

Fair Workplaces, Better Jobs Act Submission to the Standing Committee on Finance and Economic Affairs

July 21, 2017

Contact

Jessica Mustachi
Coordinator, Ontario Campaign 2000
Family Service Toronto
128A Sterling Rd. Unit 202, Toronto ON M6R 2B7
416-595-9230 x.241
JessicaMu@familyservicetoronto.org

Campaign 2000

Campaign 2000 is a national, non-partisan network of 120 national, provincial and community partner organizations committed to working together to end child and family poverty in Canada. Ontario Campaign 2000 is a provincial partner with over 70 member organizations across the province.

www.campaign2000.ca

INTRODUCTION

Ontario Campaign 2000 is a provincial coalition of over 70 active partner organizations committed to eradicating child and family poverty in Ontario and Canada. Our membership is broad and diverse. It includes faith groups, educators who belong to ETFO, OSSTF and OECTA, the health and community sectors serving children and families, labour and academics and low income and working families from Thunder Bay to Peel Region to Windsor. For more than 25 years, Campaign 2000 has carefully monitored child and family poverty and related social policies at the federal and provincial levels through our annual report cards on child and family poverty.

We are very encouraged that the Ontario government is improving and updating the Labour Relations Act (LRA) and Employment Standards Act (ESA). Many low-income families are engaged in low-wage, precarious work, with few or no benefits and limited access to collective bargaining. Positive changes to the ESA and LRA would significantly improve the lives of low income families in Ontario, particularly some of the most marginalized in the province, including women, female lone parents, immigrants, and racialized workers. Raising the minimum wage and the minimum standards within the ESA and provisions within the LRA will help to ensure all families and children have a more prosperous and healthy future that is free from poverty.

Ontario Campaign 2000 supports the submissions by Workers' Action Centre, Parkdale Community Legal Services and the \$15 and Fairness Campaign. We recommend that the changes to the ESA and LRA ensure that paid work supports the elimination of poverty across the province of Ontario and contributes to the eradication of child and family poverty in the province.

CHILD AND FAMILY POVERTY AND THE WORKING POOR

Ontario Campaign 2000 continues to be troubled by persistent high poverty rates in Ontario. In 2014, one in six children (18.8%) and 14.4% of Ontario families with children were living in poverty.¹ Families with low income struggle to make ends meet as neither work nor income security programs provide assured pathways out of poverty. In 2011, 40% of children in poverty lived in a family with full-time, full year work.² The inability of parents to provide for their families even though they are engaged in full-time, full year work has coincided with the increase of precarious work in the province where there has been an increase in contract, short-term,

¹ <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

² Campaign 2000. 2014 Report Card on Child and Family Poverty in Canada.

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org



FAMILY SERVICE TORONTO
For People. For Change.

shift-based, part-time or full-time minimum wage jobs with few or no benefits. This leaves families unable to afford the increasing costs of basic necessities, such as housing, food, health supports and child care.

Certain groups also face higher rates of engagement with precarious work. Families who are racialized, new immigrants, live with a disability or are led by women are more likely to engage in precarious and low-wage work. These groups also experience higher rates of poverty. As noted in Ontario Campaign 2000's 2016 Report Card on Child and Family Poverty, racialized, new immigrant and women workers are more likely to work in low-paying jobs without paid leave and with unpredictable work schedules, which increases the likelihood of these families living in poverty.

Creating positive changes to the LRA and ESA, which address workplace standards and precarious work, is a key component in effectively reducing child and family poverty. This fact cannot be overstated. Parents and caregivers must be able to depend on good jobs to provide basic necessities for their families. When families have job stability, liveable wages, and benefits they can create a better future for their children and a better future for Ontario.

Employment Standards Act

Definition of Employee –Section 1

Misclassification of employees has resulted in workers not being able to access the protections afforded under the ESA, including emergency leave, vacation and holiday pay, and scheduling requirements, thereby furthering employment precarity. As previously stated, many low-income families engage in precarious employment and being able to access the protections of the ESA will help increase their job stability and security . The changes in the Bill to ensure that misclassification is prohibited and to place the onus on an employee to prove someone is an independent contractor are significant changes to ensure workers can be protected under the ESA. Another key component that should be added is to include dependent contractors in the definition of an employee within the ESA. This will ensure the ESA is consistent with the LRA and that workers will not be misclassified.

Recommendation: Amend the definition of employee to include 'dependent contractor' as defined in the Labour Relations Act.



FAMILY SERVICE TORONTO
For People. For Change.

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

Scheduling – Section 21

Employees with children need predictable and stable schedules. This is incredibly important for families who need to arrange child care, arrange child minding if their child falls sick or a parent has a second job, training or education program they need to attend. The need for predictable and stable schedules is especially important for employees who choose to work part-time because they have care-giving responsibilities. Families with low incomes also need advance notice of scheduling so they can better predict monthly incomes, particularly when working part-time, flexible hours. Uncertainty in scheduling can cause parents and caregivers to scramble to find other work on short notice so they can cover their monthly expenses.

Unstable and inconsistent work schedules also impact family dynamics and reduce a family's ability to create a work-life balance. This is incredibly important, especially for families of young children as it has been proven that the first 1000 days of a child's life are key in a child's lifelong development. When caregivers' work schedules are erratic and constantly shift from week to week, they are often unable to ensure consistent quality time with their children that is critical to child development and family health and well-being.

While Bill 148 takes important steps forward in addressing scheduling, including allowing for requests to change work schedules and locations without reprisal, and the ability to refuse a shift given with less than 96 hours of notice, families need more protections to reduce scheduling uncertainty. Providing predictable scheduling would reduce stress and provide greater economic security to assist low-income families to move out of poverty.

Recommendation: Employers should provide notice of their employees' work schedules at least two weeks in advance, new changes should come into effect April 2018, and all employees whether unionized or non-unionized should be covered by the ESA minimum.

Minimum Wage – Section 23

Increasing the minimum wage is a key component in reducing poverty and creating both a healthy workforce and healthy economy. The Ontario government has committed to reducing poverty in the province; an essential element in doing so is to ensure that paid work is a pathway out of poverty. As previously stated, many children who live in poverty in Ontario live in families that have full-time and full

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241



FAMILY SERVICE TORONTO
For People. For Change.

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

year work. Increasing the minimum wage is essential in enabling families to cover the rising costs of housing, food, child care, and healthcare related expenses.

Increasing incomes also reduces food insecurity. Research shows that income is the strongest predictor of food insecurity, and that as incomes increase, the rate of food insecurity decreases.³ In 2014, 17% of children in Ontario lived in food insecure households.⁴ Raising the minimum wage is therefore essential in reducing food insecurity and could have even further reaching positive impacts, as a healthy diet greatly contributes to overall health and well-being.

An increase in the minimum wage would also positively impact the lives of groups who disproportionately engage in low-wage and precarious work, and could reduce the rates of poverty experienced by these groups, including women, new immigrants, and people with a disability. Women account for a large number of the people who work for minimum wage and female lone parents also experience higher rates of poverty. By increasing the minimum wage workers who disproportionately experience living in poverty due to systemic barriers can begin to make a way out of poverty.

Increasing the minimum wage could also help reduce income inequality and create a healthier economy by increasing economic growth within the province. International research from the IMF has shown that increasing the income share of the lowest 20% of the population is shown to be associated with higher GDP growth.⁵ The report states that the poor and middle class are the most important groups to ensure growth, as there is a positive relationship between these groups' disposable incomes and higher growth, and that when these groups incomes are stagnant they have a causal effect on financial crises, and in turn hurt short and long-term growth.⁶ Increasing the wages of low income earners also is shown to have a positive impact on local economies as low wage workers are more likely than higher-income earners to spend extra income in their local economies, rather than put the money into savings or spend their earnings outside the country. Lower minimum wages are associated with higher market inequality⁷ and thus increasing the minimum wage can have a positive impact on reducing income inequality.

However, while the increase in minimum wage is a positive move forward, it is necessary that the increase be extended to all workers including students and liquor servers. Students and servers may have families

³ <http://proof.utoronto.ca/resources/fact-sheets/#publicpolicy>

⁴ <http://proof.utoronto.ca/wp-content/uploads/2016/04/Household-Food-Insecurity-in-Canada-2014.pdf>

⁵ <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

⁶ <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

⁷ <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241



FAMILY SERVICE TORONTO
For People. For Change.

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

and children that they need to support and by not paying them equally, the government is encouraging higher rates of poverty among these workers and their families. Further, Ontario remains the only province that has a sub-minimum wage for students. In order to eliminate child and family poverty in Ontario, the government must ensure all workers have a fair wage.

With the transition to a higher minimum wage, the province must provide support and sufficient funding to government-supported services (including the non-profit sector). This assistance is particularly essential to ensure that services which do not rely on market-based economies can provide good jobs for their employees and in turn continue to provide high-quality services for the people and communities they support.

Recommendation: Eliminate the sub-minimum wage for students and liquor servers.

Right to Vacation – Section 33-35

Providing paid public holidays and vacations are key components of ensuring workers are able to create a good work-life balance. Taking a break from work has shown to have beneficial effects on workers and that vacations have a positive impact on performance levels.⁸ As previously mentioned, families also need quality time with their children to ensure healthy development. Increasing the amount of paid holidays and vacation within the ESA ensures that families on low income will be able to take time off without affecting their incomes. However, with the increase of precarious work whereby many workers are engaged in short-term contracts or temporary work, many workers may not be with the same employer for more than five years and thus not be able to qualify for the three-week vacation benefit. In order to support healthy work life balance, increase productivity, and support all families in Ontario, it is important to provide this right to vacation to all workers.

Recommendation: Amend to provide a minimum of 3 weeks paid vacation for all employees

Difference in Employment Status – Section 42

Many low-income families work in precarious low-wage part-time or temporary jobs without benefits. As previously mentioned, families that are racialized, new immigrants and those led by female lone parents

⁸ <https://www.psychologicalscience.org/news/minds-business/want-to-excel-at-work-take-a-vacation.html>

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241

Email: jessicamu@familyserVICEToronto.org

www.campaign2000.ca & www.familyserVICEToronto.org



FAMILY SERVICE TORONTO
For People. For Change.

face even greater precarity. The proposed changes to have equal pay for equal work is an important step forward to ensure people doing similar work are paid equally regardless of employment status and designation. However, to ensure compliance there must be amendments to the language used within the bill to avoid any loopholes. It is important to have clear language to ensure that the standards are met and workers are paid fairly.

Recommendation: Close loopholes in equal pay language by using the terminology “similar work” when determining rate of pay. Exceptions should be allowed when differences in pay are based on formal seniority systems or merit compensation plans. All employers should follow equal pay rules for both unionized and non-unionized workplaces.

Leaves – Section 49

Leaves of absence are an important aspect of the ESA for all families in Ontario. The extension of the family medical leave to be in line with the federal Employment Insurance program is a positive change for families. The new leaves regarding the death of a child or a crime-related child disappearance is an important introduction in the ESA. Amendments should however be made to ensure that all employees would have access to this leave even if their child may have been a party to the crime.

Recommendation: Amend sections 49.5(3) and 49.6(3) to revoke the part of the exemption which states “that the child was a party to the crime.”

Personal Emergency Leave – Section 50

The ability to access personal emergency leave (PEL) is incredibly important to families with children across Ontario, and having access to paid PEL is even more important to assisting low-income families in the province. The changes to the PEL to maintain 10 PEL days, with two paid days and 8 unpaid days, to not require a certificate from a medical health practitioner, and to include sexual or domestic violence or the threat of sexual or domestic violence as reasons for PEL are important steps forward in the provision of job security for low-income families.

A majority of people who experience domestic and sexual violence are women, and women make up a majority of lone parent families in the province (84.3%). Lone parent families headed by women face a greater risk of living in poverty due to the wage gap in Ontario and more women being precariously

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241



FAMILY SERVICE TORONTO
For People. For Change.

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

employed. Providing a leave of absence for people leaving domestic or sexual violence allows parents, specifically women, to maintain job security while ensuring their safety and that of their children. A paid leave of absence would also assist low income families to sustain themselves economically while finding and paying for housing when fleeing a violent situation, helping to ensure that families do not become destitute.

Low-income families with very constrained budgets would be unable to afford to take unpaid PEL. As a result of not having enough paid sick leave, many people may decide to go to work sick. This is in spite of the Ontario Medical Association encouraging people to stay at home when sick. Going to work while sick creates a public health concern since many low-wage workers are employed in the service industry with the potential to spread communicable diseases, further increasing health care costs. As noted in the “Income and Health: Opportunities to achieve health equity in Ontario” report, the poorer you are, the worse your health outcomes.⁹

Providing paid sick days would result in lower costs to the healthcare system and a healthier workforce. Paid sick days can also provide workers with the opportunity to take measures to prevent the onset of illness, reducing overall provincial health costs in the long run.

It is also a common experience for parents and caregivers of young children who are in child care to be called to come pick up their child if the child has a fever or is very sick. This puts a difficult onus on families who engage in precarious work, as leaving their work during a shift may result in a loss of pay for the rest of the day. This would be a difficult burden specifically on low-income families who may not have a subsidy for child care and the loss of income for that day might place them in further financial jeopardy. Having access to a sufficient number of paid PEL days would provide families and particularly low-income families with greater job stability and sustainability.

Recommendation: Increase the PEL to 12 paid days.

Temporary Help Agencies – Section 42

Many low-income families who face greater marginalization due to low education or because they are racialized, new immigrants or older workers engage in work administered by temporary help agencies. The

⁹ <http://www.hqontario.ca/Portals/0/documents/system-performance/health-equity-report-en.pdf>

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241

Email: jessicamu@familyserVICEToronto.org

www.campaign2000.ca & www.familyserVICEToronto.org



FAMILY SERVICE TORONTO
For People. For Change.

complexities around the rules pertaining to the agency and the employer/client can lead to ESA regulations not being fully respected, leaving employees with low wages and engaging in more precarious and dangerous work. The changes in the Bill, including ensuring equal pay for equal work and termination pay for early cancellation of assignments are important first steps in addressing these issues. However more work is needed to ensure that employees who receive work through temporary help agencies are fully protected under the ESA. This includes closing the language loopholes to equal pay for equal work, converting temporary agency workers to permanent employees after 3 months, just cause protection for temporary agency workers, capping 20% of a workforce that can be temporary agency workers and bar agencies from charging fees for hiring temporary agency workers.

Recommendation: Close the loopholes to equal pay for equal work, convert temporary agency workers to permanent employees after 3 months, provide just cause protection for temporary agency workers, cap 20% of a workforce that can be temporary agency workers and bar agencies from charging fees for hiring temporary agency workers.

Timeline

Given the Ontario government's commitment to eliminate poverty through its Poverty Reduction Strategy, Ontario Campaign 2000 recommends that all changes to the LRA and ESA be effective as of April 2018. These changes are necessary to address the realities experienced by low-income workers and their families.

Conclusion

Changes to the ESA and LRA will have a large impact on low income families in the province of Ontario and particularly impact some of the most marginalized in the province, including women, female lone parents, immigrants, and racialized workers. Given the Ontario government's commitment to eliminate poverty through its Poverty Reduction Strategy, Ontario Campaign 2000 recommends that all changes to the LRA and ESA be aligned with the goal of eradicating poverty among all Ontarians. Providing workers with greater income security, job stability, and freedom to organize collectively for their rights as workers are crucial elements of any program for poverty reduction and eradication and to building a strong and healthy Ontario.

Campaign 2000, c/o Family Service Toronto
128A Sterling Rd. Unit 202, Toronto M6R 2B7
Phone: 416-595-9230, ext. 241

Email: jessicamu@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org



FAMILY SERVICE TORONTO
For People. For Change.