

# Ontario to raise minimum wage to close to \$11

**The provincial Liberal government is moving to raise the minimum, frozen at \$10.25 for four years, and tie future increases to inflation, sources said Monday.**



Laurie Monsebraaten / Toronto Star Order this photo

Acsana Fernando earns minimum wage as a relief worker in a Toronto group home for adults with autism and Down Syndrome. She welcomes a call to for annual minimum wage hikes pegged to inflation, but she believes the minimum wage should be set at 10 per cent above the poverty line, or about \$14 an hour.

**By:** [Laurie Monsebraaten](#) Social justice reporter, Published on Mon Jan 27 2014 , Toronto Star

Ontario's minimum wage workers are getting a raise.

After a four-year freeze at \$10.25 and a [provincial advisory panel's](#) call Monday to peg future minimum wage increases to inflation, the Wynne government is poised to boost the rate retroactively later this week, sources say.

The cumulative inflation rate since 2010 is 6.7 per cent, putting the new minimum wage at \$10.94.

But according to [Star Columnist Martin Regg Cohn](#), the government is planning to round it up to \$11.

Toronto minimum wage worker Acsana Fernando welcomed the government's endorsement of annual minimum wage increases tied to inflation.

"That was one of our demands, so we are pleased about that," said Fernando, 33, who has joined labour, anti-poverty groups and health-care professionals in a year-long campaign to lift minimum wage workers 10 per cent above the poverty line with a \$14 minimum wage.

But she said a retroactive inflation increase on \$10.25 won't do the trick.

"Workers like me who want to have a decent life for our families are struggling," said Fernando, a temp agency worker who covers overnight shifts at group homes for young adults with autism and Down syndrome.

Fernando supports her brother and father, who are both disabled and unable to work. Her poverty-level wages mean the family is often forced to rely on their local Scarborough food bank to get by, she said.

"I am still trying to have hope and dreams for the future, but it's so difficult," she said Monday evening.

The Ontario Convenience Stores Association supports indexing the minimum wage and wasn't concerned by the retroactive increase Monday, saying it was "very minimal and will protect jobs."

The Ontario Chamber of Commerce had recommended that future changes in the minimum wage be tied to the rate of inflation, but the Canadian Federation of Independent Businesses was not happy with the prospect of a retroactive increase.

"Businesses can't go back to their customers and retroactively charge more fees for their products and services, so really why should government be able to do this?" federation policy analyst Nicole Troster told Canadian Press.

"I think any kind of increase, be it an increase in the hourly rate or retroactive increases, it's going to make it difficult for businesses to cope, period."

A spokeswoman for the Workers' Action Centre, a workers' collective that has been leading the fight for a \$14 minimum wage, said an increase based on inflation is "better than no increase."

"But just applying the cost of living retroactively is not going to address the predicament that minimum-wage workers find themselves in," said Pam Frache.

"Even at \$11 an hour, workers would still be about 16 per cent below the poverty line," she said. "We need the premier to show leadership. This is her chance to implement a decent work agenda. Condemning workers to a poverty trap, 16 per cent below the poverty line, seems to be falling short of what her vision was when she first became premier."

The provincial advisory panel, appointed by the Liberals last summer, recommended the minimum wage be changed on April 1 each year, with advance notice on the exact rate on Dec. 1.

Premier Kathleen Wynne said it is fair to base future changes on the Consumer Price Index since it is a key indicator of how the economy is doing and would offer some predictability for businesses.

“It takes the decision out of the realm of political whim and puts it into the realm of some kind of relationship with the way the economy is growing,” she told reporters in Ottawa.

A [study last fall by the Wellesley Institute](#), a Toronto-based research organization, showed the number of minimum wage workers in Ontario more than doubled since the Liberals came to power in 2003, to 9 per cent of the workforce in 2011, or 464,000 people.

Young people used to make up the bulk of minimum wage workers, but the data show that by 2011 nearly 40 per cent were 25 or older.

Despite the mounting pressure for a \$14 minimum wage, Wynne is worried about the impact on business of such a big hike.

“I know that there’s a call for \$14 (but) we have to move very carefully, because this is about making sure that we retain and create jobs,” Wynne said.

“At the same time, we need to have a system in place that has a fairness to it, that I think has not been the case for many years.”

Ontario’s current \$10.25 minimum wage is the same as British Columbia’s and about middle of the pack for provinces and territories, which range from \$9.95 in Alberta to \$11 in Nunavut.

With files from The Canadian Press