

# Employers cite costs of Ontario workplace reforms

*But union says they'll make for stronger economy*

BY MARCEL VANDER WIER

**WHILE** many Ontario business groups are urging the provincial government to push the brakes on labour reform set to become legislation this fall, others believe the proposed changes still don't go far enough.

The reforms would include equal pay for part-time workers, boosted vacation entitlements and expanded personal leaves. The majority of these changes would come into effect on Jan. 1, 2018.

If the legislation is enacted as it stands, 185,000 jobs will be at risk in the next two years, according to an economic analysis released by the Keep Ontario Working Coalition in August.

"If the Ontario government chooses to proceed with these sweeping reforms too quickly, all of us will be affected, and the most vulnerable in our society chief among them," said Karl Baldauf, group spokesperson and vice-president of policy and government relations at the Ontario Chamber of Commerce, a coalition member.

Ontario business will incur \$23 billion in extra costs over the next two years, said the report. Many employers will need to increase prices,

scale back employee totals — or even close up shop, said Baldauf. "There is the potential for job loss as a very real result of this."

Bill 148 would introduce two paid emergency days for workers, penalize employers that alter schedules without 48 hours' notice, and increase minimum vacation time from two weeks to three for employees working at the same business for at least five years.

But reforms such as the elimination of flexible scheduling will make companies less nimble, negatively affecting the province's manufacturing sector, said Ian Howcroft, vice-president of Canadian Manufacturers and Exporters Ontario.

"There's actually very little that we can support in here," he said. "It goes far beyond what was necessary."

Fears that businesses could head south of the border for growth opportunities are legitimate, said Howcroft. While the vast majority of manufacturers pay above minimum wage, the "ratchet impact" of a lesser wage differential could demotivate workers and raise pressure to increase costs.

"It's just one more tick in the wrong side of the column when

you're trying to attract and retain manufacturing investment in Ontario," he said. "We're making it very, very difficult to show that Ontario is a place manufacturers should grow in."

### Shifting landscape

But the business community's pushback is fear-mongering — especially public statements of dissent from companies such as Loblaw and Magna, said Ontario Federation of Labour (OFL) president Chris Buckley.

Ontario's employment landscape has changed dramatically over the last decade, he said.

"We've been left with, for the most part, a service sector retail economy where people are making minimum wage. To the large businesses that are pushing back, I would say: 'Shame on them,' This is about large companies that are crying wolf."

The province's planned modernization of employment rules and accompanying minimum wage increase — from the current rate of \$11.40 to \$15 by 2019 — are "long overdue," said Buckley.

The wage increase alone will lift

1.7 million provincial workers out of poverty, he said.

"This isn't rocket science. Good-paying jobs create stronger communities and a stronger economy."

And while small businesses could experience "some discomfort," Premier Kathleen Wynne's promise of unspecified relief measures will help, said Buckley.

But the combination of a wage hike, holiday increase, and easier paths to unionize could simply be meant to affect votes, said author and management consultant Hugh Latif of Vaughan, Ont.

"You can intervene to regulate the economy, but you cannot dictate the economy because the market equilibrium is best when it is based on supply and demand," he said. "There is no problem giving a salary increase as long as you have a productivity increase. But if you just hike your salary without a productivity increase, you become uncompetitive. It's just as simple as that."

While hiring may slow as a result, businesses will likely turn to automation with more frequency, said Latif. "The intention behind the (wage) increase may be good and justified, but it's absolutely

crazy — a 30 per cent increase in 18 months.”

Some of the other reforms included in Bill 148 include:

### **Medical notes**

Employers will no longer be able to require a doctor's note for employees who take 10 or fewer sick days annually.

Some employers have abused the doctor's note, said Buckley.

“Employers should know whether an employee's time off is legitimate or not. If they can demonstrate that it isn't, then there's a measure to address that.”

But attendance management will take a blow as a result of this measure, according to Howcroft.

“How is (elimination of the doctor's note) going to help a company

deal with recognizing and rewarding good employees when they can't deal with the problem employees? Now you have one less opportunity and tool to deal with those issues.”

### **Card-based certification**

Secret-ballot voting will be done away with in three sectors: temporary help agencies, building services, and home-care/community services, joining the construction sector. Current regulations see unions formed through secret ballots, after 40 per cent of workers have signed cards indicating their desire to unionize.

But secret-ballot voting remains the most democratic route, according to critics.

“To me, (secret ballot is) the best and only way to determine what

the true wishes are,” said Howcroft, who also expressed concern about employers' requirement to release employee information if 20 per cent of cards are signed.

The OFL wants those changes expanded to every sector, said Buckley.

“If (the government is) actually serious about having fair workplaces, then put card-based certification in every sector of the province — not just four,” he said. “There should be no exclusions. Every worker should be covered under the act.”

The federation is also pushing for successor rights for all contractors, prohibitions preventing replacement workers from filling roles during labour disputes, and protection of vulnerable workers, according to Buckley.

“The best way to eliminate pre-

carious work is to make it easier for a worker to join a union.”

### **Emergency leaves**

All businesses will be required to offer up to 10 days of personal emergency leave, with a minimum of two paid, should the legislation proceed.

Buckley wants that leave expanded to survivors of domestic and sexual violence so workers can “get their lives in order without losing income and fear of losing their jobs.”

Other legislative measures of note include expanded family leaves, addressing the misclassification of employees, a modernized Labour Relations Act and a program that would educate employers and employees alike about their rights and obligations under the Employment Standards Act.