

September 15, 2015

VIA EMAIL: CWR.SpecialAdvisors@ontario.ca

Changing Workplaces Review
Employment Labour and Corporate Policy Branch
Ministry of Labour
400 University Avenue, 12th Floor
Toronto, Ontario
M7A 1T7

RE: Submissions on Ontario's Labour & Employment Changing Workplaces Review

Dear Sirs:

On behalf of Matcor-Matsu Group of Companies, this letter is our submission with respect to the Changing Workplaces Review currently being undertaken by the Ontario Ministry of Labour.

The Matcor-Matsu Group of Companies is a fully integrated supplier of manufacturing and engineering services providing modular assemblies and complex stampings for body-in-white, drivetrain, interior and seating applications. We currently have 5 facilities in Ontario employing approximately 1300 employees within these facilities. As part of the automotive manufacturing industry, Matcor-Matsu is involved in a highly competitive global market whereby the ability to be productive, generate high-quality goods at competitive pricing is crucial. Over the past several years, it has become an increasingly challenging environment as demonstrated in the steep decline in the manufacturing sector within the Ontario economy, primarily due to production shifting to other jurisdictions that present lower labour and other costs and less restrictive and onerous regulatory schemes. Unless Ontario manufacturers are able to compete in a global marketplace, some will undoubtedly close, others will relocate and consequently Ontarians will be deprived of the opportunities for good stable employment.

It is due to this background that Matcor-Matsu have some concerns with the current labour and employment law regime in Ontario, and some suggestions on how greater flexibility can be built into the system to better position the province as a destination for manufacturing jobs now and into the future.

The Employment Standards Act, 2000 (the "ESA")

Emergency Leave Days (Section 50 of the ESA)

Prior to the introduction of this leave, Matsu associates already had availability to utilize day's off for emergency's and illness through company programs such as Short Term and Long Term Disability programs as well as paid bereavement leave to attend to family deaths and general leaves of absence for urgent personal situations. The introduction of emergency leave days in 2001 introduced a level of

unnecessary complexity and generated little real benefit to the associates, but increased costs and issues to Matsu Barrie on an annual basis since it's introduction. On an annual basis, associate's are using approximately 8 days of emergency leave per year on average, with approximately 45% of the associates utilizing all 10 days per year. In order to cover for absences created by the usage of emergency leave days, the company has had to utilize temporary staffing to cover absences of full time associates therefore incurring increased payroll costs of approximately \$200k per year not to mention loss of productivity, flexibility and disruption to the production floor. Additionally, having to maintain absence information under the statue as well as through employer policies simultaneously complicates the company's efforts to monitor attendance of associates with casual absenteeism problems, and obstructs the ability to reward those associate's who provide perfect attendance. Within our company, a pattern in the usage of emergency days are apparent whereby usage trends are up on Monday's and Fridays, (thereby extending weekends). The mindset for some associates is that emergency leave days are a vested right (irrespective of actual eligibility) and are being taken in addition to other forms of paid absence such as vacation. This is supported by the many inquiries to Human Resources inquiring "how many e-days do I have left?".

Employees in Ontario enjoy various entitlement's but unlike these other leaves, emergency leave days due to lack of documentation requirements and the "vested right" thinking is much more susceptible to abuse than any other form of statutory leave.

In order to address the problems identified by the introduction of emergency leave, Matcor-Matsu would recommend that the Ministry consider the following:

- Introduce a regulatory exemption from section 50 of the ESA for employers who provide leave (combination of paid and unpaid) for some or all of the situations covered by the current emergency leave provisions
- Amend section 50(1) of the Act to restrict the "urgent matters" for which an employee is entitled to leave to a "serious" nature that requires the employee's attention, (including for self)
- Correct the Employment Standards Branch interpretation of subsection 50(7), to allow an employer to request reasonable evidence to support the employee was required to attend the illness of a family member or an "urgent matter" involving one of the specified family members.

We believe these changes would provide greater flexibility and control over the use or potential abuse of emergency leave by associates. We strongly oppose the suggestion to introduce paid emergency leave days as they are not warranted or necessary, particularly for large employers who already offer various forms of paid leave (ie. personal illness or bereavement). Introduction of paid leave entitlement into the current statutory framework would greatly impact our competitiveness due to increase in the incentive to utilize the leave, potential of abuse and thereby increasing costs affecting our overall global competitiveness.

Hours of Work (Part VII of the ESA)

Part VII of the ESA poses significant challenges for our front-line supervision in managing operations in an efficient manner without creating unnecessary compliance issues. In addition, associates do not

understand the limitations imposed on them and feel that their ability to earn additional income through voluntary overtime has been limited. Supervisory staff, who are primarily responsible for making decisions on staffing under continuously changing circumstances that require quick judgments must maneuver around: a) weekly maximum hours of work, b) periods free from work between shifts, c) weekly/bi-weekly free-time requirements, d) eating periods and e) an understanding of when “exceptional circumstances” may permit some variation from the rules. While there is some flexibility in the form of excess hours permits and the one small exception afforded by Regulations 502/06 (“Terms and Conditions of Employment in Defined Industries – Automobile Manufacturing, Automobile Parts Manufacturing, Automobile Parts Warehousing and Automobile Marshalling”), this limited flexibility is simply insufficient to address the range of situations that may arise in a fast paced industry like automotive manufacturing. It also fails the desire of many associates to work more hours and earn additional income in the form of overtime.

In order to maintain the efficiency and competitiveness of the Ontario automotive manufacturing industry, Matcor-Matsu would recommend the following changes:

- Provide some flexibility for the hours allowed under excess hours approvals.
- Amend Regulation 502/06 to further simplify the rules with respect to hours of work and free time requirements for employers in the automotive sector. Specifically, the regulation should be amended to permit eight (8) hours free between shifts on more than one (1) day per work week.

Through these amendments, employers such as Matcor-Matsu would be better able to ensure that associates are treated equitably and in accordance with the legislation, while maintaining their competitive position.

Should you have any questions or concerns regarding our comments, please feel free to contact us.

Sincerely,



Christine Heighton
Senior Manager, Human Resources