



October 19, 2017

Standing Committee on Justice Policy  
c/o Procedural Services Branch  
Legislative Assembly of Ontario  
1405-99 Wellesley Street West  
Toronto, Ontario M7A 1A2

**RE: Bill 154, Cutting Unnecessary Red Tape**

Dear Committee Members,

Thank you for taking the time to hear from the Ontario Nonprofit Network (ONN) regarding this important piece of legislation.

**ONN, on behalf of our extensive network of nonprofits and charities, respectfully requests the Government of Ontario expediently pass Bill 154 that includes the technical amendments that are required to proclaim the Ontario Not-for-Profit Corporations Act.**

As you may be aware, the Ontario Not-for-Profit Corporations Act passed third reading in 2010 with all party unanimous support. Now in 2017 - seven years later - the nonprofit sector's 55,000+ organizations in Ontario still do not have an up-to-date legislative framework in which to operate.

Ontario's nonprofit sector is a major contributor to Ontario's economy, contributing over \$50 billion. As employers, we are job creators and our sector continues to grow, employing over **one million Ontarians** in all communities across this province and harnessing **over five million volunteers**. We are counted on by our communities to deliver programs and services – often in partnership with the provincial government. As an essential pillar in Ontario's economic and social fabric, this Government has a responsibility to ensure our governing legislation provides an enabling framework so we can do our essential work in communities.

The current legislation governing the sector is now more than 60 years old and is wholly inadequate to serve the needs of community-focused nonprofits in Ontario. The Ontario Corporations Act is so significantly out of date, for example, that it does not even contemplate the use of electronic communications and records by organizations. Moreover, the Act's complicated language makes it difficult for nonprofit leaders and their legal counsel to understand its application in the context of modern governance challenges.

New legislation is urgently needed to support Ontario's nonprofit and charitable organizations to build healthy, inclusive and vibrant communities across the province. Just as any other sector

would require, the nonprofit sector needs to be able to do its work under modern corporate governance legislation.

This ongoing delay has created harmful uncertainty and anxiety in the sector. This sector of 55,000 nonprofit and charitable organizations questions why the important work it does in communities – which the provincial government counts on - does not have the enabling legislation it deserves.

Bill 154 includes the technical amendments required to bring the ONCA into law. It also has recognized the concerns of stakeholders, including ONN and the Ontario Bar Association, and has included amendments to the original Act to make it even easier for the nonprofit sector to comply. Finally, Bill 154 also includes changes to the current corporate law governing registered nonprofits in Ontario, the Ontario Corporations Act, that are consistent with ONCA and will come into effect more quickly.

In addition, we would like to comment on Schedule 2, regarding the Charities Accounting Act. While we are fully supportive of enabling the investment funds of Ontario charities to be invested in organizations with a public benefit purpose, we are uncertain whether the proposed changes will achieve the policy intent. We note the concerns raised by the Ontario Bar Association and others regarding the changes to the Charities Accounting Act, including the need to coordinate with federal charity regulation and guidance.

Moreover, as the advocacy network for organizations providing public benefit, we want to ensure organizations in the sector can invest beyond their specific missions (which can sometimes be quite narrow). Investing sector resources in public benefit organizations will make our communities more resilient and responsive. We would ask to be involved in subsequent work to clarify the implementation of these changes through guidance, regulation or legislative amendments. We commend the intent and look forward to working out the details that are in the best interests of our communities.

**In summary, ONN requests that the Government of Ontario ensure Bill 154 passes expeditiously with the technical amendments included that are required for the proclamation and implementation of the Ontario Not-for-Profit Corporations Act; and seeks further advice and input regarding the proposed changes to the Charities Accounting Act.**

Thank you for your serious attention to this matter and for your leadership. We look forward to continuing to work with you to ensure that the nonprofit sector

Sincerely,



Cathy Taylor  
Executive Director