

Labour Minister defends contentious wage increase

By Brock Weir

Ontario is in an election year, and the Government says the Province is 'doing very well' when it comes to prosperity. Economic growth is going well, they contend, unemployment numbers are low, and we're leading the G7 in growth.

But, according to Kevin Flynn, Ontario's Minister of Labour, there has been a core group of people in recent years not sharing in the wealth; namely those living on minimum wage.

The Minister of Labour spoke to The Auroran last week on the Province's controversial decision to raise the minimum wage, a move which has sparked significant backlash from employers large and small across the Province.

Whether it is a group of 'rogue' franchisees clawing back tips, hours and paid breaks or even downsizing and dismissals, heat is being felt across all sectors, but the Minister is defiant in his government's decision to bring in a 'living wage.'

'In hindsight we probably should have done it earlier,' said Mr. Flynn.

In 2011, Ontario put in a process he said 'depoliticized' the formula for calculating minimum wage, pegging it at the rate of inflation but the economic fallout in the last few years of the previous decade led to some 'reticence.'

'There was a feeling that the economic rebound we experienced in Ontario and throughout Canada, the States and the world was still a bit fragile and it wasn't the time to be making any big economic moves,' he says. 'We just continued to invest in infrastructure and the economy and thought that would be enough to carry us through.'

During that time, however, he says it became clear that the idea a minimum wage was simply a 'student wage' was more of a myth than a reality.

'We found almost a third of the people in Ontario earn a wage less than \$15 an hour,' says Flynn. 'Out of those third, easily half of them ' and I think even approaching 60 per cent of them ' are between the ages of 25 and 64. This isn't the 'teenager still in school making a bit of money for university' wage, all of a sudden this is now a family wage.'

The boost to minimum wage came after a series of studies and outreach sessions led by two people who brought to the table an employee perspective and an employer's point of view. Their review process went across the Province, he says, holding consultations over two years with business leader, organized labour and poverty groups. These findings ultimately led to how the work force could be changed -- and indeed how the workforce had changed since the last time a study such as this was carried out in the 1990s.

'They realised there had been a huge rise in temporary work, a huge rise in part-time work and [they decided] the world of work had changed so much they needed to make some recommendations that ensured the regulations were still valid in 2018,' says Flynn.

'We looked at things like the use of temporary agencies, how they proliferated so people were essentially working full time, but were in temporary full-time positions for what could be years. We knew this simply wasn't right for the security of those folks, so we made some changes around temporary healthy agencies.'

'There were a lot of people living so close to the edge that they were afraid to take the day off work because they couldn't afford to lose that day's pay. If their child was sick, they would send their child into school and they would still come into work. We realised for years now personal emergency leave applied to companies when you had over 50 employees, realising in today's environment that that should apply to all Ontarians. You shouldn't have to have one set of people living by one rule and another that didn't have the same right.'

Paid sick leave was another component brought into the conversation, including findings that when people living in abusive situations, primarily women, says the Minister, have to make a change to get out of that situation they should be protected during that period of time.

'They shouldn't be thinking that if I do get my kid or myself out of that dangerous situation I might put my job at risk,' he says. 'A lot of that did get lost in the debate that erupted over minimum wage.'

Yet, that debate still rages on.

Many of these issues, but minimum wage to a lesser extent, were covered at a breakfast meeting hosted by the Aurora Chamber of Commerce on Wednesday morning and there has been considerable exposure paid to certain Tim Hortons franchises and their response to the minimum wage hike.

Dubbed 'rogue operators' by their parent company, the Minister says he understands their 'beef' with the policy but it is a 'beef' which shouldn't be taken out on their employees.

'It seems counterintuitive to me,' he says. 'Any business model I have ever seen you'd want to have happy employees and make

sure your employees were well looked after. It was on the front page of Forbes this month that treat your employees well you will be more profitable and more productive. When you look at other businesses, the vast majority of businesses have adapted to this quite well. They probably would have preferred we hadn't done it in the long run, but they understand. Maybe business people preferred we hadn't done it, but I think as people, as individuals, as family members, they understand there was a need to do it to bring everybody along.

?We are doing a lot of education, a lot of outreach. We are actually funding some of these organizations so they can go out and talk to their own members. Average earnings are good in the Province of Ontario and the part I think a lot of people miss is you've got almost a third of the population now will be earning more money and earning money at a level that they are going to inject funds, their paycheques, back into the community very, very quickly. If you're earning \$14 or \$15 level and trying to get by, you would be very surprised if you even had a savings account but you're not investing this money but putting it back into the main streets, the BIAs, into the mom and pop businesses in your local area very quickly. You're going into supermarkets, into the drug stores, you're buying diapers, paying the landlord. Very ordinary purchases that are very good for the economy.

?I think roughly half of our GDP in Ontario is generated from household purchases. There are going to be some very good, positive economic spin-offs as a result of this.?

HAVE YOUR SAY ? As an employer or employee, what are your thoughts surrounding the minimum wage increase and the Minister's perspective? Sound off by sending your thoughts to letters@auroran.com.