

Ontario to raise minimum wage to \$15 an hour by 2019

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Sweeping changes to Ontario’s labour legislation have workers and lower-income families cheering for a huge boost to minimum wage and benefits, but the province’s business community warns that the moves will make the province less competitive and drastically raise costs, particularly for mom-and-pop shops, many of which could be passed onto all Ontarians.

After two years of independent review, the government unveiled proposed amendments to its Employment Standards Act and Labour Relations Act Tuesday, including a rise in minimum wage to \$15 per hour by 2019. Part-time, contract and temporary workers would also make the same wage as full-time workers for equal work; vacation and personal-leave benefits would be increased across the board; and scheduling rules would become more rigid, ensuring workers get paid for at least three hours if a shift is cancelled.

The proposed legislation – which the province intends to send to committee after first reading – is a victory for low-and moderate-income families and vulnerable workers across the board. But the business community feel they have been “blindsided” by some of the proposals and warn that the whole package will force companies into the awkward position of slashing jobs or raising prices.

The final Changing Workplaces Review report, revealed last week and authored by labour-law experts C. Michael Mitchell and John Murray after two years of consultation and analysis, stopped short of endorsing a minimum-wage hike and suggested shift-scheduling issues should be addressed by sector-specific committees – a divergence from expectations that’s left business advocates steaming.

Ryan Mallough, policy analyst with the Canadian Federation of Independent Business, said that despite being involved for the full two-year process, “at no time did they ask us or consult on minimum wage... So I think the initial reaction here is we’re feeling pretty blindsided.”

Combining the proposed legislation with other additional costs – such as rising employment-insurance premiums and cap-and-trade programs – he said in an interview that “it’s becoming very difficult for a business owner in Ontario to manage all these cost pressures.”

The increase to minimum wage will be phased in over the next 18 months, rising to \$14 per hour on Jan. 1, 2018. Workers who have held a job for five years will now be entitled to three weeks of paid vacation. They’ll also have the right to 10 emergency days annually, two of which must be paid.

Kemba Robinson, spokesperson for the Association of Community Organizations for Reform Now, an advocacy group for low- and moderate-income families, believes the boost to minimum wage and shift is crucial. “People on low income will be rejoicing,” she said. “There are families that have to choose between buying food and paying rent, and we don’t think that is a fair choice. This is a significant improvement in their quality of life.”

Employers will now be required to pay an employee three hours’ wages if their shift is cancelled with less than 48 hours notice – including if they’re on call and not called into work. “Workers deserve a degree of certainty, especially when you need these shifts in order to make it through the month,” Premier Kathleen Wynne said Tuesday.

Ontario’s service and hospitality industry has been watching for changes to scheduling

legislation like a hawk, as many employers rely on staff being on call for unexpected bumps in traffic – and many workers depend on the flexibility, too. Forcing employers in restaurants and retail to pay for extra or cancelled shifts has many in the industry that it'll pressure their already-low margins into unsustainable territory. The changes "seem totally out of touch with the practices of running an operation," said Tony Elenis, chief executive of the Ontario Restaurant Hotel and Motel Association.

Students and liquor servers will still have separate, lower minimum wages than standard under the proposed legislation, but they'll both still rise: to \$14.10 and \$13.05 respectively in 2019.

The plan also changes union rules, making it easier for temporary workers, building services workers, as well as home and community care workers, to unionize.

And it'll allow unions to access employee lists and contact information if they've proved 20 per cent already support organizing. This has Jocelyn Williams Bamford, founder of Ontario's Coalition of Concerned Manufacturers, and vice-president of Toronto's Automatic Coating Ltd., worried about invasion of privacy on top of all the additional costs the proposed legislation would bring.

She said the increased costs to Ontario's small and medium businesses are putting significant pressure on them to move operations elsewhere, or potentially even shut down. "We're going to see the loss of family business, because they're just on unfair footing now," Ms. Williams Bamford said. Combined with rising future energy costs, and cap-and-trade legislation, "it's death by 1,000 cuts. ... While we're getting less competitive in terms of our legislation, the U.S. is getting more competitive to draw and attract business."