

August 29, 2017

## Health Benefits of the Fair Workplaces, Better Jobs Act, 2017 (Bill 148)

### Issue

On May 30, 2017, Bill 148, the *Fair Workplaces, Better Jobs Act*<sup>i</sup> was introduced, which includes a number of amendments to the Employment Standards Act (ESA) and the Labour Relations Act (LRA) to address issues related to the growth of [precarious employment](#) in Ontario. From a public health perspective, this significant piece of legislation will provide important mechanisms that will contribute to substantial health benefits for individuals and communities in Northwestern Ontario and throughout the province.

### Background

Bill 148 outlines proposed amendments to the ESA and LRA identified through the Changing Workplaces Review of 2015-16. Key elements of Bill 148 that will contribute to improvements in individual and workplace health include:

- Increasing Ontario's minimum wage to \$14 per hour on January 1, 2018, and \$15 per hour on January 1, 2019, followed by annual increases at the rate of inflation;
- Pay equity for part-time, temporary, casual and seasonal employees doing the same work as full-time employees;
- Mandating increased employee benefits for all employees (e.g., two days of personal emergency leave per year, three weeks' vacation after five years of employment, making scheduling fairer for employees through compensation for shift cancellations with less than 48 hours' notice)<sup>ii</sup>.

The Bill will move into Second Reading in September 2017, and must go through Third Reading and Royal Assent prior to the proposed implementation date of January 1<sup>st</sup>, 2018.

### Income and Health

The World Health Organization has declared poverty as the single largest determinant of health. An accumulation of evidence over many decades confirms that people with lower incomes have higher rates of mortality, and poorer physical and mental health. The poorer you are, the more likely you are to have health risks in your daily life, such as not having access to adequate healthy food or affordable, safe housing. You are also less likely to access important health services, more likely to have multiple chronic conditions that can lead to further health problems (such as diabetes and heart disease), and more likely to die younger. A 2013 report by Statistics Canada demonstrates that income inequality is associated with the premature death of 40,000 Canadians a year. That's equal to 110 Canadians dying prematurely each day.<sup>iii</sup> Children who live in poverty are more likely to have low birth weights, asthma, type 2 diabetes, poorer oral health and suffer from malnutrition. They also have higher rates of death due to unintentional injuries, and are more likely to live in poverty as adults. As incomes increase, health risks decrease, access to high quality health care gets better, and health outcomes, such as life expectancy, improve.<sup>iv</sup>



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## In Northwestern Ontario

For too many Ontario workers, full time work does not guarantee a life above the poverty line. Low income, job insecurity and costs of living make it increasingly more difficult to make ends meet. In Northwestern Ontario, people tend to be more disadvantaged than the rest of the province when considering the factors that determine health. Over 1 in 10 people in the region (11.1%) are in low-income households. Nearly 1 in 5 children (19.4%) live in low-income houses compared with 18.1% provincially. Formal education rates are also lower in the area when compared to the province: 76% of people aged 25-29 have completed high school compared with 91% provincially, and 54% of people aged 25-54 have post-secondary education compared with 67% provincially. In 2016 there were about 1600 people in our municipalities who reported being food insecure.<sup>v</sup>

These statistics indicate that in general, the region has a higher proportion of the population considered to have lower socioeconomic status when compared with the rest of the province; and this population is at risk of experiencing health inequities, both in terms of health outcomes and access to care. These statistics also highlight the significant impact that Bill 148 would have on the lives of individuals, families and communities in our region.

## Impact of Bill 148

Low income is a major contributor to many of the problems that put strain on public resources and affect the overall quality of life in our communities. Providing a living wage and benefits not only leads to better lives for employees and their families, but also reduces the strain on health services, policing, food banks, housing programs, and other public services. The potential benefits of supporting, paying and earning an increased minimum wage are far reaching for families, employers and the community as a whole.<sup>vi</sup>

### EMPLOYEES and FAMILIES

- Paid fair compensation for their work
- Increased sense of worth/dignity
- Raised out of poverty
- Better quality of life
- Improved health
- Increased social inclusion, access to leisure activities, material resources and education/skills training

### EMPLOYERS

- Reduced absenteeism
- Decreased turnover rates
- Lower recruitment and training costs
- Increased morale, productivity and loyalty
- Recognized as a responsible employer

### COMMUNITY

- Greater consumer spending power
- Increased spending in local economy
- Increased civic engagement
- Improved health
- Perception of increased standard of fairness

It is estimated that over 30 percent of Ontario workers were engaged in precarious employment in 2014, and part time work has grown to make up nearly 20 percent of total employment. The provincial government estimates that half of workers in Ontario who earn less than \$15 per hour are between the ages of 25 and 64, and that the majority of these workers are women. Through the proposed changes to minimum wage, the ESA and LRA, it is estimated that more than one quarter of Ontario workers will receive an increase in their wages, along with more stable and fair employment conditions <sup>vii</sup>

In a recent [Maclean's article](#), economist Armine Yalnizyan highlights that although there may be some job loss in the short term, increasing the minimum wage will boost the local economy in the long run. She states, "When lower income households see a sustained rise in incomes, they spend virtually all of it. Most goes to food, better health care and more education. Sometimes it goes to rent (improved housing). Almost all of this spending stays in the local economy."<sup>viii</sup> The Canadian Centre for Policy Alternatives also reported that there is "no consistent evidence that minimum wage levels affect employment in either direction. The net effect of reduced terminations combined with reduced hiring is that the proportion of adults who are employed at any given time is the same when minimum wage is higher or lower. But the nature of the work conditions and relationship are changed."<sup>ix</sup> <sup>x</sup>

## Conclusions

Currently, poor people in Ontario pay for their low income with their health.<sup>xi</sup> Increasing the provincial minimum wage will help families to cover basic needs and lead to improvements with respect to health, poverty, unaffordable housing, food insecurity, and social exclusion. The proposed changes to pay equity and employee benefits supports the health of those who are in unstable forms of employment such as part time, temporary and casual work. Bill 148 can have significant health benefits and is one of the most important initiatives the government could undertake to promote health, well-being and equity amongst all people.

## Resources (links)

For more information, please visit:

[Fair Workplaces, Better Jobs Act, 2017](#)

[Living Wage Canada](#)

[Northwestern Health Unit – Health Equity](#)

[Canadian Centre for Policy Alternatives – Ontario](#)

[Needs a Raise](#)

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- <sup>i</sup> Legislative Assembly of Ontario. (2017). *Bill 148, Fair Workplaces, Better Jobs Act, 2017*. Standing Committee on Finance and Economic Affairs. Retrieved from [http://www.ontla.on.ca/web/committee-proceedings/committee\\_business.do?locale=en&BillID=4963&CommID=144&BusinessType=Bill](http://www.ontla.on.ca/web/committee-proceedings/committee_business.do?locale=en&BillID=4963&CommID=144&BusinessType=Bill)
- <sup>ii</sup> Ontario Ministry of Labour. (2017). *Background - Proposed Changes to Ontario's Employment and Labour Laws* [News release]. Retrieved from <https://news.ontario.ca/mol/en/2017/05/proposed-changes-to-ontarios-employment-and-labour-laws.html>
- <sup>iii</sup> Upstream. *The Health Effects of Income Inequality*. (2014). Retrieved from [http://www.thinkupstream.net/health\\_effects\\_of\\_income\\_inequality](http://www.thinkupstream.net/health_effects_of_income_inequality)
- <sup>iv</sup> Health Quality Ontario. *Income and Health: Opportunities to achieve health equity in Ontario*. Toronto: Queen's Printer for Ontario; 2016.
- <sup>v</sup> Northwestern Health Unit. (2016). *Health equity and the social determinants of health: Information for program planning and evaluation*
- <sup>vi</sup> Living Wage Canada <http://www.livingwagecanada.ca/index.php/about-living-wage/living-wage-makes-sense/>
- <sup>vii</sup> Office of the Premier. (2017). *Fair Workplaces, Better Jobs* [News release]. Retrieved from <https://news.ontario.ca/opo/en/2017/05/fair-workplaces-better-jobs.html>
- <sup>viii</sup> Maclean's. *Why a \$15 minimum wage is good for business*. (2017). Retrieved from <http://www.macleans.ca/economy/economicanalysis/why-a-15-minimum-wage-is-good-for-business/>
- <sup>ix</sup> CCPA. *The Case for Increasing the Minimum Wage* (2015). Retrieved from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2015/04/CCPA-BC-Case-for-Incr-Minimum-Wage\\_0.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2015/04/CCPA-BC-Case-for-Incr-Minimum-Wage_0.pdf)
- <sup>x</sup> CCPA. *Dispelling Minimum Wage Mythology*. (2014). Retrieved from <https://www.policyalternatives.ca/publications/reports/dispelling-minimum-wage-mythology>
- <sup>xi</sup> Health Quality Ontario. *Income and Health: Opportunities to achieve health equity in Ontario*. Toronto: Queen's Printer for Ontario; 2016



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