

**Parkdale
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To the Members of the Executive Committee
City of Toronto
100 Queen Street West
Toronto, ON

Dear Members of the Executive Committee:

Re: staff report "Quality Jobs, Living Wages and Fair Wages in Toronto"

Parkdale Community Legal Services represents many cleaners who have not been paid minimum wage or overtime; who have not received health and safety training; and who are often misclassified as independent contractors to avoid minimum standards altogether. We urge the Executive Committee to take leadership in promoting decent jobs not only within the cleaning sector but within all of its business operations and to prevent the creation of low-wage precarious jobs.

The City of Toronto's Fair Wage Policy provides an important role in making sure that companies do not win public contracts only to pay low wages and substandard working conditions. We have worked with several workers that have fallen under the Fair Wage Policy, yet have not been paid the prevailing wage rate for their occupation. In one case, this resulted in up to \$82,000 in unpaid wages owing to two workers. The employer under contract with the City sought to avoid the Fair Wage policy by misclassifying workers as independent contractors and fired the workers when they sought the prevailing wages under the Fair Wage Policy. As highlighted by the Ontario Law Commission's report, **Vulnerable Workers and Precarious Work** and the United Way and McMaster report **It's more than Poverty**, effective enforcement is critical in industries at high risk of labour standard violations.


The rise of precarious work documented by the Workers' Action Centre, Law Commission of Ontario and United Way needs to be addressed by the City of Toronto. Low wages, insecure employment with little protection against labour standard violations and no benefits are bad for workers, families and our community. Short term gains through contracting out decent work will be met by long term costs to the City through increased needs for public health, social assistance, and housing.

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- The Staff Report recommends updating pay schedules in the fair wage policy. This is long overdue. Rather than being adjusted every three years as recommended in the staff report, the wage schedules should be updated annually to ensure workers under city contracts do not sink into poverty wages. Such wage schedule adjustments can be embedded in contract arrangements providing transparency and predictability for workers and employers.
- The prevailing wage rates for cleaners would leave workers below the poverty line. A light-duty cleaner would make \$12.43 – at 35 hours a week that is just over \$22,600 a year – below the low income poverty line. Much work needs to be done in establishing ‘fair wages’ under the Fair Wage policy. We are still awaiting the work that Council requested from staff on the creation of a ‘self-sufficiency standard’ or ‘living wage standard’. Council should look to the Living Wage calculations developed by the Canadian Centre for Policy Alternatives in setting pay schedules in the fair wage policy.
- Council needs to ensure that no outsourcing takes place in the cleaning and other similar sectors where there is a high rate of labour violations. Further, Council’s oversight of the contracting out process should not be removed. The City must continue to ensure that it is not unintentionally creating low wage, insecure, substandard jobs.

Much work still needs to be done. The City must continue its important work in developing a ‘self-sufficiency’ or living wage standard; effective fair wage policy enforcement; and, development of ‘job quality assessment tool’. While this is being developed, the Council must maintain the extra layer of accountability to outsourcing contracts to ensure city is not contributing to low wage precarious economy.

Yours truly,
PARKDALE COMMUNITY LEGAL SERVICES
per



Mary Gellatly
Workers Rights Division