



INFORMATION TECHNOLOGY ASSOCIATION OF CANADA



ASSOCIATION CANADIENNE DE LA TECHNOLOGIE DE L'INFORMATION

Ontario Changing Workplaces Review
ELCPB 400 University Ave., 12th Floor
Toronto, Ontario M7A 1T7

14 October, 2016

ITAC Response to Interim Recommendations of Ontario's Changing Workplaces Review

Information Technology Association of Canada appreciates the opportunity to provide feedback to the Special Advisors for Ontario's Changing Workplace Review on behalf of Ontario's information and communications technology (ICT) industry.

More than 20,000 Ontario ICT firms create and supply the goods, gadgets and services that contribute to a more productive, competitive, and innovative society. Ontario's ICT sector generates over 400,000 jobs directly and indirectly and invests \$3.2 billion annually in research and development, more than any other private sector segment.

There is no doubt that digital and disruptive technologies are dramatically changing the ways people work. Many of the technologies fueling this change are developed or delivered by our member companies who live and breathe workplace transformation every day. Technology is creating jobs, work arrangements and career paths that would not have been possible five years ago and Ontario's Changing Workplace Review is an important opportunity to reflect on government's the role in protecting vulnerable populations from unsafe or unfair employment scenarios.

As both the federal and Ontario governments have highlighted in recent pronouncements, technology driven innovation is the future of Ontario and Canada's economic prosperity. Businesses across all industries need to harness the power of technology to improve their competitiveness and productivity. Ontario has worked hard to develop several world-leading technology hubs and clusters and it is important that the government continue to support and grow these drivers of innovation.

Among the Special Advisors' preliminary findings is a discussion on the current exemption for Information Technology (IT) Professionals under the Employment Standards Act (ESA). The preliminary report recommends the exemption be eliminated or revised without further study. ITAC would recommend the Special Advisors reconsider this position and instead recommend the exemption for IT Professionals be "reviewed in a new process," along with the 56 other professional exemptions the Advisors recommend for review under the ESA.

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IT Professionals earn an average of \$72,000, one-third more than the national average.¹ Far from precarious employment, Canada currently has a significant shortage of qualified IT professionals— standing at over 54,000 positions.² Skilled IT Professionals will find companies competing furiously for their talent both in Canada as well as in the United States, where workers can often earn considerably higher salaries due to the low Canadian dollar. IT firms understand the value of retaining top talent, and generally offer top-level pay and benefits as well as flexible employment situations because, more than any other industry, their people will be the source of ideas, innovation and growth.

The three options for potential changes to the IT Professionals exemption proposed by Special Advisors— focusing on either reducing the areas exempted or individuals covered— seem reasonable; however, further study is needed to understand where the exception is justified, when exactly it is being misused, and whether regulatory changes are required. For this reason, ITAC would favour a fulsome review process, following new process “Option 2” described in the report, so the impacts of any regulatory changes on Ontario’s innovative capacity and competitiveness are understood prior to moving forward.

While the circumstances for the 1999 introduction of the ESA exemption for IT Professionals may not be entirely clear, it is important to recognize that all current employment and compensation arrangements across the ICT industry are based on this framework. Arbitrarily changing the compensation model without a proper understanding of the impacts could cause significant and unanticipated outcomes for Ontario’s ICT industry and amounts to policy making in the dark. While ITAC supports the government’s goal of better aligning labour regulations with new developments in technology, we see no urgent or pressing need to change the labour framework for IT Professionals without first having an understanding of the impacts for ICT businesses and Ontario’s competitiveness.

ITAC would be happy to discuss this further at your nearest convenience.

Yours Sincerely,

Robert Watson
President / CEO
Information Technology Association of Canada

¹ ICTC Digital Economy Annual Review, 2014. <http://www.ictc-ctic.ca/wp-content/uploads/2014/05/Digital-Economy-Annual-Review-2014-ICTC-English1.pdf>

² IDC Canada

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