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## **A home in government for Ontario's nonprofit sector**

### **Briefing note on a political and administrative structure in government for Ontario's nonprofit sector**

Enable a “whole-of-government” approach with an Associate Minister-level appointment within the Ministry of Economic Development, Job Creation and Trade supported by a Deputy or Assistant Deputy Minister in an Office representing nonprofits, charities, and social innovation to efficiently work with Ontario's 58,000 nonprofits and charities.

#### **Nonprofits are supporting families and communities.**

Nonprofits create communities people want to live in and raise their families in. We make communities vibrant with our parks, accessible and high quality recreational activities, street festivals, and safe spaces for kids before and after school. We provide essential services every Ontarian needs, including care for the old, young, sick, and frail. In addition, nonprofits are fundamental in helping Ontarians battle crises, from affordability to public health and climate emergencies. Nonprofits ensure our communities continuously remain healthy.

#### **We are an economic driver.**

The [sector contributes](#) \$65 billion to our province's GDP, employing 844,000 people. With \$1.00 of investment, nonprofits generate up to \$2.18 in GDP impact, \$1.76 in employment income impact, and create 1.5 jobs with every million dollars in output. This magnitude is equivalent to many other industries in Ontario, such as manufacturing and automotive. The purpose, governance, and ownership structure of nonprofits - [the nonprofit difference](#) - makes the sector uniquely positioned to deliver publicly-funded services. Nonprofits are accountable to local communities, exhibit higher levels of transparency, and reinvest profits back into their missions, ensuring taxpayer money is used effectively.

#### **Issue**

Currently there is no entity or mechanism in government responsible for ensuring the well-being of nonprofits and charities as a sector, creating a myriad of inefficiencies and lost opportunities. This gap means that the full potential of the sector has yet to be unleashed.

More than 16 ministries work with nonprofit organizations, at a time, for issue identification, policy planning, program delivery, regulatory compliance, and transfer payment agreements administration. While nonprofits often have direct relationships with their most immediate ministries, more complex, collaborative, and innovative work requires a whole-of-government approach that spans ministries.



There is no direct line of communication to the Ontario government to coordinate a collective response and no single entity in government tasked with identifying and addressing the issues and opportunities facing the entire nonprofit sector. The current siloed approach is redundant and inefficient. It leaves important issues and opportunities unaddressed, such as the design of legislations, regulations, and emergency preparedness plans.

### **Opportunity**

Ontario's nonprofit sector needs an Associate Minister-level appointment within the Ministry of Economic Development, Job Creation and Trade, supported by a Deputy or Assistant Deputy Minister in an office representing nonprofits, charities, and social innovation.

An Associate Minister and its office will lead, listen, and enable innovation without the red tape. It will:

- Streamline legislation, policy, and regulations development and implementation that affect all nonprofits and charities.
- Surface and address common/urgent sector-wide issues such as the labour force crisis and reduced volunteerism to decrease barriers to nonprofits' success.
- Expedite collaboration and solutions to do more complex, collaborative, and innovative work that spans ministries.

As a result, government will:

- Save time and money with increased efficiency and effectiveness of government infrastructure and investments. This office could coordinate policy and program development, share information across ministries, and engage on behalf of government with the nonprofit sector.
- Develop a renewed relationship with Ontario's nonprofit sector that focuses on engaging with the sector as a partner to leverage its unique assets.
- Lead to better outcomes for Ontarians with a mechanism for urgent and cross-ministerial response to issues impacting Ontarians.
- Enable the sector to contribute to the government's policy agenda, support Ontarians and their communities, and contribute to the economy.

### **Ontario can lead the way with British Columbia (BC) and Newfoundland and Labrador**

In 2021 two provinces successfully created homes in government for nonprofits. BC appointed a Parliamentary Secretary for Community Development and Non-profits in the Ministry of Social Development and Poverty Reduction. Newfoundland and Labrador appointed a Minister Responsible for the Community Sector in the Ministry of Children, Seniors and Social Development. Both of their mandate letters included direction to support and engage charitable organizations and the nonprofit sector by acting as their advocate and key point of contact within government.

### **Four key factors for success**

An effective and efficient home in government for the sector requires a strategic design because the design of the instrument will dictate how well it meets the set intention. ONN has based its recommendation on the following success factors:

1. Mandate: The capacity to collaborate across all government departments and ministries to reflect the collective needs of the sector.
  - Bring the nonprofit perspective to discussions of new or changing policies and programs.
  - Develop policies, programs and services that support the sector's success and ongoing contributions to the economy rather than duplicate relationships and funding from line ministries.
  - Clear line of communication with the sector to quickly address challenges and seize opportunities.
  - Ease regulatory and administrative burdens.
  - It will not replace line ministries' direct responsibility and funding relationships for specific activities and subsectors.
2. Political accountability: A well-regarded position, where recommendations on behalf of the sector are taken seriously by government counterparts.
  - An Associate Minister has significant seniority and authority to make decisions and recommendations within and outside of their Ministry and is more likely to be dedicated to the needs of the sector. They would have a seat at the cabinet table and support from the public service.
  - Straightforward to implement as it could fit within an existing ministry with existing structures and machinery.
  - Precedent set with Associate Minister of Small Business and Red Tape Reduction within the Ministry of Economic Development, Job Creation and Trade.
3. Administrative structure within the public service: The right people within government that have sufficient seniority and authority to make recommendations and decisions.
  - A Deputy Minister or Assistant Deputy Minister-level senior executive would provide the senior leadership support necessary to engage effectively across government and have open channels to political leadership.
4. Location within government: The Ministry of Economic Development, Job Creation and Trade's (MEDJCT) sector-specific mandate for business could be easily extended to nonprofits.
  - An Associate Minister in MEDJCT can leverage its structure, programs, and services on economic development while ensuring that the unique needs that are common to the sector are heard and considered in policy and program planning.
  - It is important for the sector's voices to be heard in a way that demonstrates the broad range of objectives and services that exist across the sector.
  - This location would build on the momentum of the sector's significant contributions to the economy and seek to grow it by including the sector in economic policy and program planning.



- Cabinet Office or Treasury Board Secretariat could be other possible locations within government. Both locations are within central agencies and would enable communication of the sector's needs across cabinet and coordination of policies and strategies that consider the sector.
- Locations to avoid: Ministry of Public and Business Service Delivery, Ministry of Children, Community and Social Services, Ministry of Tourism, Culture, and Sport, and Ministry of Citizenship and Multiculturalism. These are not central ministries and would associate the sector narrowly with specific subsectors, such as social services, arts and culture or volunteerism, ignoring the breadth and depth and economic contributions.

### **Conclusion**

The request for a home in government is a change the Ontario government can make today, with very limited cost, which will tangibly support the nonprofit sector. ONN looks forward to working with the province to co-create a home in government that modernizes, elevates, and promotes an innovative and prosperous nonprofit and charitable sector that will better serve Ontarians.

### **About ONN**

ONN is the independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy and services to strengthen the sector as a key pillar of our society and economy. We work to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations to work together on issues affecting the sector and channel the voices of our network to government, funders, and other stakeholders.

### **For more information:**

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