

# Ontario plans big boost to minimum wage, update of labour laws

By Martin Regg Cohn

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Sweeping labour reforms — and a dramatic rise in the minimum wage up to \$15 an hour — could soon target companies relying unfairly on part-time or contract work that deprives many Ontarians of decent wages from steady employment.

Ontario's Liberal government is debating a comprehensive update to labour laws that would boost private sector unionization, which has been declining at the same time as so-called precarious employment has left more and more people — middle class and working class — bouncing from one job to the next.

The provincial cabinet will decide next week how far to take the package of reforms spearheaded by Labour Minister Kevin Flynn after a two-year review, *Changing Workplaces*, headed by outside experts. But it could have far-reaching effects for people of all ages and all walks of life who worry about vacation time, job security and wage transparency as temporary workers are increasingly treated like second-class citizens.

Government sources say most elements are falling into place after public hearings and private lobbying that has pitted union demands against a backlash from the corporate sector — with the governing Liberals caught in the middle. The sources spoke on condition of anonymity because cabinet deliberations are supposed to remain confidential.

In an interview, Flynn hinted strongly at the direction he is taking if he can win support from his cabinet colleagues. And with an election looming next year, the Liberals are also laying the groundwork for a campaign battle against the Opposition Progressive Conservatives, who have previously derided unions and opposed a higher minimum wage.

But as more workers face a future of instability and unpredictability, the government's goal is “to rebalance what has become an unbalanced relationship where the employer holds all the cards,” Flynn told me.

“You can't justify treating that part-time worker any differently than a full-time worker.”

Flynn argued that unionization is closely tied to higher living standards and employment protections, both of which have eroded in a changing workplace and world. The rise of franchise businesses and fragmented workplaces has made it much harder to organize workers into a union with rules dating from decades ago.

Among the major proposals going to cabinet before a public announcement later this month:

- Reducing the hurdles to unionization in key sectors of the economy, affecting groups such as cleaning staff and home-care workers. Unlike traditional factories that lend themselves to union huddles and secret ballots, these workplaces are hard for organized labour to penetrate because they are small or scattered. The reforms would enable union organizers to sign up a majority of members using card-based certification, reducing the risk of intimidation by employers ahead of a formal vote because membership “is a constitutional right that all Canadians have,” Flynn argues.
- Reversing the onus on part-time work, by forcing employers to clearly demonstrate why it's not a full-time permanent job. Too many companies now disguise regular employees as independent contractors or

part-timers to avoid paying them full wages and benefits. “If someone is doing what any average person would construe as a doing a full-time job ... that’s not a contractor,” Flynn says. “That may be somebody posing as a contractor.”

- Boosting vacation pay from the minimum two weeks under Ontario’s Employment Standards Act to the three weeks that is standard in most industrialized countries. And tightening up the language in labour law to eliminate loopholes used by employers trying to dodge their responsibilities.

Beyond the legal reforms, the Liberals plan on a major boost to the minimum wage starting this year, jumping from the current \$11.40 an hour to as high as \$15 when it is fully phased in. A wage hike was not part of the Changing Workplaces mandate, and is being announced separately — but it is very much linked to the reforms.

Flynn notes that any worker still judges his worth by his wage, no matter the working conditions. Back in 2014, the Liberals announced with great fanfare that they had come up with a new mechanism to set a fair base wage of \$11 an hour, with regular adjustments for inflation, which would insulate the process from political pressures while putting Ontario ahead of the pack.

But the labour minister and other government sources acknowledge that the world and the workplace have changed even since then. Some American states and Canadian provinces have set minimum wages far higher as the debate has leapfrogged Ontario, which now lags.

The pending reforms would be the first major overhaul in a generation. The NDP

government of Bob Rae toughened up labour laws by banning replacement workers during strikes, but the Mike Harris Tories pointedly rolled that back — also removing basic union rights dating from the previous Progressive Conservative government of Bill Davis.

Now, Flynn wants to level the playing field, recognizing that neither labour nor business will be satisfied. Loath to relive the ideological battles of past years, he is leaning against any ban on so-called “scab workers” for fear of shifting too much power to unions to shut down companies during disputes.

Nor is the government likely to force franchises to be organized as a single bloc by unions. A franchise head office typically argues that it can’t enforce compliance with employment standards by the private companies that hold individual franchises, even though they can dictate the cut of french fries. Flynn says he heard from all sides, and concluded that he will count on compliance with the law, without restructuring franchise arrangements.

The labour minister expects unions to be publicly critical but privately content with the gains in any final announcement. He is braced for pushback from the private sector and the business press, but dismisses their warnings that higher unionization and labour standards will drive investment out of Ontario.

The provincial economy is booming and there is money to be made from supplying a market of 14 million people. He notes that many business owners who demand flexibility to hire and fire part-timers while paying them less admit to personal frustration that their own grown children live at home because they can’t find steady work.