

October 14, 2016

Special Advisors C. Michael Mitchell and Honourable John C. Murray Changing Workplaces Review ELCPB 400 University Ave., 12th Floor Toronto, Ontario M7A 1T7

Re: Tourism Industry Association of Ontario (TIAO) Submission to The Changing Workplaces Review

Dear Special Advisors,

On behalf of the Ontario tourism industry's 163,000 businesses and 362,000 employees, the Tourism Industry Association of Ontario (TIAO) presents our submission to the Changing Workplaces Review for consideration by the Special Advisors. Recognized by government as the voice of tourism in Ontario, TIAO advocates on behalf of our membership to position the industry for growth and prosperity; the recommendations included in this submission are provided with that mandate top-of-mind.

TIAO is also part of the Keep Ontario Working coalition, and as such supports the submission put forward by that initiative. In addition to that submission, however, TIAO wishes to highlight issues of specific concern to the tourism and hospitality industry.

Tourism is vital to the provincial economy. Present in every riding in Ontario, the tourism industry generates \$28.5 billion in annual receipts, is responsible for 4% of Ontario's GDP¹, and represents more than 40 per cent of Ontario employees under 35². Larger than agriculture, forestry and mining combined, the tourism sector is vast and varied—it includes attractions, festivals, events, accommodations, conventions, recreational activities, camping, culinary and more.

There are several important factors that make tourism a crucial sector for the Special Advisors to consider when making amendments to Ontario's labour laws. First, many tourism businesses are classified as SMEs, which can be negatively impacted by increased regulatory and compliance measures. Second, a high volume of tourism businesses in Ontario operate seasonally, presenting unique challenges for staffing and wages. Third, tourism is the largest employer of youth in Ontario, calling for increased flexibility for scheduling and management of work-life responsibilities. Taking just these three factors into account, it is clear that any

² Statistics Canada, Ministry of Tourism Culture and Sport, Ontario's Tourism Snapshot (2013)

¹ Ministry of Tourism, Culture and Sport (2016), Tourism Quick Facts 2013



changes made as a result of the Changing Workplaces Review will affect the tourism industry's ability to operate effectively and efficiently.

For further consideration by the Special Advisors, there have also been a number of recent amendments made to labour-related legislation designed to protect Ontario's most vulnerable workers. Two such examples—supported by industry—are Bill 12, Protecting Employee's Tips Act, 2015, and 2014 changes made to Ontario's minimum wage, amending the Employment Standards Act, 2000 to tie minimum wage to the Consumer Price Index. TIAO asks that the Special Advisors take these amendments into account before making further changes to Ontario's employment and labour laws.

With respect to the Changing Workplaces Review, there are specific areas of concern TIAO would like to call to the attention of the Special Advisors. These areas include scheduling practices, sectoral bargaining, union certification and decertification processes, the determination of common employers, and changes to minimum wage.

Scheduling

TIAO recommends that the Special Advisors explore further options to achieve scheduling practices that balance the interests of employers and employees. The Interim Report includes options for creating universal requirements for employers' posting of work schedules, but a one-size-fits-all approach to scheduling may prove detrimental to many tourism businesses. Consumer habits have changed with respect to booking travel, with shorter windows for reserving or cancelling travel plans. This means that Ontario's tourism industry requires increased flexibility when it comes to scheduling staff.

Sectoral Bargaining

Although TIAO supports maintaining provisions already in place under the Labour Relations Act, we are opposed to major reform in these areas. In particular, TIAO is concerned about options included in the Interim Report regarding sectoral bargaining. As sectoral or pattern bargaining has historically been used in industries characterized by large enterprises, and Ontario's tourism industry is largely made up of SMEs, it is possible that the implementation of sectoral bargaining practices could create inequalities among firms. Indeed, many small tourism businesses would be unable to absorb large bargaining structures in a cost-efficient manner that would ensure fairness amongst employers.



Union Certification and Decertification

TIAO recommends that the Labour Relations Act's current provision for secret ballots for union certification and decertification be maintained. The removal of a secret ballot requirement (an available option in the Interim Report) would compromise the capacity for employees to say whether they wish to be part of a union or not, effectively limiting their rights. However, TIAO supports further exploration of electronic secret ballot voting, provided that accuracy and privacy issues are addressed accordingly.

Determination of Common Employers

TIAO recommends that the current test for determining common employers included in the Labour Relations Act remain unchanged.

Minimum Wage

The Interim Report includes options for altering minimum wage differentials for students under 18 and liquor servers. TIAO opposes these options, and would like to again highlight recent changes made to the Employment Standards Act, tying minimum wage to the Consumer Price Index. Furthermore, aforementioned changes brought about by Bill 12, Protecting Employees' Tips Act have made it so that tips received by service staff are protected. Given the training requirements and high level of supervision required by youth or student staff, in addition to the protections already put in place to benefit liquor servers, TIAO recommends that no further changes be made to legislation surrounding minimum wage.

Beyond the above recommendations, included in the appendices of TIAO's submission are specific desired options for each topic and issue put forward regarding the Employment Standards Act, 2000 and the Labour Relations Act, 1995. Where applicable, TIAO has made further recommendations to reflect the needs of the province's tourism community. Also enclosed in the appendices is TIAO's recent submission regarding Personal Emergency Leave.

Ontario's tourism industry is vast and varied; it includes employees from a number of different sectors, including retail, accommodation, arts and entertainment, as well as transportation. The variation of work environments seen in the tourism industry puts it in a unique position when considering amendments to labour and employment laws. Often characterized by seasonal, youth and part-time employment, a one-size-fits-all approach to labour relations simply will not work for tourism. As satisfied touirsm employers and employees with manageable work-life balances will in turn deliver enjoyable experiences for 141 million annual visitors to Ontario,



who contribute more than \$25 billion to the provincial economy. With this in mind, we ask that the recommendations of the tourism industry are taken into account by the special advisors. TIAO would welcome the opportunity to meet with the Special Advisors to further discuss implications of the Employment Standards and Labour Relations Acts on the tourism and hospitality industry.

On behalf of its membership, TIAO thanks the Special Advisors for considering the recommendations put forward by Ontario's tourism industry. As the number one export industry in Canada, it is important that the tourism sector's needs be met in order to maximize economic profitability, reduce unnecessary regulatory burden, and maintain Ontario has a destination of choice for travellers.

Sincerely,

Beth Potter

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President & CEO

Tourism Industry Association of Ontario (TIAO)

Attachments:

Appendix I — Chosen Options for Amendments to the Labour Relations Act, 1995 and the Employment Standards Act, 2000

Appendix II — TIAO's submission to the Special Advisors re: Personal Emergency Leave



Appendix I

Labour Rela	ations Act, 1995 (LRA	A)
Topic	Issue	Options
4.2 Scope and Coverage	4.2.1 Coverage and Exclusions	Maintain status quo
	4.2.1.1 Agricultural and Horticultural Employees	Maintain status quo
	4.2.2 Related and Joint Employers	Maintain status quo
	4.3.1.1 Card- Based Certification	Maintain status quo
	4.3.1.3 Access to Employee Lists	Maintain status quo
	4.3.1.4 Off-site, Telephone and Internet Voting	 Maintain status quo Provide for alternative voting procedures outside the workplace and/or greater use of off-site, telephone and internet voting Recommendation to explore this opportunity, but while keeping privacy concerns front-of-mind e.g. with regards to secret ballots
	4.3.1.5 Remedial Certification	Maintain status quo
	4.3.2 First Contract Arbitration	Maintain status quo
	4.3.3 Successor Rights	Maintain status quo
	4.3.4 Consolidation of Bargaining Units	Maintain status quo



4.4 The	4.4.1 Replacement	Maintain status quo
Bargaining Process	Workers	
	4.4.2 Right of Striking Employees to Return to Work	Maintain status quo
	4.4.2.1 Application to Return to Work After Six Months of Legal Strike	Maintain status quo
	4.4.2.2 Refusal of Employer to Reinstate Employees following a Legal Strike or Lock-out	Maintain status quo
	4.4.3 Renewal Agreement Arbitration	Maintain status quo
4.5 Remedial Powers of OLRB	4.5.1 Interim Orders and Expedited Hearings	Maintain status quo
	4.5.2 Just Cause Protection	Maintain status quo
	4.5.3 Prosecution and Penalties	Maintain status quo
4.6 Other Models	4.6.1 Broader- based Bargaining Structures	Maintain status quo
	4.6.2 Employee Voice	Maintain status quo



Employment Standards Act, 2000 (ESA)		
Topic	Issue	Options
5.2 Scope and Coverage	5.2.1 Definition of Employee 5.2.2 Who is the Employer and Scope of Liability	Misclassification of Employees Maintain status quo, but also increase education of workers and employers with respect to rights and obligations Definition of Employee in the ESA Maintain status quo Maintain status quo, but also encourage best practices for ensuring compliance by subordinate employers through government leading by example
	Liability	Catagory 1. Submissions are invited on whather there are reasons to
	5.2.3 Exemptions, Special Rules	Category 1: Submissions are invited on whether there are reasons to maintain, modify or eliminate the following exclusions: Managers and Supervisors
	and General	Maintain status quo
	Process	Minimum Wage Differential for Students Under 18
		Maintain status quo
		 Students under 18 are generally new workers, requiring
		training and a high level of supervision; as such,
		representatives of the tourism industry recommend
		maintaining the minimum wage differential for this
		group Minimum Wage Differential for Liquor Servers
		Maintain status quo
		 As per amendments made to Bill 12, Protecting Employees' Tips Act, 2015, employers are now prohibited from withholding or deducting tips and gratuities from employees. With this legislation in place, it can be assured that the tips received by liquor servers will offset the differentials in their wages.
		Student Exemption from the "Three-hour Rule"
		 Maintain status quo Given the seasonal operating structure of many tourism businesses, the tourism industry recommends that no changes be made to the "Three-hour Rule"
5.2.4 Exclusions	5.2.4.1 Interns/ Trainees	Maintain status quo
5.3 Standards	5.3.1 Hours of	Eliminate the requirement for employee written consent to work
	Work and	longer then the daily or weekly maximums. Clarify specific
	Overtime Pay	circumstances in which excess daily hours can be refused



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	5.3.2 Scheduling	 Decrease the daily rest period below 11 hours which would effectively increase the length of the working day above 12 hours Recommendation of the tourism industry to decrease the daily rest period to 8 hours Eliminate requirement for Ministry approval for excess hours (i.e. only above 48 hours in a week). Maintain requirement for employee written agreement Eliminate requirement for Ministry approval for excess weekly hours between 48 and 60 hours. Maintain requirement for Ministry approval or excess hours beyond 60 hours and employee written agreement Maintain status quo, with a commitment to establish industry best practices Within the tourism industry notice provisions regarding scheduling are typically included in applicable employee
		contracts and collective agreements. Consumer habits have changed with respect to booking travel, with shorter windows for reserving or cancelling travel plans. This means that Ontario's tourism industry requires increased flexibility when it comes to scheduling. Therefore, the tourism industry recommends that legislation surrounding scheduling remain the same so as not to interfere with current practices for a wide range of employers.
5.3.3 Public Holidays and Paid Vacation	5.3.3.1 Public Holidays	 Maintain status quo for current public holiday pay calculations – i.e. total amount of regular wages earned and vacation pay payable to the employee in the 4 work weeks before the work week in which the public holiday occurred, divided by 20
	5.3.3.2 Paid	Maintain status quo of 2 weeks
	Vacation 5.3.4 Personal Emergency Leave (PEL)	Maintain status quo—please refer to TIAO's submission dated August 31, 2016 in Appendix II
	5.3.5 Paid Sick Days	Maintain status quo
	5.3.6 Other Leaves of Absence	 Maintain status quo For additional commentary on Public Holidays and Paid Vacation, please refer to TIAO's submission dated August 31, 2016 in Appendix II
	5.3.7 Part- time and Temporary Work – Wages and Benefits	Maintain status quo



5.3.8 Termination, Severance and Just Cause	5.3.8.1 Termination of Employment 5.3.8.2 Severance Pay 5.3.8.3 Just Cause	 Maintain status quo, with inclusion of the following provision: Require employees to provide notice of their termination of employment; this provision will require further details as to how it will be enforced Maintain status quo Maintain status quo
5.4 Other Standards and Requirements	5.4.1 Greater Right or Benefit	 TIAO provided recommendations on this point in its PEL submission dated August 31, 2016—please refer to Appendix II
	5.4.2 Written Agreements Between Employers and Employees to Have Alternate Standards Apply	Maintain status quo, including the following provision:
	5.4.3 Pay Periods	Maintain status quo
	5.5.3 Creating a Culture of Compliance	 Recommendation to not require employers to conduct an annual self-audit on select standards with an accompanying employee debrief Further paperwork and compliance procedures create more burden for businesses
5.5.4 Reducing Barriers to Making Claims	5.5.4.1 Initiating the Claim	Maintain status quo with a general requirement to first raise the issue with employers but at the same time maintain the existing policy exceptions and maintain current approach of accepting anonymous information that is assessed and potentially triggers a proactive inspection
	5.5.4.2 Reprisals	Maintain status quo
5.5.5 Strategic Enforcement	5.5.5.1 Inspections, Resources, and Implications of Changing Workplaces for Traditional Enforcement	 Maintain status quo, with inclusion of the following option: Implement a risk-based process, similar to the one followed by the AGCO; keep fines small to start, increasing for repeat offenders, and invest funds garnered from fines in education



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	Approaches	
	5.5.5.2 Use of Settlements	 In addition to the current requirement that all settlements be in writing, provide that they be subsequently validated by the employee in order to be binding. For example, provide that a settlement is binding only if, within a defined period after entering into the settlement, the employee provides written confirmation or her or his willingness to settle on the terms agreed to and acknowledges having had an opportunity to seek independent advice
	5.5.5.3 Remedies and Penalties	 Increase the use of Part III prosecutions under the Provincial Offences Act (POA) primarily for repeat or intentional violators and where there is non-payment of an Order With an emphasis on speedy processing and decision-making Increase the dollar value of NOCs Using a risk-based process i.e. a sliding scale of penalties Further recommendation to make every attempt to obtain a resolution before reaching the courts With provisions for employers to recoup costs for frivolous and/or vexatious claims
	5.5.5.4 Applications for Review	 Require ESOs to include all of the documents that they relied upon when reaching their decision (e.g. payroll records, disciplinary notices, medical certificates) when they issue the reasons for their decision Recommendation to investigate legal privacy ramifications of this option, particularly with regards to medical certificates Increase regional access to the review process. To facilitate this, the Ministry might appoint part-time vice-chairs in various cities around the province (perhaps in the main urban centres in each of the 8 judicial districts in Ontario or in the 16 centres where the Office of the Worker Adviser (OWA) has offices) who would have training and expertise in the ESA only (not in labour relations) and who could conduct reviews on a local basis. This would make attending and participating in the review process more accessible and less expensive for both employees and employers Recommendation to use technology, rather than implementing further bureaucratic measures to streamline processes



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	 Special procedures, like pre-review meetings with the parties could be scheduled in advance to ensure narrowing of the issues, agreement on facts and perhaps settle cases, much like pre-trials in civil cases. The appointment of local ESA vice-chairs of the OLRB is similar to a proposal Professor Arthurs made to the federal government to deal with the special needs of distant communities Request OLRB to create explanatory materials for unrepresented parties. There will always likely be a significant number of unrepresented parties at the OLRB. One straightforward way to assist is by including the burden of proof and basic rules of evidence Increase support for unrepresented complainants. The criticism of the settlement process at the OLRB set out above in section 5.5.5.2 would be addressed at least in part if currently unrepresented complainants were represented in the review process of the OLRB
	 Recommendation that this option not be implemented at the risk of lengthening the process overall
5.5.7 Collect	Maintain status quo



Appendix II

August 30, 2016

Changing Workplaces Review ELCPB 400 University Ave, 12th Floor Toronto, ON M7A1T7

Dear Special Advisors Mitchell and Murray,

On behalf of the Tourism Industry Association of Ontario (TIAO) and its members, we'd like to thank you for taking on the important review of the Employment Standards Act and Labour Relations Act through the Changing Workplaces Review.

At this time, we'd like to provide feedback on the Personal Emergency Leave (PEL) policy, as per your request.

Tourism is vital to the provincial economy. Present in every riding in Ontario, tourism's 163,000 businesses generate \$28.5 billion in annual receipts, are responsible for 4% of Ontario's GDP, and represent more than 1.7 million employees in tourism-related industries³. Larger than agriculture, forestry and mining combined, the tourism sector is vast and varied—it includes attractions, festivals, events, accommodations, conventions, recreational activities, camping, culinary and more.

Many tourism owners and operators have expressed that finding, training and maintaining staff is an ongoing challenge; therefore, it is imperative that tourism businesses have access to a sufficient labour pool in order to be successful to today's economic climate. A large portion of Ontario's tourism industry is comprised of SMEs, and the needs and capabilities of these businesses must be taken into account in order for Ontario's tourism industry to prosper.

We would suggest that the Government of Ontario should carefully consider any changes made to the PEL. Higher labour costs result in fewer employees being hired by tourism businesses, and additional administrative duties take away valuable time. By thoroughly examining the potential impacts of any and all changes made to the Act, negative unintended consequences for tourism businesses—such as job losses—can be minimized.

³ Ministry of Tourism, Culture and Sport (2015), Current Performance Indicators



Employee Threshold

In the Interim Report, you acknowledged that many smaller employers would lack the flexibility and capacity to deal with PELs as currently framed in the legislation. TIAO concurs and supports **maintaining the 50 employee threshold**, as many SMEs have limited operational flexibility, and in some cases, seasonal limitations, particularly related to human resource management.

Greater Right or Benefit

In the Interim Report, the issue of navigating the various ESA leaves outlined concerns shared by the tourism industry. TIAO also supports the suggestion that that the Special Advisors consider an amendment to the ESA that would **clarify the greater right or benefit** issue. If an employer chooses to offer a benefit(s) that is greater than what is required by the ESA, specifically as it relates to the PEL, there needs to be a clear understanding that the ESA doesn't apply in that situation. This will allow for employers to establish better leave policies.

Leave Categories

In the Interim Report, it was noted that misunderstanding and misuse of unpaid leaves of absence is a frequent concern of employers. We agree with the suggestion of providing a breakdown of the 10 days entitlement into separate categories with separate entitlements for each category but with an aggregate still amounting to 10 days per year. It would still be help to further explore how all the leave provisions in the ESA work together, and how we can reduce the administrative burden. A further conversation to explore these two questions would be welcomed by the tourism industry as this would provide further clarification for both employers and employees when negotiating employment contracts.

As an industry, tourism employers need an outstanding workforce to deliver an exceptional experience for their guests. We thank you for the opportunity to provide input into this review, and look forward to a continued conversation going forward.

Respectfully submitted,

Beth Potter

President & CEO