



January 1, 2018

Ministry of Labour
400 University Ave., Suite 1502
Toronto, ON M5G 1S7
Submitted online via Ontario's Regulatory Registry
Copied to: Exemptions.Review@ontario.ca

**Re: Regulatory review proposal no. 17-MOL014
O. Reg. 285/01 (Review of Special Rules and Exemptions under the Employment
Standards Act, 2000: Managers and Supervisors)**

To the Ministry of Labour:

We are writing to provide feedback for the regulatory review of Ontario Regulation 285/01, which currently exempts managers and supervisors from Employment Standards Act (ESA) provisions regarding hours of work and overtime pay. We would like to comment on the proposal to end this exemption that has been tabled (as one among several responses to the Changing Workplaces Review).

Ontario's nonprofit sector is a major contributor to Ontario's economy, contributing over \$50 billion to our province's GDP. As employers, we are job creators and our sector continues to grow, employing over one million Ontarians in all communities across this province. 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, the nonprofit sector deserves a voice in the public debate about the transformations taking place in our labour market and our economy. Nonprofit employers and workers need an enabling regulatory environment so we can do our essential work in Ontario communities.

ONN is a champion of decent work and we support the efforts of the Ontario Government to improve working conditions and tackle rising precarity in Ontario's employment landscape. Many of our members serve low-income and marginalized communities, and we have heard overwhelming support from our sector for legislative changes (Bill 148) passed in response to the Changing Workplaces Review. It is critical that we collectively raise the bar across Ontario workplaces with respect to decent work.

Many nonprofits, however, will find it challenging to cover their own increased labour costs resulting from the Bill 148 ESA amendments. A simultaneous change in regulation that ends exemptions to overtime pay for managers and supervisors may have unintended consequences in the nonprofit sector. If these exemptions are eliminated, our sector will be looking to funders, including the Government of Ontario, to cover the cost of meeting the new regulatory requirements across the programs and services delivered by nonprofits in communities. Many

nonprofits that have ongoing transfer payment agreements with the Province (across approximately 14 ministries) have gone without a cost-of-living increase for five to ten years and cannot simply absorb the increased labour costs imposed by new overtime pay requirements for managers and supervisors any more than they can absorb Bill 148 implementation costs.

ONN has offered to convene the nonprofit sector to explore the implications of Bill 148 ESA changes for the nonprofit sector. We would be pleased to include your proposed regulatory change on the agenda if the Ministry of Labour agrees to explore (in advance) the impact of such changes on the nonprofit sector's budget models and to co-design mitigating measures tailored to each subsector (such as child care or women's shelters). That said, Bill 148 implementation is taking a great deal of attention in the sector, and will continue to do so over the 2018-19 fiscal year; it will be a challenge to implement related but distinct regulatory changes at the same time.

It is critical that the Ontario nonprofit sector be able to offer decent work while meeting the needs of communities. For this to happen, the Ontario Government must align its funding practices with its role as employment standards regulator by planning in advance and developing mitigating measures for provincially funded nonprofits affected by changes to legislation or regulations with budgetary consequences for nonprofits as employers.

Thank you for your commitment to promoting decent work in Ontario workplaces. We look forward to working with you to ensure that the voices of nonprofit employers and workers are heard during your consultations and that they inform any regulatory changes affecting our sector.

Sincerely,



Liz Sutherland, Policy Advisor for/
Cathy Taylor, Executive Director

Copied to:

- Carol Pauker, Director, Corporate Policy and Accountability Branch, Treasury Board Secretariat via carol.pauker@ontario.ca
- Alice Young, Director, Strategic Policy, Research and Analytics Branch, Ministry of Citizenship and Immigration via alice.young@ontario.ca