continually taking pay cuts due to rising inflation, and our wages are not keeping up. Food, housing, utilities and all aspects of our lives are increasing in cost, yet we are expected to do more with less money.

I would argue that this government's fiscal crisis is not the product of unreasonable public sector compensation, but rather unreasonable cuts by government to its sources of revenue. The province should not be subsidizing its revenue cuts on the backs of our hard-working members.

Ontario's budget can be balanced, but it should be done without harming the post-secondary workers who play a vital role in the education of the next generation and the leaders of tomorrow. Our students and our workers deserve better than a fiscally starved post-secondary education system. Staff and faculty are the lifeblood of our post-secondary institutions, and without skilled staff, our post-secondary system will suffer. We want nothing more than to watch our students succeed and become contributing members of society, but this bill makes it incredibly difficult for many excellent workers to consider staying in post-secondary education.

There is a wide degree of variation between post-secondary institutions in Ontario with respect to resources, employee labour relations, wages and the cost of living. The suggestion that a one-size-fits-all approach would be

beneficial is short-sighted and does not take any of these factors into consideration.

Mr. Jim Kennedy: I'm going to speak a little bit about the competitiveness of this bill. I think it's irrational for this government to presume that it can continue to attract and retain dedicated workers in vital public sector industries in the context of never-ending pay cuts.

If the government continues to suppress wages in the already short-staffed health care sector, and if these wages remain below the level of inflation like they have over the past 10 years, it risks creating a crisis in the supply of workers needed to care for Ontario's aging and growing population—a crisis that, as a health care worker, I would say is already here.

For example, the health care system is already experiencing a province-wide shortage of personal support workers, or PSWs. This shortage is reaching, and some would argue it's already at, a crisis level in the home care and long-term-care fields, making it very hard for them to recruit and retain PSWs to look after our loved ones' daily living. Wage restraints under Bill 124 will simply exacerbate the already crisis situation here in Ontario, with more PSWs and other health care workers looking outside of their sector and searching for alternative and often better-paying work in other sectors.

Wage suppression is a counterproductive strategy because it restricts aggregate demand and increases financial fragility. Nearly three fifths of Ontario's GDP is driven by household spending. By introducing a bill like Bill 24 and restricting the growth of labour compensation below the price level of inflation, the government reduces the ability of households to meet their financial obligations, which, counterintuitively, hold-back GDP growth, thereby exacerbating the province's financial challenges.

In short, wage suppression through Bill 124 also means that over-leveraged households have to rely on ever more debt to keep up with the ever-rising cost of living.

Precarious and low-wage work within this bill has been forgotten. Bill 124 seemingly ignores the issue of precarious and low-wage work in this province. Combined with the rollback of labour rights in Bill 47, the Making Ontario Open for Business Act, this government has turned its back on the most marginalized workers in Ontario. Many of these workers, both unionized and non-unionized, in the public sector make below or near \$15 an hour, part-time and casual, with a disproportionate number of these part-time and precarious, lower-wage earners being women, who often have to work multiple jobs to make ends meet.

Introducing wage restraints with Bill 124 would put long-term-care homes at an even greater disadvantage when they're trying to recruit and retain workers in an already competitive market. This was also pointed out by the Honourable Eileen Gillese in her public inquiry into long-term care—

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Jim Kennedy: I'm going to talk a little bit about the infringement of bargaining rights. I feel strongly that Bill 124 is a clear move that interferes in the collective

bargaining process. Legislation that heavy-handedly limits bargained compensation increases is not only immoral, but it's a direct attack on workers' collective bargaining rights. The government must ensure that collective agreements are fairly and freely negotiated in good faith between employers and unions on behalf of their members. These agreements are mutually agreed upon by both parties, which, in my mind, is an ideal situation, as opposed to having working conditions imposed by the government without any bargaining input.

Bill 124 violates the constitutional right of Ontario workers to engage in the collective bargaining process. The Charter of Rights and Freedoms enshrines the fundamental freedom of Canadians to associate in pursuit of establishing collective working conditions. This includes the worker's right to organize and unionize, the right to collectively bargain and the right to withdraw their labour. The Supreme Court of Canada has said that "a process of collective bargaining will not be meaningful if it denies employees the power to pursue their goals." Consequently, "a process that substantially interferes with a meaningful process of collective bargaining by reducing employees' negotiating power is therefore inconsistent with the guarantee of freedom of association enshrined in ... the Charter of Rights and Freedoms."

Bill 124 also interferes with the interest arbitration process in resolving bargaining disputes. Many of the people in the health care sector rely on this interest arbitration process as essential service workers do not have the right to strike.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Jim Kennedy: In order to preserve the integrity and independence of the interest arbitration process, arbitrators and boards of arbitration must be seen to be independent of government, not enforcers of government policy. This includes ensuring that collective bargaining disputes are resolved by an impartial, independent third party.

Unifor recommends the withdrawal of Bill 124, a piece of legislation that not only undermines the collective bargaining process but attacks the workers in the broader public sector—workers who are often undercompensated and underappreciated, workers who care for the vulnerable people in our communities and form the backbone of the public and social services that the people of Ontario rely on.

I plead with you to withdraw Bill 124.

The Chair (Ms. Goldie Ghamari): Thank you very much for the presentation.

We're now going to recess. I would ask all members to return here after the vote so that we may continue with our proceedings.

The committee recessed from 1540 to 1558.

The Chair (Ms. Goldie Ghamari): The Standing Committee on General Government will now come to order.

At this time, we will begin with questions from the government side. We will begin with MPP Harris.

Mr. Mike Harris: Thank you all for being here today and presenting to us. I just had a bit of a question as to the consultation phase and when you took part in that. During the consultation process, we heard from both bargaining agents and employers that there was a desire to consult on benefit pooling. I was just wondering how big of a deal that is for your organization, and where you see those consultations going in the future.

Mr. Mike Yam: I'll speak to that. We do represent folks in various public sector areas, so the idea of benefit pooling is not something we've generally considered a possibility. It is done in some sectors, but we'd have to know what that would actually look like. It's not something that we were itching to recommend to the government. If benefit pooling were to impact the level of benefits that our members received, that would be a different conversation too.

The devil really is in the details. Usually when we bargain with employers, we do explore all options, whether it's one particular form of benefit administration or another. So, again, it's kind of hard to answer that without any real detail.

Mr. Mike Harris: Developing that further consultation—obviously that's where a lot of that detail would come out. Would your organization have some interest in looking at that and seeing what it would look like, or—

Mr. Jim Kennedy: Well, I don't know that we necessarily have an interest, but if that was coming forward we would definitely look at all options.

We go to the bargaining table with the same concept of as the employer comes to the bargaining table: to try to control costs and increase profitability. Those are some of the fundamental reasons and terms that we use for bargaining. We would look at all costs—if benefit-sharing packages are worthwhile and seem to fit, as Mike said, we would be open to looking at those situations. But without knowing how that's mapped out and between what players, it would be hard for us to say that it's something that we agree on.

Mr. Mike Harris: Thank you.

The Chair (Ms. Goldie Ghamari): I will now turn to MPP Kramp.

Mr. Daryl Kramp: Thank you all for coming.

The one statement that was made, I didn't take issue with it, but it made me sit back a little bit. You said that governments need to spend more. I was going, "Wow, I honestly have not heard that from my constituents." Literally every person that I talk to when I, say, take a look at wages of people who work in my riding—people in the area—just as an example, the average wage for a family of four in my riding is \$46,000—for a family of four. That's not for a couple; that's for a family of four.

When, all of a sudden, they take a look and say, "The other people are making this, this, this"—I have no challenge or difficulty with a good teacher making a good salary; none whatsoever. I've taught. Two of my family directly are teachers. So, yes, I understand the realities of the responsibility and the benefit to society.

But we also have to take a look at the reality, in my mind, of what we are facing as a nation. It may be the

benefit of a little bit of experience, but I lived through 22% interest rates. I saw what happened. We're not going to go back to that situation, obviously; those days we'll hopefully never, ever see again. But I think it's inescapable that, at some particular point, there will be a settling of interest rates and costs to everything—to government, to people. To suggest that a government can continue, continue, continue, to spiral further and further and further and further in debt when compensation is half of the entire spending—is everything right, fair, honest and decent? No, but it's a challenge.

We cannot escape the fact that we are not in a good situation. And it's not just crying Chicken Little or, "The sky is falling," and that. But for goodness' sake, we have a very, very serious debt. Each day, roughly \$35 million per day goes out in interest. That is money that we would like to go to educators, to health professionals, to social workers, to PSWs, to whoever needs that kind of funding. But, more and more—

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Daryl Kramp: Am I done? Oh, I'm not, no.

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Daryl Kramp: Thank you.

The more and more and more we spend on salaries and wages and expenses, the less we are going to have to be able to service that debt and, of course, provide for job security down the road.

The job security is something we need to take a look at. We want to have jobs for our professionals, for our union people, eight, 10, 12, 15 years down the road from now. And when we take a look at the serious situation we're in, a lot of people sort of just discount it as though it's really not that much of a problem.

But, sir, I ask you: Do you not recognize that we are in a serious, serious debt? I would say that it's a crisis. Some people would not consider that. They say, "That's okay." But, see, governments don't have a damn dime. Governments don't have a penny. Governments don't make money. It's only the people's money they manage. So every time you say, "The government has to pay," you're taking from Peter to pay Paul. It's the same money.

So we need to have a fairness—and I understand your position on arbitration, on bargaining rights. Quite honestly, I'd love to be able to sit down and work with you. I do believe that we can find a way to come to an accommodation here that's going to provide for long-term job security and a fairness and a balance in everybody. But let's recognize, please, that we have a population that, particularly when we take a look at the demographics as an aging society—we have a real, real serious time bomb on our hands. We need your help to solve this.

Mr. Jim Kennedy: I would agree with you 100% that we have an absolute crisis on our hands with the aging population, and I strongly believe that there is money—I recently heard about a 14.6% increase.

We have continuously, in the public sector, put public sector employees under the gun. In the years from 2010 to 2018, public sector wages increased in the hospitals by 11%; in long-term-care facilities, 11.5%.

The Chair (Ms. Goldie Ghamari): One minute left.

Mr. Jim Kennedy: Over that same period, the inflation rate was 18.8%. If we continue to give these workers a mandated 1% wage increase that is below the rate of inflation, we're not going to have to worry about the crisis because nobody is going to want to work in that industry.

Mr. Daryl Kramp: In a perfect world, I couldn't agree with you more. But the reality is, there's only so much there. Right now, when we take the private sector that earns roughly 20%, give or take a little bit, less than the public sector, we also have to be mindful of the challenges that they face too. It's going to take a collective solution here. I know we have some differences of opinion. But quite frankly, I know if my wife and I disagree occasionally, we sit down at the kitchen table and yes, we end up coming up with—

The Chair (Ms. Goldie Ghamari): Thank you. That is time.

I'll now turn to the official opposition.

Once again, a reminder to all members: Any comments must be made to the Chair. I will also remind members that loud, private conversations are discouraged in committee. Those willing to carry on such conversations are welcome to go outside into the hall.

MPP Shaw.

Ms. Sandy Shaw: I would like to turn to the comments that you made about precarious and low-wage workers—because Bill 124 has been described in many ways. It has been described as unconstitutional. It has been described as an attack on workers. It has been rammed through the House without proper consultation. We now have time allocation. So it's really a bill that has appeared before us without the kind of consultation that we'd expect from a democratically elected government.

I'd actually like to say that this is lazy legislation, because as you said, not one size fits all. I think we need to be mindful that what we're talking about is not just unionized workers; it's non-unionized workers who are working in the most vulnerable sectors: personal support workers, those working in our schools. These are people who are not earning the kind of wages that we're talking about.

I think if you could just talk a little bit about why you think this government has decided to, really, attack or look for their savings for the deficit on the backs of the most vulnerable workers—I would argue to you that it's because they're young. It's because they're women. It's because they work day in and day out, cobbling together two, three or four part-time jobs just to pay the bills. So why, in a province where, if we do have the kind of deficit situation that is being described by the government, would we be looking to the lowest-paid, vulnerable workers in the province? It's not their fault, I believe, that we have this deficit and this debt. What is your understanding as to why this legislation is only looking at workers who are already earning so little in this province?

Mr. Jim Kennedy: I would agree with you. This is lazy legislation. I think the reason is because it's easy. These people notoriously have always been the essential service.

They're not a group, especially in the public sector or the health care workers, that has been very politically active over the years, because they're an essential service. They don't have the right to strike. They've gone in day and day out, looking after our loved ones on a regular basis.

Right now there's a shortage of personal support workers that everybody in this room is going to come across at one point in their lives. I would argue today that everybody in this room has someone who is dealing with that same situation.

I'm trying to do my part in this whole shortage. I held some open forum round-table discussions in my community in London on the PSW shortage. I had administrators, labour lawyers, PSWs, nursing staff, union representatives, family committees—all of the people—so that they were all sitting at the same tables all day long, took off everybody's hat and had meaningful discussion about what is wrong with the critical crisis in PSWs. Right now, it's wages, retention. People are walking into that job, spending a day or two on on-the-job training and not showing up for the third shift because they're already underpaid. If we continue to hold their wages back, we're not going to be able to retain PSWs, and we're not going to be able to care for our seniors who are living in our community care homes right now.

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This is a dire, dire situation, and the people in the public sector and the health care system and the education system are paying the price. I think it's unconstitutional and unfair.

Ms. Sandy Shaw: I listened to my colleagues across the table, and I did listen to MPP Kramp and his genuine concern about the finances of the province of Ontario. I hear that. I also hear you talking about a family of four in your riding that is making \$46,000. We know that that is unacceptable in the province of Ontario.

My question to you, with all due respect to MPP Kramp's position—it's quite likely that this family that you're describing that's only earning \$46,000 a year may be one of these families that are going to be facing a 1% wage freeze for the next three years. Again, with all due respect, I think this is legislation that could be more precise, could be targeting real savings for people who are in these poverty-type wages.

Can you help address some of the genuine concerns that Mr. Kramp has for the deficits, at the same time that he's trying to address families in his riding who are essentially living with poverty wages?

Mr. Mike Yam: Yes. We've seen a narrative around our spending problem, but we don't talk about our revenue problem. There are more sides to the picture than spending and the debt. We've seen other sources of revenue cut in the budget. We aren't talking about that right now, and we should be. How much revenue did cap-and-trade take out? How much revenue did the labour law changes take out when we got rid of the \$15 minimum wage? That could have gone into provincial coffers. With higher wages, we see more government revenue. It's wages and consumer spending that drive the economy, and suppressing that certainly isn't going to help.

The family that's making \$46,000—yes, they could be impacted by this, absolutely. I don't have any other answer for you, except that they're going to be struggling a bit more. They're not going to be able to spend as much on some of the purchases that they need to make, and that's going to limit how much spending there is in their local community. If you see that ripple effect across the province, that's going to have an impact on the economy as a whole.

Again, we have a lot of members who are low-wage earners. If you take someone who is working as a dietary aide or a personal support worker or a receptionist in a long-term-care home, they're barely making above minimum wage. If you're a PSW, maybe you're making in the mid-to-high teens—\$16—at a retirement home or a long-term-care home. If you walk into the workplace and you're facing workplace violence and burnout because the facility is understaffed and you're getting paid just barely above minimum wage, you're not going to stick around. That's what's happening right now. They're looking elsewhere. They can just walk down the street to the Tim Hortons and work there without all of the stress.

Ms. Sandy Shaw: I'm going to cede the floor to my colleague—

The Chair (Ms. Goldie Ghamari): Three minutes left.

Ms. Sandy Shaw: MPP West, three minutes.

The Chair (Ms. Goldie Ghamari): That's for the Chair to determine, but thank you, MPP Shaw.

MPP West, you may begin.

Mr. Jamie West: I have a question, and part of it has to do with me arriving late. My concern is that this is a broad encompassing, to public sector workers—the 1% cap—and it seems to be rushed through. We had a lot of conversations last week, when we began debating this, about the consultation they had with the many, many workers and many, many unions—basically every union affiliated with the OFL—but there was no conversation about what came out of those consultations. Do you feel like with the consultations you were a part of, the consultations you are aware of—the bill reflects in any way what was discussed?

Mr. Mike Yam: No.

Mr. Jamie West: Okay.

Ms. Marit Stiles: Very straightforward.

Mr. Jamie West: No, I appreciate that.

The theme that I've been hearing from the deputations, when we talk about the low-wage workers—the government loves to talk about the highest-paid workers but not the highest-paid management; just the highest-paid bargaining unit members. One of the themes I've seen in several of those reports is that over the years, the amount of management people, the amount of people watching people work, has ballooned, while the number of front-line people has shrunk. Has that been your experience as well?

Mr. Mike Yam: Absolutely. We represent some of the lower-paid workers in each of these sectors, right? In the university sector, we don't represent folks who are in the administration or are professors; we're support staff. Just like in long-term-care homes, we're the people, we're the

front-line workers. And yes, we have seen those wages at the top increase a lot more, and that divide widening over the years. So any conversation—

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Mike Yam: —around public sector compensation should actually talk more specifically about who we're actually targeting, because in a broad bill like this, we're targeting the front-line workers.

Mr. Jamie West: My experience has been that when you talk about management wages, you have to have competitive wages in order to attract the best workers. You've said several times while speaking here—sorry, the three of you have said several times while speaking here—that PSWs, DSWs and those front-line workers who are low-paid are basically leaving because there are not competitive wages. I know we have minimal time, but is there anything you want to comment on that?

Mr. Jim Kennedy: I'd like to comment on the reference to the round tables that I had. Through that, we hooked up with a community college, Fanshawe College in London specifically, and Mary Wilk, who is the author of the textbook that community colleges in Ontario use for the PSW course. We decided out of our round-table session in London that we were going to hold an appreciation/introduction to the PSW role in Fanshawe College, the community college in London. We had—

The Chair (Ms. Goldie Ghamari): Thank you very much. Your time is up. I wanted to thank everyone for coming here today for your presentation. You may step down.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair (Ms. Goldie Ghamari): We'll now turn to the Ontario Secondary School Teachers' Federation. I would like to call upon Mr. Harvey Bischof to come to the front. Please state your name for Hansard, and then you may begin.

Mr. Harvey Bischof: I'm Harvey Bischof. I'm president of the Ontario Secondary School Teachers' Federation. Thanks for the opportunity to speak with you this afternoon.

OSSTF is a trade union. We were founded 100 years ago. We represent over 60,000 English public secondary teachers and support staff across the four publicly funded education systems in Ontario, from JK to grade 12, and the support staff in six universities in Ontario as well. We're here today to speak to you about our serious concerns regarding Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act.

This is not the first time we've seen a government fail to put the appropriate level of trust in the collective bargaining process. The labour relations regime across the country and in Ontario has been developed as a safety valve to regulate tensions that can arise in contract negotiations. Any effort to circumvent that process improperly can result in escalating pressures that may lead to actions

that are no longer governable under the applicable rules and processes.

Both sides of the bargaining table need to respect the process if that pressure relief valve is to remain effective. Short-term thinking and improper political interference in negotiations can lead us back to the very environments that led to the creation of a fair and balanced labour relations structure in the first place. As just one example, the legal right to strike was not granted in order to create strikes where none had existed before; it was granted to create an orderly approach to possible strikes that otherwise operated outside any clearly definable rules.

As mentioned, we've seen governments quite recently fail to trust the process and attempt to restrict the scope of collective bargaining. In Ontario, this occurred within the education sector with Bill 160, the Education Quality Improvement Act, in the late 1990s, and Bill 115, the Putting Students First Act, in 2012. In both cases, the effort to short-circuit the collective bargaining process led to long-term disruption and instability. Stability and goodwill only returned when subsequent governments negotiated an agreement.

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Additionally, OSSTF/FEESO and others challenged the Putting Students First Act in court as a violation of our members' right to freedom of association under the charter, and we were upheld by the court. This was just one in a string of relatively recent court decisions protecting the right to bargain freely.

As well, in 2014, in a case between the Alberta government and its employees' union, an Alberta judge accepted that when governments interfere in collective bargaining, it has deep ramifications for the process. The judge agreed on the following points: that interfering in collective bargaining (1) communicates that bargaining efforts are irrelevant; (2) discourages creative bargaining attempts, as these are a waste of time and effort when government intervention is a possibility; and (3) causes workers to feel powerless and engage in alternative and potentially inappropriate steps to push back against employer control.

The potential for a court-ordered remedy is not the only adverse outcome the Legislature should consider. In 2012, the Commission on the Reform of Ontario's Public Services, otherwise known as the Drummond report, pointed out the negative implications of improper interference in bargaining for compensation. In fact, Don Drummond, hardly a noted left-winger or union supporter, pointed out that attempting to artificially restrict compensation resulted in a phenomenon much like standing on a garden hose: Eventually, the pressure will build up and the ensuing bulge will have to move through. This does not lead to long-term stability or predictability in public sector spending.

That is not to say that employers or their government funders cannot come to the table with a financial negotiations mandate—even a restrictive financial mandate. That is quite normal and acceptable, and still allows for the free flow of collective bargaining to lead to creative solutions to which both sides can willingly sign their names.

Where a government has a legitimate financial pressure, other areas of collective agreements can be explored in order to reach an agreement. Improper legislative interference eliminates that opportunity for creativity. It communicates, as noted above, that the effort to bargain meaningfully is fruitless.

There remains, though, a question regarding the legitimacy of the pressure the government is claiming to be under. We know that the supposed \$15-billion deficit never, in fact, stood at \$15 billion. We know it is half that and that it is likely to be lowered again by reflecting some portion of public sector pension plan surpluses. We know that the government and the Premier himself are publicly making much of the growth in the province's economy. We have seen job growth numbers that surely suggest rising government revenues are on their way. And yet, somehow, the public sector is to be uniquely saddled with the burden of addressing the government's fiscal concerns, however exaggerated they may be.

Finally, we hear two interconnected claims to support Bill 124's improper interference in free collective bargaining, neither of which bears up under scrutiny. First, we hear that public sector workers must make a sacrifice to keep the province's fiscal house in order. Setting aside the dubious justification for that claim, I can tell you that my members have sacrificed. In fact, since 2012, in every year but one, my members' compensation increases have significantly lagged behind inflation, for a cumulative 10% loss in buying power over those years. For all my members, this is significant, but it is especially significant for hard-working support staff who work with some of our highest-needs students and earn, on average, \$38,000 per year. Falling further behind inflation with their limited discretionary income, when all the necessities of life continue to increase in cost, cannot be justified.

Additionally, we hear from certain quarters that public sector wages are out of control and are not mirrored in the private sector. In fact, there is no statistical evidence to support this claim. While the government of the day looks to improperly cap compensation in the public sector at 1%, the Conference Board of Canada is reporting that average wage growth in Ontario will be 1.9% this year, 2.6% next year and an expected 2.5% in each of the three years after that.

In summary, governments should not lightly infringe on the civil rights of their citizens. They should rely on tried and tested bargaining processes that lead both to creativity in the process and stability thereafter. There is no crisis that requires extraordinary interference in that process. My members' sacrifices over the last seven years should be acknowledged, as should be the current economic environment in which the ongoing imposition of austerity on one sector of workers is unjustifiable.

Under these circumstances, there are no amendments to Bill 124 that would make it supportable. It should simply be withdrawn. Thank you.

The Chair (Ms. Goldie Ghamari): Thank you very much. We will now turn to the official opposition to begin the questioning, and we'll begin with MPP Stiles.

Ms. Marit Stiles: Hello and thank you very much for being here. We appreciate your taking the time to come for your excellent presentation. I wanted to start with just a little context around the timing of the introduction of this legislation, because you have been in bargaining and you have been also, I would say, the target of some rather inflammatory—maybe, we could call it—comments from the government around the time that this legislation was introduced. I wonder if you could comment on what it's like to head into bargaining in a context like this, with legislation like this hanging over you.

Mr. Harvey Bischof: Well, we come to the bargaining table with every intent of reaching a collective agreement that is, obviously, agreeable to all sides of the bargaining table—three sides, in the case of our school board negotiations. For that reason, we served notice to bargain as early as we could and tried to get to the bargaining table, a process that was delayed by a couple of months, when the window to serve notice could have been opened on March 4 and instead there was a wait until April 29.

On June 5, we were actually sitting across the bargaining table from crown representatives when we learned via social media that Bill 124 was being introduced into the Legislature. I've heard the Minister of Education publicly refer repeatedly to good-faith bargaining. This is not what the government is engaged in when they legislatively restrict free collective bargaining and don't even tell us across the bargaining table, but we're required to find out about it on Twitter. It fractures the collective bargaining process, it fractures the good faith that you try to bring to that process and will significantly interfere in our ability to reach a fully negotiated collective agreement.

Ms. Marit Stiles: When I hear that and I hear the Minister of Education speak about wanting to get a deal and a fair deal and bargaining in good faith, I feel like there's something not really happening there with the government side about what it means to negotiate in good faith.

I also just wanted, because I think it's important for us to understand as well—your members have been really on the front line of a lot of what I would consider an attack on education. In the context of this legislation, with this hanging over your membership, what is the experience like right now for education workers on the front line in our secondary schools?

Mr. Harvey Bischof: My members love the work they do, and they do it with commitment and passion on a daily basis. It's work that you can't do without that kind of commitment. To be the subject of attacks from the government that is, in a way, their ultimate employer, it's dispiriting and demoralizing, considering that their desire is to do nothing more than provide kids with the greatest possible opportunities and potential that they can pursue. They do that on a daily basis.

They do it better when they have the support of additional caring professionals in schools and when those numbers aren't reduced to the point that kids are jammed into classrooms, where they can't get the courses that they need to graduate and where they don't have the support

from support staff who help our at-risk and highest-need students access equity of opportunity. That's really what those support staff do: They create equity for kids who need the additional supports to see their way through the education system and, once they've made it through that secondary education system, go on into post-secondary, go on into the skilled trades and go on, in some way, to contribute to Ontario's broader economy, which is what makes education an investment as opposed to just an expense.

Ms. Marit Stiles: I just want to finish by saying that, as I mentioned in one of the previous presentations, the working environment that your members are experiencing is the learning environment that our students and our children are experiencing. I think it's really important for us to also make that connection, and I appreciate everything you've said. Thank you.

I'm going to turn it over to my colleague.

The Chair (Ms. Goldie Ghamari): MPP Glover.

Mr. Chris Glover: Thank you very much. Section 23 of this bill asserts that neither the Labour Relations Board nor arbitrators can find that this 1% wage cap is in violation of the Charter of Rights and Freedoms. You mentioned some cases tried by the Supreme Court that found that any interference in the right to collective bargaining is a violation of the Charter of Rights and Freedoms. How do you respond to this? How do your members feel about this government arbitrarily deciding what are and are not their rights as union members?

Mr. Harvey Bischof: Well, I don't think they're inclined to leave it at that—with just their feelings about this. We are, of course, in an ongoing fashion, consulting legal counsel, and where appropriate we will challenge this in the courts. We have an ethical and legal responsibility to stand up for our members' rights. We'll do so. We've done so in the past successfully.

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I'm not a lawyer, but we will certainly make use of legal counsel to challenge a violation, especially when these things could be settled through free negotiations at the bargaining table and lead to goodwill and ongoing stability in the system rather than disruption.

Mr. Chris Glover: If there was not this 1% cap that's at the negotiating table now, would it be possible for OSSTF and the employers to find other ways to find savings?

Mr. Harvey Bischof: Absolutely. We have proposed other ways to find savings over the last year and more, not one of which seems to have been taken up.

We proposed an alternative dispute resolution mechanism that would reduce the cost when employers are overly litigious in grievance arbitration. That offer was ignored.

We suggested ways to improve the efficiency and lower the cost of the School Boards Collective Bargaining Act itself. That proposal was ignored. It wasn't even responded to.

We say that there are ways of supporting my members who have long-term illnesses in a way that would get them back to work sooner, because that's good for individuals,

it's good for kids in the system and it's good for employers. We have had no uptake on that.

So, absolutely, we can find ways. But this impedes the creativity of the negotiations table.

Mr. Chris Glover: So what you're saying is that this bill is actually a wrench in the works of free and fair negotiations that could end up with a negotiation that is to the benefit of the employers and the workers.

Mr. Harvey Bischof: A lack of trust in the process will absolutely lead to a disruptive process. As I mentioned, the government can come with tough financial mandates. We can bargain creatively through those—

The Chair (Ms. Goldie Ghamari): There are three minutes left.

Mr. Harvey Bischof: Frankly, it is the history of my organization to find creative solutions to difficult problems. We've done it over and over again. But when the rails are so tight on the opportunities that there's no place to turn, then creativity is lost.

Mr. Chris Glover: Those are my questions.

The Chair (Ms. Goldie Ghamari): MPP West.

Mr. Jamie West: I thought it would be important to educate the committee and those listening about OSSTF members, because the acronym suggests secondary school teachers, and I know it's more than that; it's education workers. When you talked about the average wage being about \$38,000 a year—can you expand on the type of work that is done aside from teaching?

Mr. Harvey Bischof: Yes. I was referring more specifically to my support staff members. About a third of my members do that kind of work in schools and, as I mentioned, in six Ontario universities. They are custodians; office clerical; information technology; education assistants, who are the ones who typically work closest with the highest-need kids. We have child and youth workers. We represent professional support staff—psychologists, psychometrists, speech-language pathologists—as well. We cover the spectrum of publicly funded education in Ontario when it comes to those we represent.

Mr. Jamie West: When you spoke about educational assistants and child and youth workers it resonated with me, because I'm a graduate of Cambrian College's child and youth worker program. I know that people who get into those fields don't do it to become wealthy.

Is there a concern, similar to what was discussed in the previous group giving their deputation, that these very important jobs will be unattractive, so that we'll have a hard time finding people to take care of our most vulnerable youth, to provide that need?

Mr. Harvey Bischof: Right now, we have deeply committed, caring people doing those jobs, whose—

The Chair (Ms. Goldie Ghamari): MPP West, you have one minute left.

Mr. Harvey Bischof:—wages have fallen 10% behind inflation over the last seven years. At some point, the job becomes undoable. You no longer have the income required to continue in that work, and I'm absolutely concerned about the quality of people we can attract to do that critical work with our highest-needs students.

Mr. Jamie West: And if you know, offhand, just when you're talking about the cost of living and the inflation rates, it was 1.9%, 2.6%—I didn't record the third number. Because the government loves to talk about math and math testing for teachers—all these are above the 1% they're suggesting as a cap, right?

Mr. Harvey Bischof: I think as a mathematical equation, they're higher than 1%, yes.

Mr. Jamie West: I appreciate that. Was there anything you wanted to say that you didn't feel you had time to, that you want to expand on?

Mr. Harvey Bischof: Most importantly, what this does is, for short-term purposes, it interferes with our ability to reach a free collective agreement that's good for the sector, good for the kids who are being educated in that sector and hopefully—

The Chair (Ms. Goldie Ghamari): Thank you. That's all the time we have for this round.

I'll now move on to the Green Party independent member. You have two minutes.

Mr. Mike Schreiner: Thank you, Mr. Bischof, for being here today. I opposed Bill 115 when the McGuinty Liberals brought it in because I thought short-circuiting bargaining rights would demoralize public sector workers and probably reduce their productivity as a result, as well as expose the province to significant financial risk associated with the legal costs. Can you comment on whether Bill 124 puts a similar risk on the province of Ontario?

Mr. Harvey Bischof: I can't see in its essence how it's any different from creating the same kind of outcome that Bill 115 did. Bill 115 was absolutely demoralizing for my members and, right now, with Bill 124 having been introduced, my members are wondering why, after seven years of falling further behind inflation, they should be the ones who are now being targeted for three more years and heaven knows when they would at least keep up with the cost of living. It does not appropriately reflect valuing the work they do with our kids.

Mr. Mike Schreiner: We've had others suggest that short-circuiting the bargaining process could prevent efficiencies and cost savings that could be negotiated at the table. Would you agree with that?

Mr. Harvey Bischof: Absolutely, and that's why, even before we got to the bargaining table, we have proposed a variety of measures that we think would direct money—we're not looking at taking money out of the system. We're looking at directing it more appropriately to support students in the system, but even those proposals have not been given the appropriate attention.

Mr. Mike Schreiner: I appreciate your time.

Mr. Harvey Bischof: Thank you.

The Chair (Ms. Goldie Ghamari): We will now turn to the government, beginning with MPP Parsa.

Mr. Michael Parsa: Mr. Bischof, thank you very much for your presentation and thanks for coming in. I want to talk once again about the process that you mentioned. We talked about this earlier, and I want to just get your input.

We started the process on April 4, and we came to our stakeholders and those who are involved in the process and started the consultation. Six weeks after that, on June 5, the bill was presented in the House. Further, in the summer we had a process that was open to anyone wanting to be part of it. In fact, in-person sessions attracted participation from over 68 employer organizations in the sector covering more than 2,500 collective agreements, 57 bargaining agent representatives and over 780,000 workers across the Ontario public service.

It's now November 4, and we started the process on April 4; it's seven months later. How much time do you think we should be spending on this? If you were in charge, how much time would you say would be sufficient to spend on this?

Mr. Harvey Bischof: To spend on consultations?

Mr. Michael Parsa: Absolutely.

Mr. Harvey Bischof: Consultations that result in legislation that impedes the right to freely negotiate collective agreements as set out in the charter under clauses supporting freedom of association? I'd say there's no point in doing those consultations at all if the ultimate outcome of that is to present a violation of members' charter rights to freely negotiate collective agreements. In fact, all of that time could have been better spent at the bargaining table trying to come to a freely negotiated collective agreement that supports long-term stability and goodwill.

Mr. Michael Parsa: Mr. Bischof, what's the average salary of your members?

Mr. Harvey Bischof: It would differ, depending on the type of member. Actually I don't have the average of the total, so I'll do it in two groups. For my support staff members, about a third of my members, it would be about \$38,000. For my teacher members, the other two thirds, the average salary is about \$86,000.

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Mr. Michael Parsa: So \$86,000?

Mr. Harvey Bischof: That's right.

Mr. Michael Parsa: How does that rank nationally, compared to other jurisdictions in Canada?

Mr. Harvey Bischof: I don't have that number in front of me.

Mr. Michael Parsa: Okay. The government was recently able to reach a voluntary deal with CUPE—the education workers—which included an annual 1% increase. Do you believe that that would be a reasonable outcome for your union, and if not, why?

Mr. Harvey Bischof: I believe a reasonable outcome is a freely negotiated outcome—one that is not restricted by legislation and one that's open to the creativity that can arise at a bargaining table, that allows for that; not one that has artificial interference in any aspect of that negotiation.

Mr. Michael Parsa: Madam Chair, I'd like to pass it on to my colleague.

The Chair (Ms. Goldie Ghamari): We'll now turn to MPP Harris.

Mr. Mike Harris: Thank you, Mr. Bischof, for being here today. It's nice to meet you, finally, in person.

I just had a question to build a little bit off of what my colleague MPP Parsa was mentioning about the ratification, I think today, of the CUPE contract. I believe they had over 70% support of their members who took part in that vote, and they were able to do that with that 1% increase being added on. But there are other pieces of that collective bargaining that I think we need to talk a little bit about—which is being able to move within wage grids. A lot of your members, I'm sure, have that built into their collective bargaining and can have that going forward, in the future. Obviously, there are some subsections in the bill—I think 10(2)—where it talks about increases based on merit, seniority, time of service etc. Do you not think that your organization, going forward with negotiations much like CUPE was able to, could come to an agreement with the government based on the tools at hand?

Mr. Harvey Bischof: With the legislation in place, my answer would be no. The legislation artificially restricts one aspect of collective bargaining. When that happens, that takes away the ability to find creativity in other areas. This kind of short-term imposition of restrictions on collective bargaining impedes our ability to find those creative solutions—something that, as I say, we have done for years under extremely difficult circumstances and would be prepared to do again, as long as there aren't artificial restrictions on the scope of free negotiations.

The Chair (Ms. Goldie Ghamari): Three minutes are left.

Mr. Mike Harris: So even though we've already seen one bargaining group being able to ratify a contract, you don't think you'd be able to? You don't think you'd be able to think outside the box and work with some of these parameters?

Mr. Harvey Bischof: CUPE makes its decisions, and you'll appreciate that we make our own. I don't speak for them; neither do they speak for me or my members.

The Chair (Ms. Goldie Ghamari): I'll now turn to MPP Sandhu.

Interjections.

The Chair (Ms. Goldie Ghamari): I would like to again remind all members that loud, private conversations are discouraged in committee. Please keep your conversations outside in the hall. Thank you.

MPP Sandhu.

Mr. Amarjot Sandhu: Thank you so much for your presentation.

Is there any evidence that a higher salary for teachers leads to better outcomes for students? Is this about the kids?

Mr. Harvey Bischof: The short answer is yes; actually, there is significant evidence to demonstrate that. On top of that, there's significant evidence—you'll see a spring report issued by the Conference Board of Canada called *The Economic Case for Investing in Education* that says that every dollar invested in education returns \$1.30 to the broader economy, a 1.3 multiplier on that investment in education, and every dollar taken out draws \$1.30 out of the broader economy. So we have studies—and I don't have the citations in front of me; my apologies—that show

that there is a direct link between increased compensation and student performance. There are also studies that demonstrate that investments in education return money to the broader economy with a multiplier and also reduce costs, importantly, in health care, in the judicial system and in social welfare payments. So these all accrue positively to government coffers.

The Chair (Ms. Goldie Ghamari): MPP Sabawy. You have one minute left.

Mr. Sheref Sabawy: I might agree with you about investment in education, but how do you see investment in education specifically in wages? Investment in education could be better labs, could be better computers, could be better curriculums; not specifically higher wages or higher salaries.

Mr. Harvey Bischof: I'm referring to evidence cited in the Conference Board of Canada. Like I say, I don't have the specific citation beyond that, but it definitely appears in the conference board report *The Economic Case for Investing in Education*. You can find it there.

Mr. Sheref Sabawy: Thank you.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Bischof, for being here with us today. You may step down.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO (ETFO)

The Chair (Ms. Goldie Ghamari): I would now like to call upon the Elementary Teachers' Federation of Ontario: Sam Hammond, Sharon O'Halloran, Jerry DeQuetteville and Federico Carvajal. Please state your names for Hansard, and then you may begin. You will have 10 minutes.

Mr. Sam Hammond: Thanks. My name is Sam Hammond. I'm the president of the Elementary Teachers' Federation of Ontario. I'd like to start by thanking the committee for the opportunity to speak to you on behalf of the 83,000 public elementary teachers, occasional teachers, designated early childhood educators and education professionals who are members of the Elementary Teachers' Federation of Ontario.

Our members care a great deal about the work that they do every day for students in Ontario. I can tell you they are willing to take action to protect our world-class public school system, and to ensure that students get the supports they need, starting from the first day of kindergarten.

I'm here today on behalf of my members to speak about Bill 124, the *Protecting a Sustainable Public Sector for Future Generations Act*, and to tell you the reasons why this bill must be withdrawn.

On June 5, 2019, the day before the Legislature was adjourned for an unprecedented five months, the government introduced Bill 124. If passed, this legislation would impose significant and unjustified limits on compensation increases for hundreds of thousands of public sector employees, including ETFO's 83,000 members.

It is our view that the content and timing of this legislation—in the midst of negotiations for the renewal of collective agreements in the education sector—is a direct

attack on free collective bargaining, a violation of the duty of the crown to bargain in good faith with ETFO, and interference with the fundamental rights of our members to the freedom of association guaranteed by section 2(d) of the Canadian Charter of Rights and Freedoms. In addition, the fiscal justification relied upon by the government for the imposition of limits on compensation growth for public sector workers has been thoroughly debunked. Bill 124 must be withdrawn.

Bill 124 seeks to unilaterally impose limits on the ability of workers to negotiate appropriate compensation through free collective bargaining. By doing so, it circumvents the legal framework for negotiations set out by the *School Boards Collective Bargaining Act*, which requires that the parties engage in good-faith bargaining, and tramples over the freedom of association guaranteed by section 2(d) of the Canadian Charter of Rights and Freedoms.

There is no question that there will be court challenges if Bill 124 is enacted. The government should focus on reaching agreements at the bargaining table, rather than seeking to force restrictions on collective bargaining through legislation such as this bill.

In April 2019, the Treasury Board Secretariat held so-called consultation meetings with public sector unions, allegedly to discuss the issue of compensation growth in the public sector but, in reality, in an attempt to shelter itself from any argument before the courts that there had been no consultations before the legislation was introduced.

ETFO attended a meeting on April 24 hosted by legal counsel hired by the government, with the presence of Treasury Board and Ministry of Education representatives. It was clear at the meeting that there was no willingness by the government to engage in substantive discussions with those attending. The consultation, quite frankly, was a sham. The government was not open to any meaningful engagement or discussion on how to identify whether there was, in fact, a fiscal challenge and, if so, how it might be addressed.

ETFO made it clear, both at the meeting and later in writing, that discussions on wages and other forms of compensation belong at the bargaining table, and ETFO continues to maintain this position.

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ETFO is currently engaged in collective bargaining negotiations with OPSBA and the Council of Trustees' Associations through central table negotiations. The government is also a mandatory participant in these negotiations and shares with all participants a statutory duty to bargain in good faith. By attempting to legislate unilateral limits on compensation growth, the government is turning its back on the collective bargaining process. The introduction of Bill 124 is a clear demonstration of bad faith on the part of the government, only worsened by its apparent desire to ram through the legislation rather than engage in good-faith discussions at the bargaining table.

In August 2018, the Conservative government claimed that the provincial deficit inherited from the previous

government stood at \$15 billion. Despite evidence that showed that the government's deficit number was grossly inflated, the government continued to use this excuse to justify its agenda of cuts to public services, including public education.

In November 2018, the government revised the deficit figure down to \$14.5 billion, and continued to reference this deficit as the reason for fiscal restraint and reductions in public expenditures.

On October 17, 2019, Ontario's Financial Accountability Office released their assessment of the provincial deficit and found that the actual deficit for 2018-19 was \$7.4 billion, roughly half of what the government had claimed.

The government has attempted to justify the need for legislation to limit compensation growth by quoting an overblown deficit. That justification is no longer valid. By the government's own financial figures, Ontario's fiscal position is much better than it claimed when it introduced Bill 124.

While making significant cuts to public education and other public services, the government has decided to forgo additional revenue; for example, by cancelling the cap-and-trade program, which means a loss of revenue of \$1.9 billion in 2018-19, and providing additional corporate tax cuts equivalent to \$1.4 billion for 2018-19. These reductions in revenue represent \$3.3 billion, about 45% of the \$7.4-billion deficit.

According to the FAO, Ontario has the lowest per capita revenue generation in Canada. Conversely, Ontario also has the lowest per capita program spending in the country. The conclusion is clear: Ontario does not have a spending problem; Ontario has a revenue problem.

Over the past decade, teachers and other educators have done their part in responding to Ontario's fiscal pressures—

The Chair (Ms. Goldie Ghamari): You have three minutes left.

Mr. Sam Hammond: In October 2019, the FAO looked at compensation growth in the public education system. It found that between 2010 and 2018, teachers' base salary grew, on average, by 0.9%, while wage growth in the private sector grew by 1.8%.

To conclude, the government has sought to manufacture a fiscal crisis in order to justify reducing investment in public services, including public education. This transparent attempt has now been exposed by the FAO and the government's own fiscal data.

Teachers, education workers and other public sector workers should not be forced, once again, to pay for corporate tax cuts.

Adopting Bill 124 would send the message that the government of Ontario has no respect for collective bargaining rights guaranteed under the Charter of Rights and Freedoms. It would also signal that the government does not believe in bargaining in good faith and is willing to trample over the rights of hundreds of thousands of workers in order to implement its agenda of cuts to public services. It's an unconstitutional attack on public sector workers, and this bill must be withdrawn.

The Chair (Ms. Goldie Ghamari): Thank you, Mr. Hammond.

We'll now turn to the independent Green Party member. You have two minutes.

Mr. Mike Schreiner: Thank you, Mr. Hammond, for being here today.

I know when the McGuinty government brought in Bill 115, your union was a part of the court challenge against that, which exposed the province to significant financial risk, in excess of over \$100 million. Do you think Bill 124 presents similar risk to the province?

Mr. Sam Hammond: I do; absolutely. I'm not legal counsel, but having gone through that experience with Bill 115 and everything that that government did and tried to justify at the time, and the things that they put in place that overlooked and trampled bargaining rights—the Ontario Supreme Court agreed, in fact, that they had done that. I see very similar things happening with this bill.

Mr. Mike Schreiner: How do you think this bill is affecting the current negotiations that are happening?

Mr. Sam Hammond: Well, if you can just imagine entering into a free and open bargaining process and having this piece of legislation hang over your head, and now to have second reading rammed through and hearings today—we're at the table with a conciliator today. It is certainly, certainly having an effect at that table and on any discussions that I've heard from the last two presenters and through questions.

Mr. Mike Schreiner: Do you think it's creating barriers to finding ways to maybe find more efficiencies or better ways to spend money in the education system?

Mr. Sam Hammond: Yes, in part. We've made some suggestions. We've done it publicly and I did it in my presentation today, where this government could find revenue solutions to the problems—not quite a revenue problem that they have talked about, but there are solutions to that, yes.

Mr. Mike Schreiner: I appreciate your time.

The Chair (Ms. Goldie Ghamari): Thank you, MPP Schreiner.

I turn now to the government, starting with MPP Cuzzetto.

Mr. Rudy Cuzzetto: Thank you, Mr. Hammond, for being here today, and your whole team. The government was recently able to reach a voluntary deal with CUPE education workers, which included an annual 1% salary increase. Do you believe that would be a reasonable outcome for your union? If not, why?

Mr. Sam Hammond: I won't speak for CUPE or the deal that they have reached and have ratified for their members. This is not a cookie-cutter process. This is not pattern bargaining; it should not be. But we have been very clear. If we're talking just about compensation—the speaker before me, my colleague, talked about what their members were asked to do. I will add to that by saying to you: Ours goes back to 2008—at least 11 years—where ETFO members across the board were penalized 2% in that process. Then we get to 2012, when we had Bill 115 and all of the challenges related to that. In 2014, more

sacrifices had to be made. Our salary increases have been around 0.9% over the past eight years, while the rate of inflation is somewhere between 1.7% and 2.6%. So, no, I don't think it's reasonable.

Mr. Rudy Cuzzetto: Okay. I'm not sure if you're aware—I come out of the automotive industry, and through Unifor our wages were frozen for 10 years at the Ford plant. We lost benefits, holidays; we lost a lot. But we did it to keep production of the vehicle here in Canada, which was very important to keep us all employed and paying taxes and sustaining our economy.

But recently I saw the results of your union strike vote. Can you please share, for the record, what percentage of your members participated in that vote?

Mr. Sam Hammond: I just want to be very clear about your comment—because there are not just questions here; there are comments being made as well. My members have already sacrificed across the board. I won't speak to automotive industry discussions and what happened there, but when we're talking about our members working with the government or having things imposed on them, that has been an 11-year history for us. I've said publicly that it's time for—don't do this on the backs of education professionals or public sector workers.

We had the highest strike vote mandate in our history, and the highest participation levels of our members in this strike vote. As I travelled across the province, every single meeting I was at—some 15 to 20—every one of those meetings was standing room only. Here in Toronto, there were over 6,000 of our members out of 10,000 members who are in that local. I don't have specific numbers, but I can tell you that historically, that's the best turnout that we've ever had.

Mr. Rudy Cuzzetto: Okay. Thank you very much.

Mr. Sam Hammond: A pleasure.

The Chair (Ms. Goldie Ghamari): MPP Parsa.

Mr. Michael Parsa: Sure. Thank you very much. Mr. Hammond, for your presentation. Thank you all for coming by. I asked one of our previous presenters the same thing, and I just want to repeat it.

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You talked again about the consultation process. You had a term to refer to it. I want to ask you, when you have an in-person session that attracts participation of 68 employer organizations in sectors covering more than 2,500 collective agreements, 57 bargaining agents representing over 780,000 workers across the Ontario public service—a process that started in early April and it's now November—I'd like to know as an MPP, what do you think? What's a reasonable time frame for you? At seven months—Ontarians know where we are fiscally, where we stand. I know how much we're burning—

Mr. Sam Hammond: I—

Mr. Michael Parsa: I apologize. I'm—

Mr. Sam Hammond: I don't know where you are fiscally. Quite frankly, I don't know where the government is fiscally. We may know this week.

Mr. Michael Parsa: Mr. Hammond, we're burning over \$13 billion to service the debt every single year.

Mr. Sam Hammond: Based on what number?

Mr. Michael Parsa: That's money that's not going to hospitals. We talked about this—

Mrs. Jennifer (Jennie) Stevens: Point of order, Chair.

The Chair (Ms. Goldie Ghamari): Yes?

Mrs. Jennifer (Jennie) Stevens: The MPP across the way here is not coming to a question. I believe we're supposed to be asking questions during this, not badgering or debating with the guests who are here today.

The Chair (Ms. Goldie Ghamari): I will ask the member to get to their question. However, I'd like to remind the member that that is not a point of order in and of itself. Points of order refer to a marked departure from the rules.

Interjection.

The Chair (Ms. Goldie Ghamari): Thank you, MPP Stevens.

Mr. Sam Hammond: I think I contributed to that, and I apologize.

Mr. Michael Parsa: No, no.

The Chair (Ms. Goldie Ghamari): I would also like to remind everyone here to please speak one at a time.

MPP Parsa, if you can please get to your question and then we can have the witnesses respond.

Mr. Michael Parsa: Thank you, Madam Chair. To my honourable colleague: We were trying to go back and forth. It was passionate. I was trying to get to my question, but of course you would have to get your point out.

One of my colleagues asked this question earlier, and I think it's really interesting. I'd like to get your view on this. Is there really evidence, in your view, that higher salaries for teachers lead to better outcomes for students, and is this about the kids?

Mr. Sam Hammond: And I sincerely ask what that has to do with Bill 124, honestly, because I'm not here just representing teachers.

Mr. Michael Parsa: So, Mr. Hammond, as an elected official, I ran for office on things that I believe in—

The Chair (Ms. Goldie Ghamari): Three minutes.

Mr. Michael Parsa: —and when we come in here—this is a beautiful building that allows all of us to be able to have a say, to be able to question and to be able to get some answers. It's a question that I'd like to pose to you—

Interjections.

The Chair (Ms. Goldie Ghamari): I'd like to remind the members of the official opposition to make all their comments to the Chair and not to the members opposite.

Mr. Michael Parsa: You're not comfortable with answering that, Mr. Hammond?

Mr. Sam Hammond: It's not that I'm not comfortable. I'm here to talk about—sincerely, Chair, I'm here to talk about Bill 124 and the effects it will have on all of my members. I don't want to talk about one specific group, quite frankly; I want to talk about the overall effects that I've mentioned that that bill will have.

Mr. Michael Parsa: That's fine. Thank you, Mr. Hammond, and I will ask Mr. Sabawy—

The Chair (Ms. Goldie Ghamari): MPP Sabawy.

Mr. Sherif Sabawy: Can I ask what is the average salary for your members, please?

Mr. Sam Hammond: Well, it depends. It's a good question, and it depends on which group, as my colleague suggested earlier. For our teacher members, the average is about \$85,000 to \$86,000. Our early childhood educators, educational support, professional support is, say, \$36,000, \$37,000 on average. And our occasional teachers are living well below the poverty line in most cases, based on their daily rate of pay.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Sheref Sabawy: Okay. My quick question is, there's talk about that we are hindering the bargaining process by putting a 1% cap. That's one element of bargaining. Can you give us some idea quickly about what other elements of bargaining could be? Is it all about money? Are we all only bargaining about money, or—

Mr. Sam Hammond: No, absolutely not. I can give you an example, like 274, fair and transparent hiring practices for our occasional teachers—not one penny, no cost to that. If we talk about full-day kindergarten, no new costs on a go-forward basis.

Mr. Sheref Sabawy: So it's not totally taking the process out of—consent, basically. It's one element. We're talking about one element of a bigger bargaining—

The Chair (Ms. Goldie Ghamari): Thank you. We are now out of time.

Thank you for your presentation today, President Hammond, and—

Interjection.

The Chair (Ms. Goldie Ghamari): Oh, my gosh. My apologies. I am so sorry about that. I need a little bit of coffee.

We will now turn to the official opposition. You have 10 minutes. Who would like to begin? MPP Stiles.

Ms. Marit Stiles: You're not getting away that easily, I'm afraid. Thank you so much for being here, all of you. We really appreciate your comments on this legislation, given especially the short notice, how incredibly rushed, and the really unfortunately limited opportunity to comment.

I just want to start by taking issue a bit with some of the comments made across the way during the questions. Education is about the people. Education is about the people who teach our children. It really is. If you want to get into a conversation about capital and the state of our schools, I'm happy to—\$16 billion in capital repair. But at the end of the day, what matters so much—the most, I think, to most parents like myself—is the quality of the teaching that they get, the fact that there are caring and professional people in the classrooms.

Anyway, in speaking from that perspective, in terms of this legislation, you talked a little bit about this hanging over the heads of everyone heading into bargaining. I wonder if you wouldn't mind sharing with us a little bit of a sense, as well, about what that means for the workers on the front line, because their experience affects the experience of their students in terms of this legislation, the state of the bargaining and, ultimately, the cuts that we have already seen hitting our schools.

Mr. Sam Hammond: Our members—teachers, occasional teachers, early childhood educators, ESPs, PSPs—go to work every single day as professionals to provide the utmost care and learning experience for students on a day-to-day basis. If I just look at our early childhood educators and perhaps our occasional teachers and they hear that outside of a free and open and fair collective bargaining process, the government is going to freeze their compensation at 1%—what that means for our educational workers is 25 cents an hour. So their average salary might go up from \$36,000 to \$36,200 a year. When they're looking at trying to get ahead in life and trying to manage their bills on a day-to-day basis while they're fulfilling all of their professional responsibilities, it's concerning.

It's the same for our occasional teachers. When they look at a 1% increase enforced on their daily rate, it's minimal when the rate of inflation is 1.9% or higher. It doesn't even allow them to keep up with the daily costs of living in this province. It's frustrating, absolutely frustrating, and in part, I would suggest to you that that's what has led to a 98% strike mandate from our members across this province.

Ms. Marit Stiles: You mentioned a few times some of the past—it's not just under this government. We've seen respective governments; we've seen a lack of increases that were cost-of-living. We've seen your members pay a significant price, I would say, in terms of keeping our education sector afloat. I appreciate your comments about demystifying a little, as well, where a lot of education workers are at in terms of earnings and such.

Would you comment as well on the workplace reality, particularly violence in the workplace, and what that means and why we talk about that and where those supports have been cut? Because the members opposite want to talk about this as if it's all about a pay increase, and certainly one could argue that you are due a pay increase, but there are other significant issues being discussed that relate to the safety of your members but also our children.

1710

Mr. Sam Hammond: In the bargaining process, yes, absolutely. The daily realities are constant in classrooms and schools across this province. On a daily basis, classrooms are being evacuated because of violent incidents in schools. Our members are having to go to work with Kevlar on because of violent incidents in school. One of the biggest issues or factors there is the lack of supports for students with diverse and unique needs, the lack of special education teachers and educational assistants in numbers that would assist those students on a daily basis, and our educators and professionals, across the province. That's a huge part, a big part, of what we're trying to desperately talk about at the bargaining table in terms of additional supports for our members, but most importantly for those students. So when I hear in the public that there is one focus and one concern at bargaining and that's salary, that's just not true.

Ms. Marit Stiles: Thank you. I would just simply add—and maybe you could speak to this briefly—it seems to me like many Ontarians are actually in agreement with

you on these points and that you've seen probably more support—I don't know—from Ontario families and from parents in schools.

Mr. Sam Hammond: Yes, absolutely. When we see, across the province, parents organizing some 750 walk-outs at schools in this province, parents and parent groups are on social media daily talking about the negative effects of cuts and the support for educators, absolutely—this time more than ever. And we are so thankful that parents are getting tuned in to the cuts that are happening and what we're trying to achieve through this process.

Ms. Marit Stiles: Thank you. I'm going to pass it over to one of my colleagues.

The Chair (Ms. Goldie Ghamari): Thank you, MPP Stiles. We'll now turn to MPP West.

Mr. Jamie West: Thank you, Chair.

The Chair (Ms. Goldie Ghamari): Before you begin, this is your three-minute reminder.

Mr. Jamie West: Okay. Thank you.

I'll begin with a comment about the parents. In all of my travels, related to a separate issue in education—I've had a hard time finding a parent who said, "I love everything about my classroom, except I wish the classes were more crowded and there were less resources." I wonder if any of your members have brought that feedback to you.

Mr. Sam Hammond: No. It would be wonderful if this government would release the input and the data that they've got from those consultations—"the largest consultation in the history of the province." We'd like to see the outcome of that. But I can tell you that in every single meeting that we have held recently, I have asked people to indicate that when they took part in the consultations, did they ask for increased class sizes? Did they ask for cuts to special education teachers and programming—just two examples. Not one response to that, in a room full of thousands of members.

Mr. Jamie West: Yes. So that leads me to consultation. Parliamentary Assistant Parsa has asked several times today what a reasonable time frame for consultation is. In your deputation you said that the consultation felt like a sham, just a legal cover. Meaningful consultation, as you know, would be where you have a conversation back and forth and you actually consider what's in there. When we look at what a reasonable time frame is, my record of the time frame is: Last summer, Bill 124 was tabled. Then for about five months, not much happened—I guess there were some consultations. I heard that employers were part of the consultation, but we only have one person willing to do a deputation. Out of all of the people they consulted with, coming in today we had the Canadian Taxpayers Federation. Then we came back on October 28. We debated it for a day, for the afternoon. Then on the next day—

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Jamie West: —or, likely, the 30th, this was time-allocated. I bring that up because the last time you and I talked in this room was when they time-allocated the last bill that came through. I have a hard time thinking of a bill

that they haven't time-allocated. If this is so important to the government, if they're so interested in finding cost savings, why do you think it would be time-allocated? Why do you think it would be a not-meaningful consultation?

Mr. Sam Hammond: Well, I think there's a predetermined outcome in terms of what the government is trying to do here. The consultation was a sham, and, "How dare people say there's no consultation when we had five months of consultations when the government was on a hiatus—holiday—for five months?"

I talked once with the Minister of Education in early July. That's the extent of consultation.

Mr. Jamie West: So you represent 83,000 members and you were able to speak with the minister one time.

Mr. Sam Hammond: Yes, for about 30 minutes.

Mr. Jamie West: For about 30 minutes.

Mr. Sam Hammond: Absolutely.

Mr. Jamie West: And the government still insists that this was a great consultation.

The Chair (Ms. Goldie Ghamari): Thank you. That's the time that we have. Mr. Hammond, thank you for your time and your presentation. You may step down.

UNITED STEELWORKERS LOCAL 1998

The Chair (Ms. Goldie Ghamari): There has been a slight change in the schedule, as I believe you've all been made aware. We are going to be switching the United Steelworkers Local with the Ontario Federation of Labour. At this point I would like to invite Colleen Burke, president of United Steelworkers Local 1998.

Interjection.

The Chair (Ms. Goldie Ghamari): MPP Shaw?

Ms. Sandy Shaw: My question is: I've just lost track, so who will be asking questions of the witness first now?

The Chair (Ms. Goldie Ghamari): It is the government side. We are keeping track of this. Thank you.

Ms. Sandy Shaw: The government went last, didn't they?

The Chair (Ms. Goldie Ghamari): The independent Green Party member went, and now it's going to be the government that goes first. I have been keeping track of the rotations.

Ms. Burke, please state your name for Hansard, and then you may begin.

Ms. Colleen Burke: Okay. Colleen Burke. I'm president of the United Steelworkers Local 1998.

To begin with, I have to note that it's very disturbing that the government is having only one day of public hearings on Bill 124, which will affect tens of thousands if not hundreds of thousands of Ontarians. The fact that third reading will be on Thursday indicates that the government is not really interested in having the committee closely consider the bill. This reminds me of the stakeholder consultations, which have already come up, which were held in the spring and were also about going through the motions before moving ahead with a predetermined outcome.

The United Steelworkers represents over 10,000 members in the university sector. It is the position of our union that this bill should be withdrawn.

As I mentioned, I am the president of Local 1998. We represent over 8,000 workers at the University of Toronto, Victoria University and the University of St. Michael's College. We are a female-dominated workforce and our members do everything from counselling students with mental health issues to working in labs to patenting new inventions to setting up AV for classrooms to refereeing intermural games. Our members are your constituents and they live in communities from Guelph to Port Hope to Barrie. Many of them commute two hours or more a day because they can't afford to live closer to their jobs.

It's typical for the government to characterize public sector and broader public sector workers as overpaid. Our members are not getting rich. The USW university sector workers have an average annual income between \$50,000 and \$55,000. In my local, over the last three contracts, pay increases for our staff-appointed unit have been at or below inflation. We are still catching up from the years when our increases were well below inflation.

Our casual unit is made up of over 3,000 part-time, short-term or temporary employees. That is the stated definition of this unit; however, many are in these precarious jobs for years. They are often dismissed by the employer as student workers earning a little extra money, but at least two thirds of them are non-students. They're people with housing and transportation costs and families to feed in a very expensive region. We have some members who have been casual workers for 20 years.

While the minimum wage for this unit does go up in each contract, many members who make over that minimum have not had a wage increase of any kind in years. The one-size-fits-all formula of Bill 124 means that we can't address these historic wage issues in our next round of bargaining.

Our wages are not out of control. Wage settlements in the public sector have actually been lower than those in the private sector for five years running.

The backgrounder provided when the bill was tabled says that public sector compensation represents roughly half of all government expenditures and that a 1% increase translates to \$720 million in additional costs.

1720

I can't speak to other sectors, but this is simply not how funding works in the university sector. Funding is on a per-student basis.

The Coalition of Ontario Universities reports that "Ontario universities receive, on average, only 35% of their revenue from per-student operating grants." Simply put, our salaries are not a line item in the provincial budget. Universities get what they get from the provincial government, which is the lowest per-student funding in the country, they add it to the tuition and other income and they manage their budgets accordingly. The province is not our employer and a wage increase in the university sector will not have an impact on the deficit. This bill infringes on our right to collectively bargain with our employers.

Universities are drivers of the economy in both large cities and smaller centres. My employer, the University of Toronto, is one of the largest in Toronto, and contributes \$15.7 billion to the Canadian economy every year. It has created more new companies based on research and technologies in the last three years than any other institution in North America.

In addition to the contributions of our employer, university staff and our salaries support local economies as well. If our wages are not keeping up with inflation and we are continuing to fall behind, our members won't be buying a house or a condo or a new car; they won't be signing their kids up for hockey or supporting local coffee shops and restaurants. This does have a ripple effect throughout our communities.

The Drummond report noted the achievement of Ontario's post-secondary sector: "The quality of Ontario's post-secondary system is high, from both a Canadian and international perspective. International rankings have recognized the province's institutions and programs for the quality of education they provide. Those same institutions, particularly universities, compete not only for students, but also for the best faculty to maintain excellence in the sector."

If wages are constrained by the province, universities will not have the flexibility they need to offer competitive salaries and hire the best staff and faculty. Many of our members work with salaries that are lower than equivalent jobs in the private sector because they want to work for a university. They support the mission of the employer. If our wages continue to fall behind we will see a brain drain as staff and faculty move to the private sector or to other jurisdictions without a wage cap.

Bill 124 is a solution in search of a problem. Ontario has a Labour Relations Act which allows for free collective bargaining. Meaningful collective bargaining is protected by the charter. This one-size-fits-all solution doesn't work. My local has been bargaining fair contracts with our employers for over 20 years without a strike. Collective bargaining is an effective tool, and we can bargain with our employers without government interference. The bill should be withdrawn so that public sector employees and unions can sit down and collectively bargain. Thank you.

The Chair (Ms. Goldie Ghamari): Are you finished?

Ms. Colleen Burke: Yes.

The Chair (Ms. Goldie Ghamari): Thank you for your presentation. My apologies.

At this point we will now move to the government side. I believe MPP McDonnell will be starting.

Mr. Jim McDonnell: Thank you for coming out today.

Some of the points that you've made: When you said the province is not your employer and a wage increase in the university sector will not affect the deficit, maybe just elaborate on that.

Ms. Colleen Burke: Sure. Universities get their envelope of money, and if we were lucky enough to freely bargain a 10% wage increase in the next round of bargaining, we wouldn't get any more money from the

province for that. It's a per-student funding, so within that envelope the university can decide how they want to allocate it. They also want the flexibility within their budgets to figure out what they're doing with their collective bargaining.

The universities get what they get. That's determined through other processes, and whether we got a 1%, 2% or 10% wage increase, the province wouldn't be giving any additional funds to the universities.

Mr. Jim McDonell: Now with the two main sources being either the student tuition or the money from the province, where would that extra money come from? I mean, if it doesn't come from the province—we already have the highest tuition rates in the country.

Ms. Colleen Burke: Well, I can speak for my employer: It is very well endowed. It owns the land that we're sitting on. It owns a ton of buildings in this area. So I'm assuming my employer is not hurting for funds, and they wouldn't pretend that they are.

There are all kinds of different fundraising. There are donations. There are endowments. There are investments. UTAM, the UToronto asset management, is stewarding all of those funds, bringing in excellent returns. So the provincial funding actually represents about a third of the University of Toronto's budget. As provincial grants have been dropping over the years—and Ontario is the lowest—universities have had to get creative about other ways for money. Certainly, I personally wouldn't want to see that on the backs of students with higher tuition, but universities are seeking other sources of funding.

Mr. Jim McDonell: Yes. Your one comment about selling off assets—I didn't go to U of T, but I certainly walk through it every day going to Queen's Park. I guess it upsets me when I see pictures of sports fields sold off to condominiums, because the area is only so large and if you start selling off your assets, soon you have nothing left. It's unfortunate that the students have lost the ability to have that green space.

Ms. Colleen Burke: Oh, I agree completely. I was being facetious. I don't think they're going to—yes, they're not going to be selling off. You aren't going to need to find a new building.

Mr. Jim McDonell: But that's what they've been doing, yes.

Ms. Colleen Burke: Yes, my employer hasn't. My employer is actually acquiring more assets all the time. They have a whole real estate strategy as a way to be creative about their fundraising, so it's not a likely scenario, in my experience.

The Chair (Ms. Goldie Ghamari): MPP Cuzzetto?

Mr. Rudy Cuzzetto: Thank you very much for being here this evening.

Was your organization invited to consult on the proposed Protecting a Sustainable Public Sector for Future Generations Act?

Ms. Colleen Burke: We did. We did participate in the consultations in April. If something is actually a consultation, I think it means that you're going to listen to the people you're talking to. We felt that the whole thing, the

questions being asked, those four very direct questions to drive people to a particular conclusion—we felt the whole thing was a foregone conclusion.

Certainly, at the one I went to, which was for the post-secondary sector, every single organization in that room echoed, "It's a revenue crisis. It's not a spending crisis. You're interfering with collective bargaining. Give us the flexibility. We don't want to a one-size-fits-all solution. Let us do our jobs." That was overwhelmingly the response from every single organization in the room, and I don't think it made any difference whatsoever. I also know that there were employers on the employer side from my sector saying, "The system is not broken. We're doing well. Don't tinker with it. Let us do our jobs." So we were there. I don't feel it was a meaningful consultation, but we showed up and we did our thing.

Mr. Rudy Cuzzetto: With a \$360-billion debt in this province, what would you do better to improve Ontario's economic state?

Ms. Colleen Burke: Well, one of the members who was in the room earlier was talking about always going back to the trough and robbing Peter to pay Paul. I would maybe look to see if there's somebody other than Peter and Paul who could be paying. Corporate taxes, taxes on high-income earners: There are different ways to bring in revenue. Some of Ontario's revenue is the lowest—

The Chair (Ms. Goldie Ghamari): You have three minutes left.

Ms. Colleen Burke: —is the lowest in the country. So I would be looking at some creative measures there. Even a small increase in the corporate tax rate could bring in enough money to cover all the public sector needs that we have.

Mr. Rudy Cuzzetto: Thank you.

The Chair (Ms. Goldie Ghamari): MPP Harris.

Mr. Mike Harris: Thank you, Madam Chair. This is the first I've heard of Steelworkers representing university faculty or support staff—

Ms. Colleen Burke: Yes, admin and technical workers.

Mr. Mike Harris: Could you elaborate a little bit more on what you guys are doing at the university? I'm just curious.

Ms. Colleen Burke: Yes, absolutely. It was a bit of an odd fit. In the late 1990s, the support staff at the University of Toronto wanted to organize. They shopped around, they looked at different unions and they actually went with the Steelworkers. It was very strange at that time for a female-dominated, white-collar workforce to come into an industrial union, but they were very attracted by the Steelworkers' education program and its model of educating and using members for its work. So at that time, it was a bit strange, but our union has so changed, through mergers and more organizing over the decades, that the three largest sectors in the Steelworkers internationally are now health care, telecommunications and education. So yes, I do like telling people I'm a Steelworker.

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Mr. Mike Harris: What other universities other than U of T are you at?

Ms. Colleen Burke: Guelph and Queen's.

Mr. Mike Harris: Okay.

Ms. Colleen Burke: There are three in Toronto. We are an international union, so there are some in Pittsburgh as well.

Mr. Mike Harris: What about Waterloo? Do you have something against Waterloo?

Ms. Colleen Burke: Waterloo is already represented by somebody else, otherwise we'd be in there.

Mr. Michael Parsa: What's our timeline, Chair?

The Chair (Ms. Goldie Ghamari): There is one minute left.

Mr. Michael Parsa: Ms. Burke, you mentioned about the consultations. You said that they were a foregone conclusion. After the consultation process in the summer, amendments are being presented as a result of consultation, some of which you yourself and your colleagues and others participated in, that we heard are being brought forward. One of them is the benefits pooling model, for example.

The consultation process was quite open and quite inclusive, and that's as a result of it—the fact that the amendments are being drawn up from having gone through this consultation process, having heard from our stakeholders, our partners in this.

Ms. Colleen Burke: I don't think tinkering with the bill is the solution. I can't speak to the benefits pooling idea because I think that's for other sectors, but overwhelmingly the view from everybody in the room I was in for our consultation—and I know from the other sectors as well—was, "Pull it, not tinker with it." If it passes, I'll be happy to take a look—

The Chair (Ms. Goldie Ghamari): One minute left.

Ms. Colleen Burke: —to see if it's not as bad—

The Chair (Ms. Goldie Ghamari): Oh, my apologies. Time is up.

We'll now turn to the official opposition. Who would like to begin? MPP West, you have the floor.

Mr. Jamie West: Thank you, Chair. I want to begin by thanking MPP Harris for advocating for more Steelworkers. It's refreshing to hear a Harris say that.

Ms. Burke, you mentioned earlier that your union is female-dominated, so a couple of things: I feel very fortunate to be in a party that has wage parity with half-and-half female and male workers, and I'm glad that I have three female workers sitting with me today to have a discussion.

This is the party that, with Bill 57, cancelled pay transparency, so you could see the difference between male and female wages.

In your presentation, you mentioned casual workers among the people you represent and how they're precarious. Can you tell us more about them and the situations they face so we can better understand?

Ms. Colleen Burke: Sure. On the wage transparency thing, at the University of Toronto we have a very robust job evaluation system that was brought in under the Pay Equity Act and has been going on for quite some time. We have it at all three of our Steelworker universities, so I

think in a lot of ways we are tackling the pay equity disparity, but we definitely have two classes of employees at the university. It doesn't break down by gender, but yes, the casuals are precarious workers. They can be someone who comes and works the coat check for three days at a conference. That's fine. They can be someone who works a series of temp contracts for five years and never converts to full-time. They have no benefits. They have no paid sick days. They have absolutely no job security. They don't need to be let go with just cause.

Many of them have multiple jobs, so it's a hard group for us to even contact, to stay in touch with—a hard group to mobilize. As I said, they come into three groups. The minimum wage group: We're able to raise a bit in each contract. Those are primarily student workers. Other people who, let's say, are backfilling a sick leave will get the same wage as the full-timers, but there's a whole group in the middle whose jobs don't match over, and they have not had a raise in years.

One particular group is called "standardized patients." They assist in medical exams. They are actors pretending to be patients who are part of the training for med students, and some of them have been making the same wage for different types of work for 10 years or more.

Mr. Jamie West: Okay. Also in your presentation—I had to write it down—you talked about the University of Toronto creating more companies based on research and technology than any other institution in North America. First, congratulations. What sort of impact do you see of this cap that holds any increase to below inflation for the people who are driving the boost to the economy?

Ms. Colleen Burke: Not to speak out of turn, but we've heard this from our employer themselves—the concern about the brain drain. I don't work within a faculty, but certainly these top faculty can go anywhere in the world. They're being courted by universities in every jurisdiction, and if there is a compression on wages and the employer doesn't have the flexibility to offer competitive wages, particularly for these high-performing professors, they're going to go somewhere else.

Mr. Jamie West: Okay. I'll share my time with MPP Glover.

The Chair (Ms. Goldie Ghamari): MPP Glover.

Mr. Chris Glover: Thank you very much. I'm sure your members have been reading the media over the last six months. How do they feel when there's legislation that's being introduced that infringes on their charter right to free collective bargaining while they've given their deputy ministers a 14% pay increase and some Conservative MPPs a similar increase?

Ms. Colleen Burke: People have been pretty outraged by the whole thing. I mean, these are real people with real bills. There are varying levels of whether people follow the news or not, so we did a big education campaign to tell our members about it. One person, the first thing he said was, "My condo fees went up 15%."

People know what they're paying. They know what they're paying for groceries, they know what they're paying to commute—and, as I mentioned, tons of people

live very far away because they absolutely cannot afford this housing market—and they just see the unjustness of it. Particularly with the total compensation being all balled together, many people have very strong opinions about a particular medical benefit that we need improvement on. If we do that, that's going to take away from a potential wage increase.

Yes, our members are very, very concerned about it.

Mr. Chris Glover: How much time do we have?

Interjection.

Mr. Chris Glover: Okay. I'm the colleges and universities critic and I've been in the education sector for a lot of years. One of the things that's really impressed me in my tours of colleges and universities is the impact that they are having in developing our economy for the next generation—particularly of IT, but of other types of research. Recently I toured the BioZone at U of T, which I'm guessing some of your members may work at.

Ms. Colleen Burke: Absolutely.

Mr. Chris Glover: Okay, I guessed that right. I'm so impressed with the amount of research that's going on there. They're making organic glycol, which is a very useful chemical for industry. They're doing in-place cleaning of toxic chemicals in the ground. I'm really impressed with this.

They were talking about how they develop the research, it gets scaled up, they have industrial partners and it contributes to our economy. So your members are actually part of the research that's contributing to the growth of our economy, and yet they're going to be limited to a 1% pay increase in a city like Toronto, where the prices are just outrageous.

Can you comment on the contribution that your members are making to the research and to our economy, and the impact that being limited to a 1% pay increase would have on them?

Ms. Colleen Burke: It's interesting you should mention BioZone. In my real job, before I took a leave to be president, I work in the innovations and partnerships office and we do the research contracts that involve industry. We are there from the time the professor has the idea and does the funding proposal right through to when they have an invention and they're commercializing it and doing a start-up and taking it to market. Our office does that whole thing and we're really proud of what we do.

I'm not a science background at all, but I get so excited when one of the professors has some—

The Chair (Ms. Goldie Ghamari): You have three minutes left.

Ms. Colleen Burke: —that we worked on that. We did the paperwork for that. We want our employer to do well, to achieve, and we're really proud to be a part of that.

People will start voting with their feet. Especially in that field, if the wages are being suppressed, they're going to go to the private sector.

Mr. Chris Glover: And then that will impact our economy and our economic growth through that research.

Ms. Colleen Burke: Yes. And a real loss of institutional knowledge as people leave, and professors leave for the private sector as well.

Mr. Chris Glover: Thank you. Those are all my questions.

The Chair (Ms. Goldie Ghamari): MPP West?

Mr. Jamie West: When the government was asking you questions, there seemed to be a difference between how the parliamentary assistant saw the consultation process versus what you described as the consultation process. I keep hearing today what a wonderful consultation process it was over the summer, and the reflections from the different deputations this morning have been very different. Would you mind explaining again what you said during your deputation about the consultations—what was recommended?

Ms. Colleen Burke: It just felt very, very much like it was a foregone conclusion, and even for any questions asked in the consultation, it was—"Well, you have to email your questions to this address." The people who were there—no offence—were fairly low-level people and weren't even introduced. We didn't even know to whom we were speaking until about half an hour in, when someone said, "Can you at least tell us who's here?" Any question was—"Send it to the website." It felt very pro forma, and it felt like they just wanted to tick the boxes because previous charter challenges around collective bargaining rights came on—"Well, it's okay what you did, but you should have consulted."

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So my feeling is, they're just ticking the boxes because they know the charter challenge is coming.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Jamie West: From the time you were involved with the consultation, or your union was involved, has there been any feedback on what was provided in the consultations? I know from our side of the government, we haven't seen anything. We've heard there are consultations, and then it's sort of like, "Anyway, here's what we're doing."

Ms. Colleen Burke: I think we received a two- or three-page summary of the comments that were made and that was about it. There were some answers to some of the questions, but it was generally just links back to the budget bill.

Mr. Jamie West: Several times you talked about losing jobs. Have there been job losses with the people you represent?

Ms. Colleen Burke: We have started to see some. The tuition cut is an \$88-million cut to the U of T budget for this fiscal year alone. We have started to see some job cuts in some of the faculties that are disproportionately affected by that cut, and we're concerned that there will be more.

Mr. Jamie West: It's interesting that the government cut \$88 million out of your budget and is concerned that now the university might sell off assets.

The Chair (Ms. Goldie Ghamari): That's all the time for the official opposition.

We're turning now to the Green Party independent member. You have two minutes.

Mr. Mike Schreiner: Thank you, Ms. Burke, for being here today.

In your testimony, you talked about your concerns around the interference in the bargaining process and the implications of that. Could you elaborate on what you think some of the implications of that would be?

Ms. Colleen Burke: I think a big part of it is, it takes away the flexibility that a union and employer can sit down and come up with some creative solutions.

For example, in the last round of bargaining—job security is a huge issue for us at the University of Toronto, and we were able to negotiate a fund called the Pathways to Employment Fund to help our laid-off members find other jobs in the university. My concern with this cap on compensation is, would a creative solution like that now count as part of that 1%; is that the kind of thing that would be nullified later if the parties agree to it?

We've also had creativity in our sector around the University Pension Plan, which is a new, jointly sponsored pension plan. It came out of collective bargaining at three different Steelworkers universities and others.

The Chair (Ms. Goldie Ghamari): You have one minute.

Ms. Colleen Burke: Is something like that now going to be allowed? What are the constraints that we're going to see at the table? It's quite an unknown, and we're very concerned about—what's the point of going to the table? What are we going to be able to achieve there? So we do see it as a violation of our rights.

Mr. Mike Schreiner: I guess there are certain savings or efficiencies or creative solutions that happen at the negotiating table that could be lost because of Bill 124?

Ms. Colleen Burke: Yes. The one-size-fits-all solution doesn't make sense. Maybe for some of our units a 1% wage increase is fine. For the casual unit, they're so behind they need some more. So it's imposing a very rigid structure that doesn't allow us to work within the cost envelope that we have to come up with the best deal for our members, and a fair deal for the employer as well.

Mr. Mike Schreiner: Thank you for your time. I appreciate it.

The Chair (Ms. Goldie Ghamari): Thank you for your time and your presentation. You may step down.

Interjections.

The Chair (Ms. Goldie Ghamari): I just want to remind all members again that loud, private conversations are discouraged in committee. If you would like to have an exchange, please go outside in the hallway. It is distracting. Thank you.

ONTARIO FEDERATION OF LABOUR

The Chair (Ms. Goldie Ghamari): Moving now to our final presenter, I'd like to call upon the Ontario Federation of Labour—Mr. Ahmad Gaied and Ms. Thevaki Thevaratnam. Please state your names for Hansard, and then you may begin. You'll have 10 minutes.

Mr. Ahmad Gaied: My name is Ahmad Gaied. I am the executive vice-president of the Ontario Federation of Labour. With me today is our director of research and

education, Thevaki Thevaratnam. The federation represents 54 unions and one million workers, and defends the rights of workers in Ontario whether they are in a union or not.

On behalf of all workers in this province, the Ontario Federation of Labour demands that the government immediately withdraw Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act. Piece by piece, the Ford government is trying to dismantle our public services by manufacturing a crisis in every sector and community across Ontario. This includes chronically underfunding the programs and services we rely on, making plans for further privatization and contracting out, ordering more restructuring and mergers within different sectors and agencies, and most recently, undermining decent working conditions in the public sector with Bill 124.

Bill 124 imposes a series of three-year moderation periods in the form of salary and compensation caps on a variety of unionized and non-unionized workplaces. This includes any improvements to health care benefits and pensions. During these periods, increases to both salary rates as well as to existing or new compensation requirements will be capped at 1% per year, with very few exceptions.

Given that the cost of living increase for Ontario was 2.4% in 2018, a maximum 1% wage increase fails to keep pace with inflation. It translates into a real-dollar wage cut.

Workers across the public sector are being left behind by this government. These workers include those employed by crown agencies, school boards, universities and colleges, public hospitals, non-profit long-term-care homes, and children's aid societies. Meanwhile, the government has gifted compensation increases to the wealthy.

In February of this year, it was announced that the province would provide doctors with a salary raise of at least 3.5% over four years. Then, in June, the Premier named 31 MPPs as parliamentary assistants, meaning that all of those MPPs will now receive an additional \$16,600 on top of their already six-figure salaries.

In October, it was revealed through published orders in council that the minimum wage salary for deputy ministers has increased by 14% since 2016. Those 28 people will now earn at least \$234,000 a year. The president and CEO of Ontario Power Generation received a 12% raise in 2018. The salary is now \$1.7 million.

It is unacceptable that this government is recognizing the value of certain workers, while penalizing front-line workers who deliver the services we all depend on.

Also, remember that in November 2018, this government cancelled a \$1 per hour raise for minimum wage workers, instead opting to eliminate their income taxes. But two thirds of minimum wage earners will never see the benefit because they earn less than \$30,000 a year. Low-wage workers who do pay taxes will make almost \$2,000 less per year, while getting only \$800 to \$850 back through the tax benefit.

"Open for business" cannot and should not mean that workers in Ontario are forced to sacrifice their standard of

living, their rights and their protections while the wealthy continue to profit.

By imposing compensation outcomes during the collective bargaining process, Bill 124 infringes on workers' constitutionally protected right to meaningful collective bargaining. The Charter of Rights and Freedoms enshrines the fundamental freedom of all Canadians to associate for the meaningful pursuit of collective workplace goals. This includes the right to organize, the right to unionize, the right to collective bargaining and the right to withdraw labour.

According to the Supreme Court of Canada, the right to collective bargaining extends to a meaningful collective bargaining process. The court ruled that interfering "with a meaningful process of collective bargaining by reducing employees' negotiating power is ... inconsistent with the guarantee of freedom of association."

Collective agreements are freely and fairly negotiated in good faith between unions, on behalf of their members, and employers. The ratified collective agreement reflects employment conditions that have been agreed upon by both parties. The legal agreements are specific to the sector in which the organization operates and also to the workplace, ensuring that negotiated provisions consider various socio-economic and fiscal issues.

Negotiations must occur at the bargaining table. The government has a duty to the people of this province to protect and uphold their constitutional rights, including their right to engage in meaningful collective bargaining.

1750

There is no fiscal crisis in Ontario. The FAO's assessment of a provincial deficit found that the actual deficit for 2018-19 was roughly half of what the government claimed.

Ontario does not have a spending problem. The Ontario government spends the lowest amount per person on public services of any province in the country. In fact, in 2017, Ontario spent more than \$2,000 less on programs per person than the rest of Canada, on average.

Program spending will only increase by 0.8% a year, according to the 2019 budget. Once inflation and population growth are factored in, that 0.8% represents a reduction in program spending. Spending cuts to public services mean job losses, and every job loss in the public sector means a service loss in the community.

What Ontario has is a revenue problem. The Ontario government receives the lowest total revenue per person of any province in this country. Instead of generating greater revenues, the government lost \$3 billion by cancelling the cap-and-trade program over the next four years; it has spent \$1.9 billion over five years on the ineffective LIFT credit to compensate for cancelling the \$15 minimum wage; it forfeited \$275 million per year in personal income tax from high-income earners; and it gifted \$3.8 billion in tax relief over the next six years to corporations.

Corporations and the wealthy should pay their fair share of taxes. Increasing corporate tax rates by two percentage points would generate \$2.4 billion in added revenues this year, growing to \$2.8 billion by 2022.

The Chair (Ms. Goldie Ghamari): You have three minutes left.

Mr. Ahmad Gaied: Former Finance Minister Vic Fedeli has said that everyone across the province will be required to "make sacrifices without exception." But this government has made big businesses and the wealthy the exception, leaving workers and their families to make all the sacrifices.

The bill is not just an attack on Ontario public sector workers; it is an attack on all Ontario workers. Any compensation-related policy in the public sector will have spillover effects in the private sector. Instead of raising the bar for decent work in this province, the government is engaging in a race to the bottom for workers. Since the 2009 recession, the public sector has been the target of government austerity measures. Year after year, public sector wage growth for unionized workers has failed to keep pace with inflation.

It is important to understand that any modest gain in public sector wages can be attributed largely to wage differentials for lower-waged women workers. A large proportion of lower-waged women workers in the public sector earn a somewhat better annual income than women in similar occupations in the private sector. Racialized workers in the public sector experience a similar reality but to a lesser degree.

Equity-seeking workers, including women, Indigenous and racialized workers, will be negatively affected by any government policy that seeks to undermine decent working conditions in the public sector.

One in four workers in Ontario is employed in the public sector, and in some communities that percentage is much higher, particularly in northern Ontario. For example, in Nipissing north, more than 50% of the job market is in the public sector. In similar regions, this legislation will dampen consumer demand and local economic growth as wages and purchasing power for middle-income households diminish.

An attack on the public sector is an attack on every Ontario worker.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Ahmad Gaied: An attack on the public sector is an attack on equity-seeking Ontario workers. An attack on the public sector is an attack on Ontario communities.

Public sector jobs are middle-class jobs, union-protected, with fair wages, benefits and working conditions. The labour movement will not support any actions that seek to undermine decent working conditions for Ontario workers. The OFL demands that the government withdraw Bill 124 immediately.

The Chair (Ms. Goldie Ghamari): Thank you very much for your time.

We'll now turn to the official opposition. You have 10 minutes. MPP Shaw.

Ms. Sandy Shaw: I want to thank you for this presentation. It's very powerful. You were the last of the day but certainly not the least. That was a very powerful presentation. Thank you for this well-researched representation of

what a million workers in the province of Ontario and their families are facing with the actions of this government.

You're not the first deputant today to talk about this government's inflated deficit and to attribute the reason that the government liked to inflate the deficit was that it then could be a convenient excuse to make the kinds of cuts that we're seeing in workers' wages and workers' jobs, in fact. So I would say that the government has lost the authority to talk about the economy when their numbers don't add up, and people have seen clearly through this bankrupt notion that this is what they're trying to do. What we see is that what they're trying to do is attack workers and cut back on services.

You've highlighted quite clearly people seeing through the hypocrisy. People are outraged in my community when they see that everyone is expected to tighten their belts, everyone is expected to face job loss, work part-time, work in vulnerable, precarious work, and at the same time we have a government that has dealt themselves raises in the form of parliamentary assistant positions. They have the largest cabinet in the history of Ontario. I don't think there's anyone on the government side that doesn't have an additional role that comes with an additional salary. That hypocrisy is something that the people of Ontario are seeing through.

We have already seen cuts and job losses in the province that, as you said, and very rightfully so, impact the service delivery that people are receiving. So my question to you is: Before we even get to the point where we are having workers that are going to have their wages frozen, can you explain a little bit about the people that you represent, the job losses, the cuts that you have seen in the sectors that you represent?

Ms. Thevaki Thevaratnam: Absolutely. At the Ontario Federation of Labour, we actually track a lot of the cuts that we've been seeing over the last year and a half or so. We're seeing it across different sectors. For example, with autism, we're seeing a lot of services being reduced in that sense and a lot of folks facing job losses and layoffs. We're seeing it in the health care sector, with nurses being fired or laid off, and definitely across the public school board system with teachers facing layoff notices or being bumped because positions are being cut through attrition or through layoff notices.

It's not just health care; it's not just education. It is child care workers. It is personal support workers. These are the people who are most vulnerable, who can't afford to make ends meet as it is. This current legislation—and let me just say: It is not just about salary. It is also health care benefits. It's also pensions. And it's being capped at 1%. That 1% may not even be realized and most likely will not. Once you put a ceiling on something, you're negotiating below. That's just the reality of how negotiations work. So these folks are going to continue to struggle.

The fact is, as Ahmad pointed out, the cost-of-living increase in Ontario is 2.4%. That varies between different regions. It was just produced today that Toronto's living wage is \$22.08 per hour. That very much varies throughout different regions in this province. Are folks making

that? Most often, the case is no. We can't even get a \$15 minimum wage in this province, and we have been advocating for that for a very long time.

Ms. Sandy Shaw: Thank you very much. We see a government that is talking about saving—they talk a good game—but this is a government, believe me, that is spending big. They're just not spending on the things that matter to us, our constituents and the people in the province of Ontario.

We have a government that is prepared to spend, just recklessly, \$30 million on a court challenge, a reckless court challenge, because it's not their dollars. The \$30 million to pay for lawyers in a court challenge is not their money; it's taxpayer money.

This is a government that is prepared, again, to risk—not risk; mostly certainly they will see a charter rights challenge to this egregious legislation that will include lots of lawyer fees, lots of resources, and more than likely a huge settlement, just as we've seen with the Liberal government.

We have seen, as we like to call it, the gravy train: all kinds of plum appointments handed out to all kinds of people. As you rightly said in your deputation, it is also a government that is prepared to give corporate handouts and gifts to the wealthiest of all in Ontario.

As you said, you represent the most vulnerable workers, people who are working hard every single day, one, two or three jobs, trying to put food on the table, trying to keep things together. My question to you is: Why do you think this government would decide that that's where they want to save money—on the backs of workers who are just trying to keep this province together and trying to keep their families together?

Mr. Ahmad Gaied: Well, we've seen time and time again that this government says one thing and then does another. The fact is that they're spending a lot of money giving people promotions within their cabinet, within their caucus.

1800

When I came here today I listened to some of the previous presentations. I heard stories of why people got involved in politics. Those stories should come with a responsibility as well. This government has a fiduciary responsibility to spend the money accordingly for services that Ontarians depend on. Quite frankly, it can be easy to spend money that's not yours, but there is a responsibility that is tied to that, and we're not seeing that with this government.

Services are on the decline and will be on the decline once this passes and once it goes through. This government does have the power, obviously, to force this through. We were hoping to have meaningful dialogue, but the optics of it all—it looks like this is just an exercise and that it will eventually go through. However, I can tell you that we definitely are opposed to this. It needs to be withdrawn. This government does have the power to push it through, but they have to have the will to do the right thing.

The Chair (Ms. Goldie Ghamari): You have three minutes left, MPP Shaw.

Ms. Sandy Shaw: If you were looking for meaningful consultation, this is the wrong government, because we've seen almost all of their bills being time-allocated. They don't allow people to come to committee, or if they do, it's very limited. Really, this is a government that doesn't understand the meaning of consultation. They think they have all the answers, and they're going to ram this through, just as they have with all their other legislation.

So I wish you were correct that we've had meaningful consultation, but evidence has shown otherwise.

I will now cede my time to MPP Jamie West.

The Chair (Ms. Goldie Ghamari): MPP West.

Mr. Jamie West: I'm going to read the quote you had from the former finance minister because I think it's worth repeating. "The fiscal hole is deep.... Everyone across the province will be required to make sacrifices, without exception."

I was going to ask a question about it, but I think that it was answered, certainly before, with the amount of people grabbing money with both hands when it comes to the government and their friends and low-wage workers.

It leads me to a quote further on the same page, where it says, "Furthermore, it is important to understand that any modest gains in public sector wages can largely be attributed to wage differentials for lower-waged women workers." Below that, it also talks about racialized workers.

Knowing that the OFL represents one million unionized workers and speaks on behalf of all workers in Ontario, do you feel like the government is attacking female workers and racialized workers with this bill?

Ms. Thevaki Thevaratnam: Absolutely. I think this bill 100% attacks those who are equity-seeking workers. In the public sector, there is a modest gain that you see—a 4.8% wage differential—but that is largely attributed to women workers, particularly lower-wage women workers, and that differential is 7.4%. When you look at people of colour, that's 5.3%.

It's important to understand that within the public sector women are overrepresented, so any bill that comes after the public sector comes after women workers, comes after equity-seeking workers. As Ahmad pointed out, there's a—

The Chair (Ms. Goldie Ghamari): You have one minute left.

Ms. Thevaki Thevaratnam: —spillover effect as well. So it's not just concentrated there. It will have ramifications throughout this economy.

Mr. Jamie West: To summarize, we have workers who are paid about 7.4% less, as well as 5.3% less, who are only seeking to get to wage equity, and the government put their thumb on the scale and said, "We're going to cap you at 1%." You said earlier that 1% is the ceiling—so good luck on hitting the ceiling, if you're able to do it.

Several times today, we've been talking about collective bargaining and a charter challenge to it. I think the OFL is the right place to ask the question—I know there's minimal time. Do you know of any union involved with this that is not consulting lawyers to seek a court challenge to this?

Mr. Ahmad Gaied: What I can say is, stay tuned. All of us have been—

The Chair (Ms. Goldie Ghamari): Thank you very much. That is all the time for this round.

I'd now like to turn to the Green Party independent member. You have two minutes. You may begin.

Mr. Mike Schreiner: Thank you for being here today. I really appreciate it.

You talked a bit about how there could be broader implications to this bill, to the broader workforce. Can you expand a little bit on what you think those broader implications will be?

Ms. Thevaki Thevaratnam: Sure. The idea that any time you legislate something in the public sector, any time you set a standard somewhere—that standard follows in other places too. You will see private sector employers stating, "Hey, listen: There's a maximum cap here. We're going to employ something similar. Why should we be raising the bar for these workers when those workers are getting much less?" It actually sets a standard—a very poor standard—and it is a race to the bottom, especially on the backs of vulnerable workers. That makes very little sense when workers are the ones that are the backbone of this economy.

So absolutely it sets a standard—a poor standard, at that.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Mike Schreiner: Thank you. And do you think it will disproportionately affect people of colour and women because of the provisions around restricting equity-seeking opportunities in negotiations?

Ms. Thevaki Thevaratnam: Well, absolutely. When these are the workers that are the ones that are facing wage restraint or compensation restraint—these are the ones that are overrepresented in the public sector. So if you're putting a limitation on the amount of money or benefits that they can receive in terms of improvements, that absolutely restricts their ability at the bargaining table and also their ability for purchasing power and, as an equity-seeking person myself, and as Ahmad can speak to as well, it definitely places us a fair bit behind where we once were.

Mr. Mike Schreiner: And do you think this exposes the province to financial risk due to a court challenge?

Ms. Thevaki Thevaratnam: As Ahmad said, stay tuned.

Mr. Mike Schreiner: Thank you for your time. I appreciate it.

The Chair (Ms. Goldie Ghamari): Thank you very much. We'll now turn to the government side, beginning with MPP Harris.

Mr. Mike Harris: Well, thank you both for being here. I know it's starting to get a little late in the day, but of course there are important issues at hand to discuss.

I wanted to go back to some of the comments that were made about the debt and the deficit here in the province, and you not thinking that we are in a very bad position and in dire straits. I'm not going to talk about the deficit. I'm actually going to talk about the actual real debt that our

province has. This number doesn't come out of thin air; this is a real, tangible number.

We are almost \$360 billion—billion with a “b”—in debt. That's more than any subnational entity in the world. It's more than California and more than New York. Every person in this province—man, woman and child—owes a share of that debt, roughly about \$24,000 apiece. We spend almost \$13 billion a year just in interest payments. That's not on the principal; that's just in interest payments.

So, I'm wondering, if this were your house, your family or your business, for example, what would you do to help curb that debt and start paying it down and be able to get yourself into a better position, especially when it comes to credit ratings?

Mr. Ahmad Gaied: With the greatest respect, I feel that that's a question that we can dialogue about, but you've come up with a solution that will not work.

When we talk about money that this government is spending, you're talking about interest and all this—this government is saying that we are in a situation where there is this huge deficit and we're spending all types of money on interest. But the reality is, your government is still spending money as if there was no issue. So if there is an actual issue, I feel like you should be leading by example.

As I outlined, you've treated one set of workers differently than the rest. You've provided doctors a 3.5% wage increase. Your government has had 31 MPPs get a pay raise in the sum of \$16,600. You have deputy ministers who have received a 14% raise.

It could be a rhetorical question that I could ask: What is your government doing? I see a lot of money that's being spent. I see the Ontario Power Generation CEO making \$1.7 million and getting a 12% raise. I can pose that. You don't have to answer; it's rhetorical. If there is an actual crisis, then this government should be leading by example.

Mr. Mike Harris: We are definitely taking steps to obviously curb spending where it's applicable, but I think one of the things we need to realize here is that when we're talking about some of the largest spends that we have, half of all government money is spent on public sector salaries. I believe the total is \$72 billion.

Mr. Ahmad Gaied: Absolutely. I was just going to say: Perhaps when you bring that issue to a bargaining table, you can have some creative ideas exchanged between the employer and workers. Solutions can be made. It shouldn't be forced or saved on the backs of workers.

1810

Mr. Mike Harris: Thank you.

Ms. Thevaki Thevaratnam: Can I add to that?

Mr. Mike Harris: Sure.

Ms. Thevaki Thevaratnam: Thank you. With government, it's about making choices. It's about your priorities and what you choose to spend money on and what you choose not to, where you choose to make your cuts and where you choose not to.

As Ahmad pointed out, we have \$3 billion as lost revenue from cap-and-trade. We have \$2.4 billion that could be generated this year alone if we increase corporate

tax rates by two percentage points, and then \$2.8 billion—oh, and that's billion with a “b”—by 2022.

It's about choices; right? Where do you choose to make your spending and where do you choose to make your cuts? Ultimately this government has chosen to make the cuts on the backs of vulnerable workers.

The Chair (Ms. Goldie Ghamari): All right. MPP McDonell?

Mr. Jim McDonell: It's interesting that you say that. You look at the law of diminishing returns, where the federal government, which raised income taxes on the highest percentage—but their tax revenue actually went down. We find that we're the most expensive jurisdiction in North America to manufacture cars. We could raise taxes more; we just become more expensive. I think it's interesting to note that in the last—

The Chair (Ms. Goldie Ghamari): This is your three-minute warning.

Mr. Jim McDonell: If you look at the last decade, the 12 car plants that have been built in North America—eight in the US, four in Mexico and none in Canada because it's too expensive here. So we can raise corporate taxes, but all we do is, we lose the companies. They leave. That takes good unionized jobs, and they leave.

Ms. Thevaki Thevaratnam: Part of that is, though, that they get those tax havens and those tax loops—

Mr. Jim McDonell: There's an economics here, and you just can't continue to raise something in a capital system above what it costs to actually make a profit. If you do, the company either goes out of business or they have to leave. Unfortunately, over the last number of years they've been leaving and taking those good jobs. We lost 300,000 of our best manufacturing jobs. Meanwhile, we have the private sector that has seen their salaries go up about 6% over the last 15 years. The public sector has gone up well over 30%. That's the reality, and we have to somehow address that or we'll have no jobs left to pay the public salary rates.

Mr. Ahmad Gaied: The reality is that, this bill is not going to be the solution to the problem you're outlining. It sounds like you're saying that we need creative solutions that need to be bargained at the bargaining table. The rights of workers that are protected under the Canadian Charter of Rights and Freedoms should not be trampled based on what you're outlining—

Mr. Jim McDonell: But you see, we ran an election—and you talk about choices, but the people chose to support us because we promised that we would spend—

Ms. Thevaki Thevaratnam: You didn't really win a mandate, though; right? There was only—

The Chair (Ms. Goldie Ghamari): I'd like to remind everyone that, for the sake of Hansard, to please not speak over each other. That way, our recorder can ensure that everyone's comments are being properly recorded for Hansard.

MPP McDonell, you may continue.

Mr. Jim McDonell: We ran an election on getting the finances in order and spending money on infrastructure. If money is going to salaries, it's not going to infrastructure.

The Chair (Ms. Goldie Ghamari): You have one minute left.

Mr. Jim McDonell: Sure. So there are some choices we had to make—

Interjections.

The Chair (Ms. Goldie Ghamari): I'd like to ask all members to please be quiet. Thank you.

Mr. Jim McDonell: Your choice has given us a mandate by the people of the province, and that's what we're following through on.

Mr. Ahmad Gaied: Well, I think we need to build the Ontario that we all want, an Ontario where nobody is left behind, an Ontario where everyone prospers. Like I said, that only happens through dialogue. That only happens through communication. I can tell you that on many occasions, on at least four that I can tell you about, we have requested meetings with the Premier. We have had meetings cancelled on us by some ministers—the Minister of Labour.

As the umbrella organization for unions in this province—when you are not stepping up to the plate to meet

with the house of labour, we're not going to come up with any solutions. There's no dialogue there, and, like I said, we don't want to trample on the rights of workers in this province. This is something that's protected. It's something that we all need to communicate a little bit—

The Chair (Ms. Goldie Ghamari): Thank you very much for your time.

This concludes our final presentation. Thank you for being with us today, and my apologies that it ran late.

For members of the committee, this concludes our business for today. A reminder to committee members that, pursuant to the order of the House dated October 31, 2019, the deadline for written submissions is 6 p.m. today and the deadline for filing amendments to the bill with the Clerk of the Committee is 12 noon on Tuesday, November 5, 2019. Please note that amendments must be filed in hard copy in room 1405, Whitney Block.

The committee is adjourned until 9 a.m. on Wednesday, November 6, 2019, when we will meet for clause-by-clause consideration of Bill 124.

The committee adjourned at 1815.

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