

# SETTING A PEOPLE'S AGENDA FOR ONTARIO



**2014 PRE-BUDGET SUBMISSION  
TO THE STANDING COMMITTEE ON FINANCE AND  
ECONOMIC AFFAIRS, GOVERNMENT OF ONTARIO**



**ONTARIO FEDERATION OF LABOUR**



**SETTING A PEOPLE'S AGENDA FOR ONTARIO: 2014 Pre-Budget Submission to the  
Standing Committee on Finance and Economic Affairs, Government of Ontario**

**January 16, 2014 • Ontario Federation of Labour (OFL)**

The Ontario Federation of Labour (OFL) represents 54 unions and one million workers.  
It is Canada's largest provincial labour federation.

15 Gervais Drive, Suite 202, Toronto, Ontario M3C 1Y8  
416-441-2731 • 1-800-668-9138 • [info@ofl.ca](mailto:info@ofl.ca)  
TDD: 416-443-6305 • FAX: 416-441-1893

[www.OFL.ca](http://www.OFL.ca)  [OFLabour](https://www.facebook.com/OFLabour)  [@SidRyan\\_OFL](https://twitter.com/SidRyan_OFL) [@OFLabour](https://www.facebook.com/OFLabour)

This document was proudly produced with unionized labour: BSW/JD/ss:cope343



# SETTING A PEOPLE'S AGENDA FOR ONTARIO

**2014 Pre-Budget Submission to the Government of Ontario**

## INTRODUCTION

The Ontario Federation of Labour (OFL) welcomes this opportunity to comment in advance of the 2014 Ontario Budget.

Last year, the OFL undertook an ambitious province-wide consultation to find out what Ontarians would like to see in a *People's Budget*. Over six weeks, the OFL held public consultations in nine communities: Windsor, London, Hamilton-Niagara, Kitchener-Waterloo, Brampton-Mississauga, Toronto, Sudbury, Thunder Bay and Ottawa. The campaign also received feedback from organizations and individuals from across the province through our website and social media. Building on this broad and diverse input, a set of priorities and recommendations were compiled (see Appendix A). We heard that austerity was failing the people of Ontario, especially those who are most vulnerable, and that Ontarians want to live in a fair and equitable society.

This message has not only been heard in Ontario, but around the world as the aftershocks of austerity continue to devastate communities on every continent. While the foundational philosophy that underpinned this agenda has been publicly discredited, the growing evidence that austerity is not working continues to be validated. Even Premier Kathleen Wynne herself has recognized that “a misguided focus on austerity and short-term thinking will not help Ontario expand its economic prospects, [or] create jobs.”<sup>1</sup>

Last year's budget took modest direction from the OFL *People's Budget* and responded to strong NDP demands by investing in infrastructure, reforming social assistance, committing to youth employment and increasing funding for employment standards enforcement. On one of the three core demands of the *People's Budget* – raising the minimum wage – the Ontario Budget responded directly by establishing a panel to review the current minimum wage and advise on how to depoliticize future increases to the minimum wage, opening the door for historic gains for working people in Ontario.

This year, it is time for the provincial government to ensure an economic recovery for everyone and set a *People's Agenda* for Ontario — one that expands opportunities and reshapes the future of our province around fairness, equity and good jobs.

## Rejecting Austerity: Investing in People and Communities

Despite measured gains, the 2013 Budget did not break from the austerity approach because it held the line on a one percent cap on growth in program spending and included no substantial measures to generate revenue through fair taxation. Consequently, any promised deficit reduction continued to occur on the backs of working people through spending cuts and lowering the quality of services available to Ontarians. This was a missed opportunity to set Ontario on a concrete path towards alleviating poverty, addressing inequality and spurring economic growth.

The appetite for a new approach in 2014 is growing and the people of Ontario expect big ideas and bold action. Overstated deficit predictions that have been used to justify the dismantling of Ontario's social safety net in recent years have not materialized. The Fall Economic Statement put the 2012-13 deficit at \$9.2 billion, down from a two-year forecast of \$15.9 billion.<sup>2,3</sup> It is time to end the undue hardship working people in Ontario have been forced to endure in the name of deficit reduction. The 2014 Ontario Budget must mark the beginning of a new era of prosperity driven by investments in people, communities and jobs that will grow the economy and benefit all Ontarians.

Your government made a positive commitment in the 2013 Fall Economic Statement to put investment in jobs, growth and families ahead of short-term deficit reduction targets.<sup>4</sup> In order to be effective and meaningful this commitment must lead to substantive action to:

- Invest in infrastructure and jobs;
- Make every job a good job;
- Eliminate poverty and expand opportunities for all; and
- Implement fair taxation.

The stakes are high and your government's actions today will determine how our generation will be remembered for years to come.

**Overstated deficit predictions have justified unnecessary and harmful cuts**

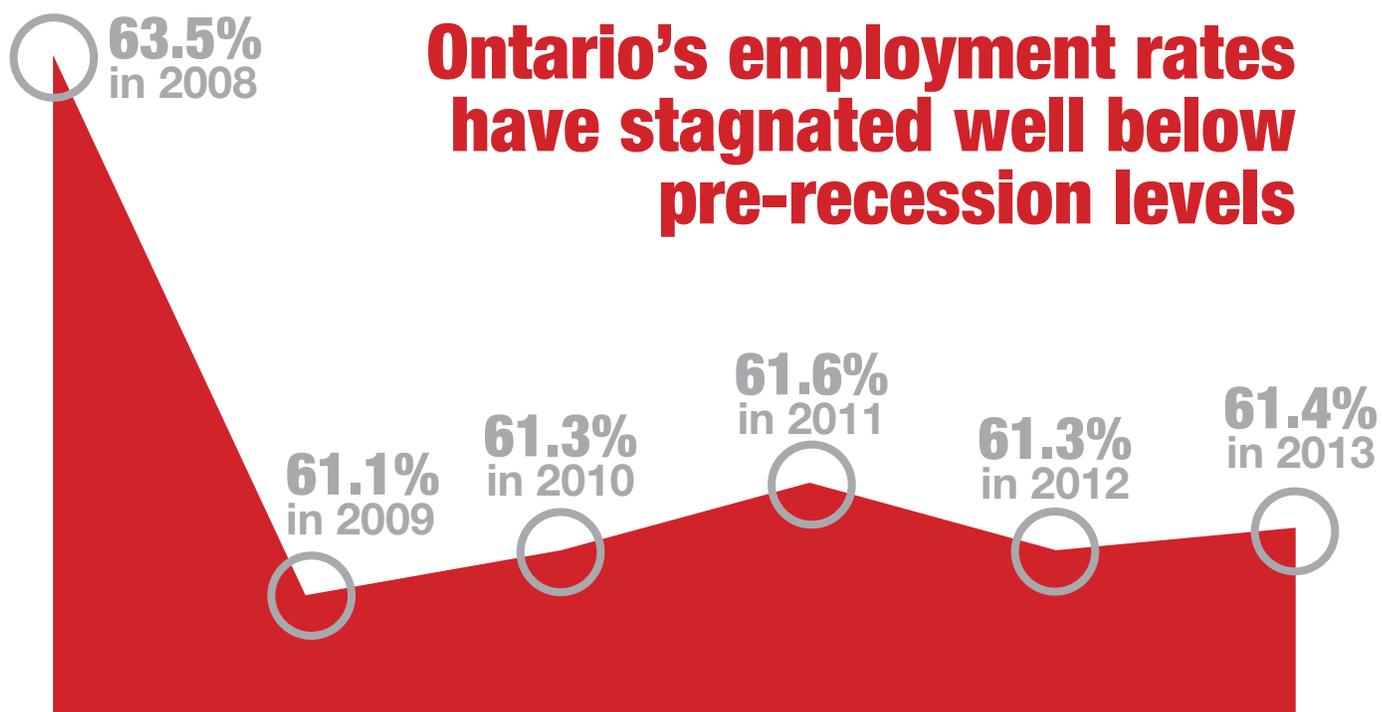


## The Challenging Economic Context

Ontario has still not recovered from the 2008 recession. Before the recession, 63.5 percent of Ontario's workforce was employed, but this number dropped to 61.1 percent in 2009 and has only managed to climb back up to 61.4 percent in 2013. Making matters even worse, the employment rate fell to 61 percent at the end of 2013 – a level it hasn't hit since March 2010. This represents a gap of over 280,000 new jobs still needed to return Ontario to pre-recession employment rates.<sup>5</sup> Meanwhile, unemployment has been consistently hovering between seven and eight percent since 2011, significantly higher than the 2008 unemployment rate of 6.5 percent.<sup>6</sup>

While employment numbers lag, austerity has shifted the burden for driving economic growth in Ontario to working people. The 2013 Ontario Budget projected that between 2013 and 2016 household spending would drive over 50 percent of economic growth, while government would have a negative impact on growth. This is a dramatic change from the period of 2008 to 2012 in which government investment and consumer spending drove economic growth more equally.<sup>7</sup> Meanwhile, businesses have not been doing enough to invest in training, drive economic growth or create jobs. Shifting towards a reliance on consumer spending is dangerous because austerity cuts have led to weakened public programs, declining public sector employment and wage cuts for public sector workers that undermine incomes and lead to declining consumer confidence. With downward pressure on wages, debt-fueled consumer spending cannot be over relied upon to fuel growth.

This challenging economic context demands big ideas and a bold approach to setting the economy back on track. Ontarians are looking to the provincial government to embrace its role as an important driver of the economy. Strategic and focused investments must be made in key sectors of the economy and public services, while measures need to be put in place to ensure that every job in Ontario is a good job and that the most vulnerable Ontarians are supported.



## INVESTING IN INFRASTRUCTURE AND JOBS

Good jobs are at the heart of healthy economies and communities, so job creation must be a top priority. With interest rates at historic lows, the provincial government has an affordable opportunity to make much needed investments today that will secure Ontario's future. After years of corporate tax cuts that have gutted government revenue and failed to spur economic growth, the people of Ontario are calling for sensible investment in infrastructure to boost the economy and ensure that all Ontarians share in the economic recovery.

### Investing in Infrastructure

Ontario's aging infrastructure is badly in need of repair, upkeep and expansion. These investments are not only a necessity, but they also contribute to the health of our communities, create jobs and drive economic growth. The funding devoted to infrastructure in last year's budget was a welcome first step. However, enhanced investments must be made in public infrastructure, such as water and energy systems, transit and housing.

The province cannot afford *ad hoc* spending on infrastructure. A long-term plan is needed – one that commits to public operation and public maintenance of all publicly financed infrastructure projects. Ontarians will not tolerate another gas plant scandal, in which over a billion dollars of taxpayer money was lost because of the failure of public-private partnerships to protect the public interest. History has shown that the public sector is the efficient, cost-effective choice for delivering services and operating and maintaining infrastructure.

***Recommendation 1: Establish a dedicated fund for the upkeep, repair and expansion of publicly delivered and financed infrastructure projects.***

### Investing in Communities

Steps must also be taken to ensure that infrastructure projects maximize their potential benefits for communities and working people. Community Benefit Agreements (CBAs) must be put in place to ensure that infrastructure projects create opportunities for good jobs, training programs and community development in the towns and cities where they take place. These arrangements can also help to foster inclusion by expanding opportunities among equity-seeking groups who have historically been disadvantaged. Positive steps, such as those being taken by community and labour groups to establish a CBA in the construction of the Eglinton-Scarborough Crosstown Line, must be supported.

Many Ontarians continue to experience systemic discrimination in the labour market, including people of colour, newcomers, people with disabilities, aboriginal peoples and women. As part of a jobs strategy for marginalized communities, employment equity must be restored as a provincial priority. An Employment Equity Secretariat must be established and adequately resourced to implement an employment equity program in Ontario. This will help to ensure that all people have equal opportunities in the labour market and in the workplace and would help foster a culture of equity and inclusion in the public and private sectors.

***Recommendation 2: Promote equal opportunities in the labour market by establishing an Employment Equity Secretariat and supporting Community Benefit Agreements.***

## **Investing Locally to Create Jobs**

Government investments can go much further to spur Ontario's economy if local procurement policies are adopted to ensure that public money creates jobs in Ontario. The success of local procurement policies has been demonstrated by the 25 percent Canadian content rule that came into effect in 2008 for transit vehicles purchased with provincial funding. This rule has ensured that jobs in the transportation sector have thrived in Thunder Bay. Vast opportunities exist to create jobs across the province if 'Buy Ontario' policies are expanded to all provincial and municipal projects.

It is a grave threat to Ontario's interest that the Comprehensive Economic Trade Agreement (CETA) negotiations with the European Union have recently produced an agreement-in-principle that is designed to restrict opportunities to use public money to support local and sustainable economic development. In particular, transit and energy, both sectors that many believed were going to be excluded from the trade deal, have in fact been included.<sup>8</sup> All efforts must be made to retain provincial and municipal government policy flexibility by opposing any restrictions on local procurement in the CETA before it is too late.

***Recommendation 3: Implement local procurement policies to ensure that public money creates jobs in Ontario and oppose harmful restrictions in international trade agreements.***

## **Investing in Innovative Economies**

Key sectors of the Ontario economy that foster innovation and create good jobs must be pro-actively supported. These include the manufacturing sector, public services and other promising sectors, such as renewable energy. Globally, employment in the green energy sector is growing rapidly; in fact, it doubled in five years from 2006 to 2011.<sup>9</sup> There is an opportunity here for Ontario to bolster the provincial economy, while reducing the impacts of climate change. The *Green Energy Act* was a step in the right direction and it is unfortunate that it has recently been challenged by the World Trade Organization. However, policy room still exists to protect the local economic development component of the *Green Energy Act* when energy projects are owned by public entities.<sup>10</sup> This opportunity must not be missed since public ownership has also been shown to be more efficient and better able to deliver benefits to Ontarians.

Government investment in job creation must be smart and targeted. Making financial support or tax incentives for companies operating in Ontario conditional on keeping or creating jobs in the province could go a long way to ensure public money is being well spent. This is especially important in light of plant closures, including the recent announcement that Kellogg's will be closing a plant in London that employs over 500 workers. This comes after the provincial government spent millions of dollars supporting Kellogg's in building a new, smaller plant in Belleville and underscores the need for government support to be accompanied by commitments from companies to create jobs in Ontario.<sup>11,12</sup>

***Recommendation 4: Strategically support sectors of the Ontario economy that foster innovation, promote sustainability and create good jobs.***

## MAKING EVERY JOB A GOOD JOB

Every person deserves access to a good job with decent wages and benefits, but the growth of precarious work is pushing our province in the wrong direction. In Ontario, 33 percent of workers are in precarious jobs<sup>i</sup> characterized primarily by job insecurity and lack of benefits.<sup>13</sup> Precarity has far-reaching impacts on workers by making it difficult to save for the future, as well as limiting opportunities for engagement in their communities and restricting the time and money available to invest in education and training.<sup>14</sup> The impacts of precarious work also reverberate through our economy as a growing number of workers delay family planning, home ownership and saving for retirement.

The expectation that workers can work their way up from entry level positions to better paying jobs as they gain experience is also being turned upside down. Instead, the labour market is becoming an “hourglass” as workers who start at the bottom tend to stay there, while workers at the top often stay at the top.<sup>15</sup> At the same time, the gap between the bottom and the top is growing as Canada’s top 100 CEOs made 171 times more than the average Canadian worker in 2012.<sup>16</sup> The growth of precarious work and inequality strengthens the case for improving employment standards, supporting low-income earners and expanding opportunities for collective representation through a union to all workers.

**Canada’s top 100 CEOs earned 171 times the average wage**

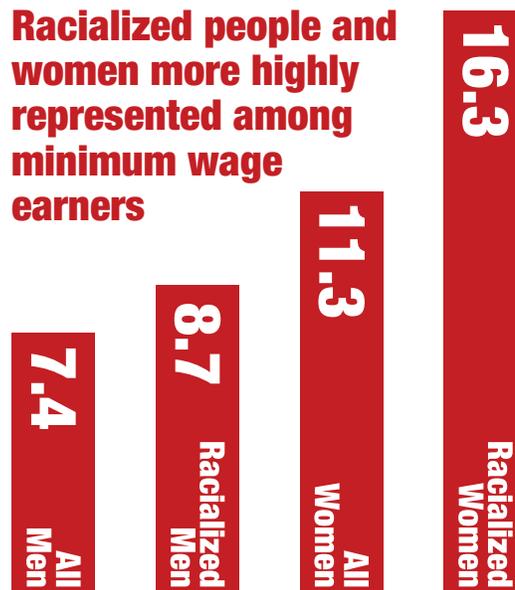


### Raising the Minimum Wage

The minimum wage is an important social policy because it establishes a fair wage floor, which can help address inequality and spur economic growth by driving up consumer spending. Given the growth of low-wage work and inequality in Ontario, an adequate minimum wage is of utmost importance today. In less than 10 years the number of minimum wage earners has more than doubled, leaving approximately half a million people working for minimum wage in Ontario.<sup>17</sup> Furthermore, these workers are more likely to be women, racialized workers and recent immigrants.<sup>18</sup> In recent years, inequality in Ontario has also risen faster than in any other province other than Alberta, leaving the richest one percent of Ontarians with incomes that are 16 times greater than the bottom 90 percent.<sup>19</sup>

A yearlong provincial Campaign to Raise the Minimum Wage has carried a strong message to the government of Ontario to raise the minimum wage to \$14 an hour. This would lift these

**Racialized people and women more highly represented among minimum wage earners**



Source: Statistics Canada, 2013.

<sup>i</sup> When precarious work is measured as workers who experience three of these four indicators: no pension plan, small-sized employer, no union coverage and low income.

low wage workers 10 percent above the poverty line. Across the board, Ontarians believe that a job should lift working people out of poverty and that the minimum wage should be indexed to inflation to preserve its value.

***Recommendation 5: Raise the minimum wage to \$14 an hour and put in place a formula that guarantees annual increases indexed to the cost of living.***

## **Protection for Vulnerable Workers**

Measures proposed by the governing Liberals in *Bill 146, Stronger Workplaces for a Stronger Economy Act*, introduced in December 2013, are positive steps in the right direction, but more robust protections are needed for vulnerable workers across the province. In particular, the growing reliance on migrant workers in our economy demands stronger protections to ensure that these workers are no longer forced to cope with excessive or illegal recruitment fees, sub-standard housing, unsafe working conditions or unpaid wages. The proposal to prohibit recruiters and employers from charging or passing on recruitment fees to all migrant workers by expanding the *Employment Protection for Foreign Nationals Act* will provide some protection from these abuses. However, the effectiveness of this legislation will be limited because it relies on employee complaints rather than proactive enforcement.

In August 2013, the OFL launched a proposal for a *Migrant Workers' Bill of Rights* (see Appendix B). The provincial government must adopt the OFL recommendations by establishing a comprehensive public registry and licensing system of all employers and recruiters to provide better oversight and accountability, similar to those in place in Manitoba. It must also include joint and several liability for employers and recruiters, and penalties for those that fail to comply with the legislation.

***Recommendation 6: Establish a registration and licensing system for migrant worker employers and recruiters to provide the oversight and data needed for proactive enforcement.***

## **Workers' Collective Rights**

Unions are a strong voice for working people and the best mechanism for workers to demand their fair share of economic wealth. For decades, union security arrangements have brought a high degree of stability to labour relations in Ontario by ensuring that all workers who benefit from collective agreements contribute to the costs of maintaining that agreement through their union dues. This means that once certified through a decision made by a majority of members, unions have the financial resources needed to adequately represent workers.

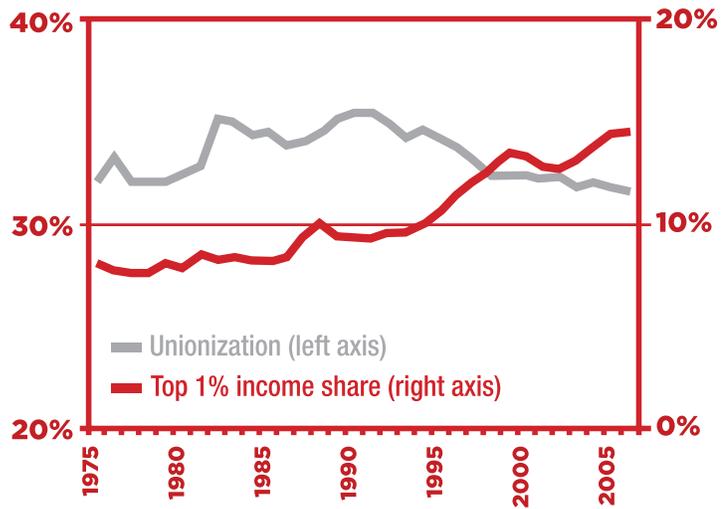
The Ontario Progressive Conservatives have indicated that dismantling these union security arrangements by importing anti-worker laws from the United States is at the top of their agenda. This cynical strategy will devastate the economy by driving down wages, while failing to deliver on the promise of job creation. When Tim Hudak tells Ontarians that good wages are a barrier to good business, he is really telling families that they deserve to live on less while corporations scour the globe for the greatest profits. The current provincial government must maintain their strong stand against these proposals in order to avoid a “race to the bottom” that would force workers to compete with each other for lower wages and fewer benefits.<sup>20</sup>

This commitment to workers' rights should be expanded by ensuring that all workers' in Ontario are free to organize collectively to improve their position in the workplace without fear of employer reprisal or intimidation. Contrary to Conservative claims that current labour laws promote democracy and choice,

the mandatory ballot process actually alerts employers that an organizing drive is taking place and gives them extra time to coerce and dissuade workers from joining a union. Consequently, card check certification must be made a central focus for labour law reform.

Furthermore, vulnerable and low-paid workers in contract sectors, such as food services, cleaning, security, home care and personal support services, are excluded from protections that other public and private sector workers have – successor rights. Without them, workers are forced to re-organize a workplace when a different sub-contractor is hired. Other reforms, including early disclosure of employee lists, reinstatement during organizing campaigns, neutral and off-site voting, reemployment after strike and posting employee bill of rights posters in workplaces, would also go a long way to support organizing efforts and help ensure every worker in Ontario has the right to join a union. These measures are included in *Bill 129, Labour Relations Amendment Act (Employee Rights)*, which is currently before the House and must be passed as soon as possible. Organizing collectively is one of the best pathways out of poverty, while protecting workers’ rights will help curb the rise of inequality.

### Unionization and Inequality Canada



Adapted from source: Toby Sanger, December 2012

**Recommendation 7:** *Protecting workers’ collective rights by ensuring fair and democratic union security arrangements remain in place in Ontario.*

**Recommendation 8:** *Expand workers’ rights to organize collectively without fear of reprisals by implementing the measures in Bill 129, including successor rights for the contract sector.*

# **ELIMINATING POVERTY AND EXPANDING OPPORTUNITY FOR ALL**

With income inequality on the rise and poverty rates hovering around 12 percent over the last several years,<sup>21</sup> more must be done to support the people of Ontario who are most in need. Drastic cuts in recent years are pushing our province in the wrong direction. Recent freezes and reductions in funding for public services have resulted in massive real dollar cuts and an erosion of the quality of services available for Ontarians. The provincial government must reinvest in education, healthcare, childcare and other public services to ensure that every Ontarian receives the care and opportunities they deserve.

## **Social Assistance**

Social assistance has eroded over the last two decades to the point that rates need to be increased by over 50 percent in order to return to 1993 rates and ensure that Ontarians have adequate support to find a pathway out of poverty. Other reforms to social assistance that would go a long way to supporting the poorest Ontarians include re-establishing the Community Start-Up and Maintenance Benefit and restoring the Special Diet Allowance and Discretionary Health Benefits.

## **Universal Public Healthcare**

Funding for universal, equitable, and accessible public healthcare must be expanded to not only keep up with inflation, but also to account for population growth and aging. Meanwhile, practices such as the competitive bidding process, the delisting of public services, and public-private partnerships must be eliminated. The decision to introduce private specialty clinics to take the place of local community hospital services must also be reversed.

## **Youth Employment and Education**

While young people are feeling the pinch of high unemployment and rising tuition fees, a structural economic gap is also emerging between younger and older workers in the Ontario economy. Efforts to generate youth employment, including the *Youth Jobs Strategy* established in last year's budget, must lead to long-term meaningful employment opportunities and be expanded to address the scope of the problem. While 30,000 jobs are expected to be created by the Youth Employment Fund, 182,000 youth were unemployed in Ontario in 2012.<sup>22</sup> The provincial government must also fully fund education for students from every income. Post-secondary tuition fees place an unfair burden on students in Ontario that must be eliminated through progressive fee reductions and corresponding fair and transparent increases in government funding for colleges and universities.

## **Support for Unemployed Ontarians**

The provincial government must support unemployed Ontarians by joining other provinces in calling on the federal government to reverse recent changes to Employment Insurance (EI) that force workers to take lower paying jobs and involve longer commutes, thus contributing to a downward pressure on wages throughout the economy. In addition, the provincial government must hold firm on its commitment to reject the federal government's proposal to divert funding from the Labour Market Agreements, which provide crucial training and employment supports for individuals who are not eligible for EI.

## Pensions

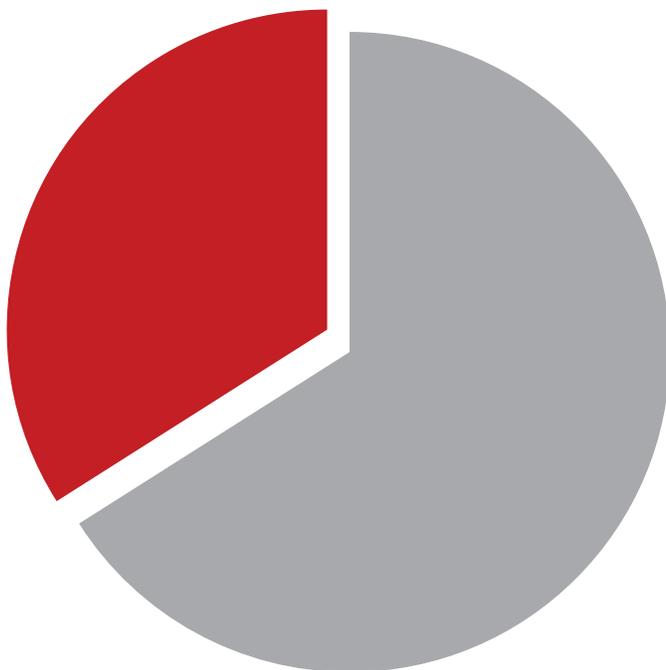
Over half of workers in Ontario do not have a workplace pension.<sup>23</sup> Meanwhile the number of seniors living in poverty has risen by over 75 percent between 2007 and 2011, leaving 86,000 seniors living below the poverty line.<sup>24</sup> This crisis must be addressed quickly by implementing pension reform that puts the people of this province before profits for the financial services sector. This means rejecting Pooled Registered Retirement Pension Plans (PRPPs) – many high fee arrangements already exist and we do not need another one. As the provincial government has recognized, the Canadian Pension Plan (CPP) must be a top priority. Until that goal is reached, we cannot afford the distractions and waste that PRPPs would create. If no advancements are made on CPP reform with the federal government and the provincial government begins to pursue an Ontario Pension Plan, labour must be consulted about how to move forward.

***Recommendation 9: Reinvest in public programs and services, including social assistance, healthcare and education to help create opportunities for all Ontarians.***

***Recommendation 10: Ensure retirement security for Ontarians by rejecting PRPPs and extending the government's commitment to improve pensions for all, including those without workplace plans.***

**34%**  
**of Ontario  
workers are  
covered by  
a workplace  
pension plan**

(Source: Statistics Canada, 2010)



## IMPLEMENTING FAIR TAXATION

Fairness also applies to how Ontarians contribute financially to the overall well-being of the province. A fair taxation package would generate the revenue needed to make crucial investments in public services and the economy, while serving a redistributive function in the economy by ensuring that those who benefit most pay their fair share. Years of tax cuts have disproportionately benefitted the wealthiest citizens and corporations, while the promised economic benefits and jobs for the rest of Ontarians have not materialized. Replacing reckless tax cuts with progressive revenue generation measures is long overdue to redress inequality and ensure that hard-working Ontarians share in the economic recovery.

There are many simple ways this could be done: increasing income tax rates for those earning above \$250,000 by two percent could generate up to \$700 million; restoring the corporate tax rate to 14 percent could generate up to \$2.5 billion; and increasing efforts to collect unpaid taxes could yield up to \$2.4 billion according to the Auditor General.<sup>25</sup> Fees for polluters would also generate additional revenue, while increasing the province's mining tax rate would ensure that the greater public benefits from resource extraction.

Despite the distorted conversation around taxes that has emerged across the country, people in Ontario support fair taxation. Polling conducted by the OFL in 2012 showed that 68 percent of Ontarians want to see corporations pay their fair share to help reduce the provincial deficit. Almost as strongly, 58 percent supported returning corporate tax rates to 14 percent and 74 percent supported raising taxes for individuals earning over \$250,000 a year. Today this public demand for tax fairness is as strong as ever.

***Recommendation 11: Restore the corporate tax rate to 14 percent and increase income tax rates for those earning over \$250,000 by two percent to generate up to \$3.2 billion for funding public services and programs.***

## COMMITTING TO OPEN DIALOGUE ON JOBS

Ontario must turn the corner on job creation and economic growth. Implementing the best public policy requires open dialogue between government, industry and workers in order to meet modern challenges head on and develop creative ways to overcome them. Without the best ideas, and buy-in from stakeholders, Ontario's growth will be hindered.

A Labour Market Partners Forum made up of representatives from government, labour and business must be established to address a wide range of economic and labour market challenges and to advise on public policy, particularly employment strategies. This Forum would consist of two bodies – a Premier's Advisory Council, which would be made up of political leadership who would meet twice a year, and a Labour Market Partners Committee, which would be made up of staff who would meet monthly. Other provinces, including Nova Scotia and Newfoundland, use these types of forums successfully.

***Recommendation 12: Establish a Labour Market Partners Forum for multi-stakeholder consultation about job creation and training.***

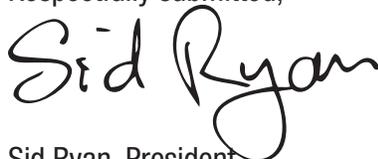
## CONCLUSION

Workers in Ontario have been bearing the burden of an economic recession they did not create. Now the Conservatives are putting forward a plan to strip those same workers' of their collective rights, while disguising it as a "jobs plan." Meanwhile, Corporate Canada is reaping unfettered profits due to Ontario's artificially low corporate tax rates, while failing to reinvest their tax savings into our province. By rejecting the low-wage agenda and calling on corporations to become fair tax partners, the provincial government has a real opportunity to stimulate the economy and deliver the recovery that Ontarians have been waiting for. The government must stick to the Premier's own words that a departure from the austerity approach of recent years is the only way forward.

People across the province are calling for bold action to build a fair, equitable and inclusive Ontario. The growth of low-wage jobs must be met with swift action to raise the minimum wage and protect vulnerable workers, while the public services Ontarians value and rely on must be reinvigorated and strengthened. It is time for a budget that invests in people, jobs and communities to spur economic growth and expand opportunities for all.

We urge your government to do what's right for the economy and deliver what's fair for the people of Ontario.

Respectfully submitted,



Sid Ryan, President  
Ontario Federation of Labour

Dated: January 16, 2014  
BSW/JD/ss



## END NOTES

1. Kathleen Wynne, "Time to bust myths about unemployment," *Toronto Star*, October 16, 2013. [http://www.thestar.com/opinion/commentary/2013/10/16/time\\_to\\_bust\\_myths\\_about\\_youth\\_unemployment\\_kathleen\\_wynne.html](http://www.thestar.com/opinion/commentary/2013/10/16/time_to_bust_myths_about_youth_unemployment_kathleen_wynne.html)
2. "2013 Ontario Economic Outlook and Fiscal Review," *Ministry of Finance*, November 7, 2013, page 61. [http://www.fin.gov.on.ca/en/budget/fallstatement/2013/paper\\_all.pdf](http://www.fin.gov.on.ca/en/budget/fallstatement/2013/paper_all.pdf)
3. Hugh Mackenzie and Trish Hennessy, "Ontario Budget 2013: Four More Years of Austerity," *Canadian Centre for Policy Alternatives*, May 2, 2013. <http://behindthenumbers.ca/2013/05/02/ontario-budget-2013-four-more-years-of-austerity>
4. "2013 Ontario Economic Outlook and Fiscal Review," *Ministry of Finance*, November 7, 2013, page xiv. [http://www.fin.gov.on.ca/en/budget/fallstatement/2013/paper\\_all.pdf](http://www.fin.gov.on.ca/en/budget/fallstatement/2013/paper_all.pdf)
5. Statistics Canada, CANSIM Table 282-0087 and CANSIM Table 282-002, accessed January 2014.
6. Statistics Canada, CANSIM Table 282-0002, accessed January 2014.
7. "2013 Ontario Budget," *Ministry of Finance*, May 2, 2013, page 181. [http://www.fin.gov.on.ca/en/budget/ontariobudgets/2013/papers\\_all.pdf](http://www.fin.gov.on.ca/en/budget/ontariobudgets/2013/papers_all.pdf)
8. "Technical Summary of Final Negotiated Outcomes: Canada-European Union Comprehensive Economic Trade Agreement," *Government of Canada*, page 17. <http://actionplan.gc.ca/sites/default/files/pdfs/ceta-technicalsummary.pdf>
9. "More Bang for Our Buck: How Canada Can Create More Energy Jobs and Less Pollution," *Blue Green Canada*, November 2012, page 10. <http://bluegreencanada.ca/sites/default/files/resources/More%20Bang%20for%20Buck%20Nov%202012%20FINAL%20WEB.pdf>
10. Scott Sinclair, "Saving the Green Economy: Ontario's Green Energy Act and the WTO," *Canadian Centre for Policy Alternatives*, November 2013. [http://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office%2C%20Ontario%20Office/2013/11/Saving\\_the\\_Green\\_Economy.pdf](http://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office%2C%20Ontario%20Office/2013/11/Saving_the_Green_Economy.pdf)
11. "Kellogg's to close London plant, 500 jobs lost," *Toronto Star*, December 2013. [http://www.thestar.com/business/2013/12/10/kelloggs\\_to\\_close\\_london\\_plant\\_500\\_jobs\\_lost](http://www.thestar.com/business/2013/12/10/kelloggs_to_close_london_plant_500_jobs_lost)
12. "Kellogg Chooses Ontario," *Office of the Premier of Ontario*, March 6, 2008. <http://www.newswire.ca/en/story/201451/kellogg-chooses-ontario>
13. "Vulnerable Workers and Precarious Work," *Law Commission of Ontario*, December 2012, page 15. <http://www.lco-cdo.org/vulnerable-workers-final-report.pdf>
14. "It's More than Poverty: Employment Precarity and Household Well-being," *Poverty and Employment Precarity in Southern Ontario, McMaster University and United Way Toronto*, page 8-11. <http://pepsouwtf.files.wordpress.com/2013/02/its-more-than-poverty-feb-2013.pdf>
15. Trish Hennessy, Kaylie Tiessen and Armine Yalnizyan, "Making Every Job a Good Job: A Benchmark for Setting Ontario's Minimum Wage," *Canadian Centre for Policy Alternatives*, November 14, 2013, page 16. <http://www.policyalternatives.ca/publications/reports/making-every-job-good-job>
16. "CEO vs Average Pay in Canada: All in a Day's Work?" *Canadian Centre for Policy Alternatives*, January 2, 2014. <http://www.policyalternatives.ca/ceo>
17. Armine Yalnizyan, "Boost the Minimum Wage, Boost the Economy, from the bottom up," *Canadian Centre for Policy Alternatives*, February 27, 2013. <http://behindthenumbers.ca/2013/02/27/boost-the-minimum-wage-boost-the-economy-from-the-bottom-up/>
18. Sheila Block, "Who is Working for Minimum Wage in Ontario?" *Wellesley Institute*, October 2013. <http://www.wellesleyinstitute.com/wp-content/uploads/2013/10/Who-Makes-Minimum-Wage.pdf>
19. Trish Hennessy and Jim Stanford, "More Harm Than Good: Austerity's Impact in Ontario," *Canadian Centre for Policy Alternatives*, March 18, 2013. [http://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2013/03/More%20Harm%20Than%20Good\\_0.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2013/03/More%20Harm%20Than%20Good_0.pdf)
20. Official Records for 20 February 2013, *Legislative Assembly of Ontario*. [http://www.ontla.on.ca/web/house-proceedings/house\\_detail.do?locale=fr&Parl=40&Sess=2&Date=2013-02-20](http://www.ontla.on.ca/web/house-proceedings/house_detail.do?locale=fr&Parl=40&Sess=2&Date=2013-02-20)
21. Statistics Canada, CANSIM Table 280-0802, accessed January 2014.

22. Sean Geobey, "The Young and the Jobless," *Canadian Centre for Policy Alternatives*, September 27, 2013. <http://www.policyalternatives.ca/publications/reports/young-and-jobless>
23. Statistics Canada, CANSIM table 280-0009, accessed January 2014.
24. Statistics Canada, CANSIM Table 280-0802, accessed January 2014.
25. Hugh Mackenzie and Trish Hennessy, "Austerity is holding back Ontario's economy," *Toronto Star*, March 20, 2013. [http://www.thestar.com/opinion/commentary/2013/03/20/austerity\\_is\\_holding\\_back\\_ontarios\\_economy.html](http://www.thestar.com/opinion/commentary/2013/03/20/austerity_is_holding_back_ontarios_economy.html)

# APPENDIX I:

## TOWARDS A PEOPLE'S BUDGET

### RECOMMENDATIONS

The People's Budget campaign is proud to share the following positive recommendations for the 2013 Ontario Budget. These recommendations are based on the feedback generated during our extensive consultation process. Collectively, they chart a bold new path for the province of Ontario that will help build a fair society.

#### Priority recommendations:

1. Increase the minimum wage and put in place a formula for determining regular future increases.
2. Establish an infrastructure fund to be used for the expansion of public transit, rebuilding aging infrastructure, and green infrastructure initiatives.
3. Implement a fair taxation package that will include a range of tools to generate revenue.

Ontarians understand that when people are paid a fair wage, the economy is stronger and fewer people have to rely on government programs, such as social assistance. That is why we commit to ensuring fair wages and recommend an increase and new approach to raising the minimum wage. Ontarians also know that strategic investments in green infrastructure, in transportation and housing, and in health



and education pay multiple dividends fiscally, economically and socially. That is why we emphasize an infrastructure fund as an important part of a new approach to transform the economy and help Ontarians realize their potential. Finally, Ontarians are committed to a fair society where those who benefit most pay their fair share, those that pollute most pay for the remediation, and those in greatest need are given the help they need. That is why we recommend significant reforms to make our tax system fair.

### **Additional Specific Recommendations:**

The following recommendations are grouped into five important public policy areas that were consistently raised as priorities throughout our consultations: creating good jobs, alleviating poverty, supporting workers and their families, giving young people a fair chance, and tax fairness and revenue generation.

- **Creating Good Jobs**

1. Create an infrastructure fund to provide long-term funding for the expansion of public transit, rebuilding of aging public infrastructure, and supporting the development of green infrastructure.
  - a. Consider additional revenue generation tools for a dedicated transit fund; and
  - b. Commit to public operation and maintenance of all publicly financed infrastructure projects.
2. Support key sectors in the Ontario economy that foster innovation and create good jobs, particularly by establishing a local procurement policy tied to major public infrastructure investments.
3. Support more “green collar jobs” including by considering subsidies for homeowners and small businesses that implement water and energy efficiencies and reviewing regulatory options for maximizing these same efficiencies in new developments.
4. Continue to work with northern and First Nations communities to develop clear guidelines that tie resource extraction to local processing.
5. Increase funding to support regional arts and tourism initiatives.

- **Alleviating Poverty**

1. Reform social assistance programs to better support Ontarians. Specifically, the Province should:
  - a. Increase rates for Ontario Works and the Ontario Disability Support Program;
  - b. Raise the earning exemptions for social assistance recipients to \$200 per month;
  - c. Re-establish the Community Start-Up and Maintenance Benefit; and
  - d. Restore the Special Diet Allowance and Discretionary Health Benefits.



2. Continue funding for a share of Hamilton's affordable bus pass and look at expanding this funding throughout the Greater Toronto-Hamilton Area and beyond.
3. The Province should follow the lead of a number of Ontario cities and adopt a Fair Wage Policy to ensure that the companies it does business with are not exploiting their workers.
4. Set annual targets for each year over the next decade for new affordable housing.
5. Explore the feasibility of adopting a Guaranteed Annual Income.

- **Supporting Workers and Their Families**

1. Raise the minimum wage to \$14 per hour, which is 10 percent above the poverty line based on a 5-hour week, and de-politicize the minimum wage by implementing a formula that would determine regular future increases.
2. Phase in an affordable, public early learning and child care program.
3. Support our farmers in accessing local markets by developing a broad local food procurement policy for Ontario schools, hospitals, and other public institutions.
4. Create an Employment Equity Secretariat to ensure all equity-seeking groups have equal access to public and private sector jobs.
5. Increase funding for proactive enforcement of employment standards to ensure that all workers' rights, including those of temporary and migrant workers, are respected.
6. Provide funding for the recently established Ontario Immigration Strategy.



7. Increase supports for injured workers, including restoring full cost of living allowance and enhancing resources for injured worker representation and staff in the workers' compensation system.
8. Support calls for enhancing the Canada Pension Plan.
9. Strengthen funding for a universal, equitable, and accessible public health care system. Eliminate such practices as the competitive bidding process, the delisting of public services, and the public-private-partnership investment model.

- **Giving Young People a Fair Chance**

1. Work with labour, municipalities, school boards, public healthcare organizations, and the nonprofit sector to develop and strengthen skills training, mentorship and apprenticeship programs for young workers.
2. Reduce tuition fees for all Ontario post-secondary students by 30 percent over three years.

3. Revisit the public school funding formula so that funding is allocated based on actual need, rather than on number of students.

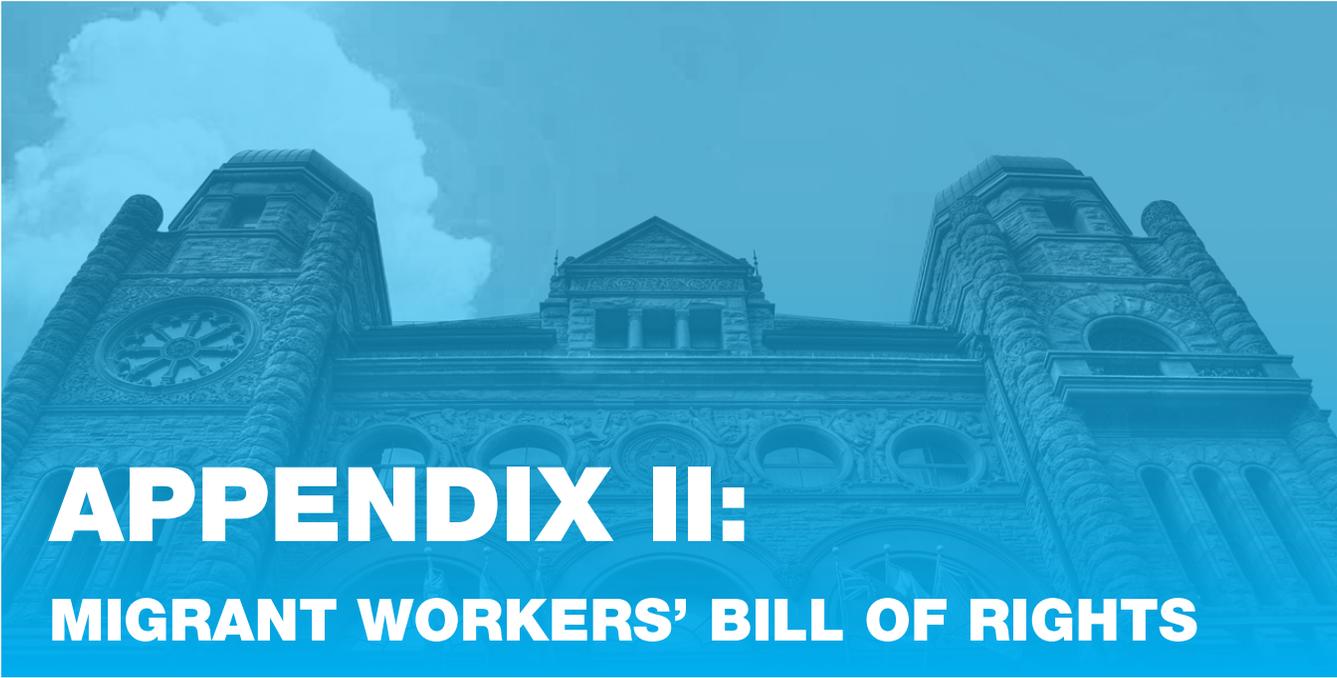
- **Tax Fairness and Revenue Generation**

1. Increase by two percent the income tax rate for those earning above \$250,000, which could generate up to \$700 million.
2. Increase the corporate tax rate from 11 percent to 14 percent, which could generate up to \$2.5 billion.
3. Increase efforts to collect the \$2.4 billion in unpaid taxes the Auditor General has uncovered.
4. Remove the exemptions from the Employer Health Tax, which could generate up to \$2.5 billion.
5. Increase fines for polluters and restore funding for research, oversight, and investigation at the Ministry of the Environment and the Ministry of Natural Resources.
6. Increase the province's mining tax rate to ensure fair public benefit from resource extraction.



Dated: April 2013





# APPENDIX II:

## MIGRANT WORKERS' BILL OF RIGHTS

### FINAL RECOMMENDATIONS

The accelerating shift from immigration towards temporary migration and the growing number of migrant workers in Ontario underlines the need for major changes to the Temporary Foreign Workers Program (TFWP) at the federal level. Despite federal responsibility for the TFWP, the provincial government must step up and address the exploitation of migrant workers in Ontario.

The Government of Ontario should pursue legislative reform that would ensure that the human rights and labour rights of all migrant workers are protected. To do so, the province can build on the advances that governments in both Manitoba and Saskatchewan have recently made in this area. Further, it is crucial that migrant workers' voices and experiences are considered as new policy is developed. Some steps the provincial government should take include:

#### **1. Establishing a registration and licensing system for employers and recruiters**

In Manitoba, the *Worker Recruitment and Protection Act* requires that employers are registered and recruiters are licensed and required to submit a mandatory letter of credit or deposit, which provides some oversight and the data needed for proactive enforcement. Similar legislation should be adopted in Ontario. This legislation should also ensure that employers are joint and severally liable for recruitment fees collected by private recruiters.

#### **2. Banning recruiters or employers from charging migrant workers recruitment and placement fees**

In 2009, Ontario passed the *Employment Protection for Foreign Nationals Act*, which prohibits recruiters and employers from charging or passing on recruitment fees to live-in caregivers. However, this law has been ineffective because it depends on individual workers filing complaints. More effective legislation should be implemented that prohibits a person seeking employment from being charged fees and is accompanied by proactive enforcement.

### **3. Putting in place penalties for employers and recruiters that fail to comply with legislation**

In Saskatchewan, the *Foreign Worker Recruitment and Immigration Services Act* puts in place penalties for employers and recruiters that fail to comply with the legislation. Penalties include fines of up to \$50,000 or one year in jail for individuals and fines of up to \$100,000 for corporations. To ensure compliance, penalties for employers and recruiters should also be put in place in Ontario.

### **4. Providing accessible information to migrant workers before and upon their arrival explaining their labour rights and human rights in Ontario**

Too many migrant workers are unaware of the rights they have in Ontario. It is critical that all migrant workers are provided with this information in an accessible language and format.

### **5. Using the Provincial Nominee Program to nominate migrant workers for permanent residence**

Presently in Ontario the Provincial Nominee Program is only open to higher-skilled workers with full-time jobs. Ontario should follow the lead of other provinces that use the Provincial Nominee Program to nominate low-skilled migrant workers for permanent residence. Ontario could also undertake a pilot project like the one currently underway in Alberta that removes some dependence on employers by allowing migrant workers in listed occupations to nominate themselves for permanent residence under the Provincial Nominee Program.

### **6. Providing the financial and human resources needed for proactive enforcement of migrant workers' rights**

Complaint-driven enforcement is often inaccessible, expensive and lengthy, making legislation aimed at protecting migrant workers ineffective. In Manitoba, a Special Investigations Unit in the Employment Standards Branch has staff and resources dedicated to proactive investigation, inspection and enforcement of the *Worker Recruitment and Protection Act*, which has been crucial to the legislation's success. To be effective, the *Employment Standards Act*, *Occupational Health and Safety Act* and all legislation aimed at protecting migrant workers needs to be adequately and proactively enforced. Anti-reprisal measures should also be implemented and enforced to protect workers who exert their rights from being repatriated.

### **7. Establish an Office of the Migrant Worker Advocate**

Currently, migrant workers do not have adequate voice in order to stand up for their legal rights. An independent, publicly-funded Office of the Migrant Worker Advocate could coordinate with existing community groups to help provide migrant workers with information and advocacy free of charge.

Dated: August 2013

BSW//EG/JD/ss





# **APPENDIX III:**

## **PROPOSAL FOR A LABOUR MARKET PARTNERS FORUM**

### **INTRODUCTION**

The Ontario Federation of Labour represents approximately one million organized workers in the province of Ontario. The OFL, on behalf of those workers, engages with government, business and community organizations on a wide variety of policy matters including those relating to the province's labour market.

There has been a dramatic restructuring of Ontario's labour market in recent years. And new challenges continue to emerge.

The changes and challenges have enormous consequences for key partners in the labour market – government, business and labour – as well as the provincial economy as a whole.

Yet, these labour market partners have no place to come together on a regular basis to discuss, debate, research and advise on public policies and initiatives that might improve our collective fortunes. The need for these partners to come together is reinforced by the special challenges of a difficult, protracted recovery period following Canada's worst recession since the 1930s. For labour, the crisis has been relentless.

We propose that the province establish a permanent Labour Market Partners Forum to address a broad range of labour market development issues.

This forum would bring together leaders and knowledgeable experts from business and labour to assist the province in assessing the current state of the labour market as well as the challenges ahead, and to advise on potential public policy responses, especially with respect to training and employment strategies.

Most successful economies have mechanisms to bring together labour market partners to consider broad trends and developments and advise government on appropriate responses and initiatives, in some cases covering economic strategies as well as labour market development. Jurisdictions such as Québec and Newfoundland & Labrador have introduced forums that work very effectively in partnership with local and regional networks, and with other provincial organizations.

## ONTARIO'S CHALLENGES ARE STILL MANY

The Labour Force Survey (November 2010) reports that:

- almost 600,000 Ontarians who are actively seeking work remain jobless;
- during the last twelve months, the rate of part-time job creation has outstripped that of full-time work and is now close to 1 in 5 jobs in the province (19.2 percent);
- the number of youth (15 to 24 years) seeking work has dropped by almost 48,000 in the last twelve months and fewer in this shrunken youth labour pool are employed;
- while modest gains for manufacturing have been documented in a new study by the Ontario Manufacturing Council, sector employment is still far below the 901,000 where it stood in late 2008 when the recession began, much less in 2004.

The following are some of the issues the labour market partners might consider pursuing through research, analysis and recommendations, as well as conferences and round tables that allow for in-depth discussion and debate:

- Widely-held beliefs about the character of Ontario's "skills shortages" and "aging work force" lack solid evidence and data. Yet both have become dominant themes in current discussions about the labour market, veering between understatement and overstatement. The analysis stumbles further when focusing on occupation, sector, region and worker demographics. Can we expand our knowledge of these trends? What supports might be needed to address real shortages?
- While new jobs have been created, many are low-wage and precarious in nature. Real wages have been declining. Temp agency employment is becoming the norm in more workplaces. Is there an alternative?
- What are the best practices in labour adjustment supports?
- What would a new approach to Ontario's older worker initiative look like?
- Can we reverse the decline in opportunities to enter and complete authentic apprenticeships?
- What policies support the participation and retention of young people, women, aboriginal peoples, older workers, people with disabilities, etc?
- Supports for re-training has been more evident in recent years but still there are significant gaps for employed, underemployed and unemployed workers alike. What are the infrastructures that would provide adult learners with realistic opportunities to finish high school, access post-secondary education, improve basic skills such as reading, writing, math and basic computer skills or ESL/ FSL programs? What would a new Literacy, Training, Skills and Education Strategy look like?

# 600,000

**Jobless Ontarians are actively seeking work**

(Source: Statistics Canada, 2010)

## ANOTHER ROLE

A multi-stakeholder body would enhance the provincial voice for much needed federal funds for labour market development and training, including supports for employed workers who are job-threatened or underemployed, and those who are not EI-eligible.

## PROPOSED STRUCTURE FOR AN ONTARIO LABOUR MARKET PARTNERS FORUM

### We propose that the Forum consist of two bodies:

#### 1. Premier's Advisory Council

The Premier's Advisory Council would meet twice annually to develop goals, strategic plans and set priorities.

It would review these plans annually to evaluate their effectiveness.

The Council would include political leadership from government, business, and labour:

##### **Ministers**

We suggest the Ministries of Training, Colleges & Universities, Finance, Economic Development & Trade, Labour, and Education.

##### **Labour**

Presidents from the Ontario Federation of Labour, including two private sector unions, two public sector unions and a building trades union.

##### **Employer**

Representatives from key sectors such as auto, steel, aerospace, healthcare, hospitality, etc.

#### 2. Labour Market Partners Committee

The Labour Market Partners Committee would meet monthly to develop and inform the goals and strategic plans, to initiate research, collect labour market data, develop forecasting models, identify barriers, develop recommendations, etc.

The Committee may strike work groups on the priorities identified by the Premier's Advisory Council.

This Committee would include representatives at the staff level from government, business, and labour :

- Four (4) Government Representatives from the key Ministries;
- Four (4) Labour Representatives appointed by OFL Labour Adjustment Committee; and
- Four (4) Business Representatives from employers in key sectors.

### With a Partners' Secretariat:

A small provincial secretariat would support the work of the Forum.

## CONCLUSION

In order to be successful, adequate resources, including staff support, would be allocated to the Forum and its constituent bodies to facilitate the realization of the goals and plans identified by the Premier's Advisory Council.

A permanent Labour Market Partners Forum would enhance Ontario's commitment to be responsive to the emerging challenges in the labour market and to deliver more effective services in the areas of apprenticeship, literacy, skills training, secondary and post-secondary education with the goal of strengthening the development of the province's labour market and the job opportunities available to its work force.

Dated: February 15, 2011

SR/SC/ss





