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June 2, 2006

To: The Executive and Board of Directors  
Canadian National Exhibition Association

And To: The Board of Governors of Exhibition Place

From: David Bednar  
GM, Canadian National Exhibition

Dianne Young  
CEO, Exhibition Place

Subject: Workers Action Committee

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Purpose:

This report is submitted for the approval of the Executive Committee, the Board of Directors of the CNEA and the Board of Governors of Exhibition Place to resolve issues raised by the Workers' Action Centre (WAC) concerning students hired during the CNE period by third party contractors.

Recommendation:

It is recommended that the CNEA and the Board of Governors direct staff to:

1. Make available to all Exhibition Place and CNEA staff working in Human Resources, Visitor Relations, Summer Staffing Office, the phone numbers of WAC and the Ministry of Labour ("MOL") in case they are approached by students who have an employment issue with a contractor.
2. Contact the Human Resources Canada office on site to request that they also provide the phone numbers of WAC and the MOL to students hired through their offices.
3. Ensure that the CNE Employee Handbook makes specific reference to the availability of MOL literature (see above) and is provided to all employees.
4. Verify with North American Midway Entertainment ("NAME") the method of communicating with persons they employ (e.g. employee handbook or other method).
5. Through the *Freedom of Information Act* process for the Ministry of Labour, request information to determine whether violations have been reported for any contractors operating during the CNE season.
6. In any future consideration of renewals of agreements, information obtained from the MOL about violations of the *Employment Standards Act* by third party contractors be considered by staff and the CNEA be informed of these violations in any report to the Board of Directors.

### Background:

At its meeting of December 2, 2005, the Board of Governors received a deputation from WAC regarding workers rights issues at the CNE and resolved that this matter be referred to CNEA staff and the Exhibition Place Director of Human Resources to meet with WAC Representatives and any others, and pursue the matter and report back to the Board of Governors through the CNEA Board.

On January 26, 2006, WAC made a deputation to the CNEA Board of Directors following correspondence with the CNEA Executive and David Bednar. At this meeting, the CNEA Board of Directors resolved that the January 20<sup>th</sup> report from David Bednar be received for information.

The Board of Governors, at its meeting of January 27, 2006, received David Bednar's January 20<sup>th</sup> report and resolved that it be received for information and further that:

- (1) the CNEA President send an information letter to Mayor David Miller with respect to this issue;
- (2) the CNEA affirm and ensure that every contractor it engages is aware of its student hiring policy,
- (3) a copy of the CNEA's new Orientation Package be circulated to the Board for information; and
- (4) the Board be kept updated on this issue.

At its meeting of March 10, 2006, the Board of Governors, received for information, a further report dated February 24<sup>th</sup> from David Bednar.

At its meeting of the Board of Governors of April 20, 2006, Ms. Singh, from WAC presented a communication dated April 19, 2006 which had two recommendations (attached as Appendix "A"). The Board of Governors referred the matter to staff for review and response to the June 9, 2006 meeting and advised Ms. Singh that her deputation would be dealt with at 9:00 a.m. on June 9<sup>th</sup>. Councillor Giambrone requested that Exhibition Place staff facilitate the process even though the issues are related to the CNEA.

### Discussion:

As indicated in the rather extensive background section above, WAC continues to press both the CNEA and Board of Governors to take further action on the issue of alleged violations of the *Employment Standards Act* by "contractors" to the annual fair. Staff of both the CNEA and Exhibition Place have acted on some requests made by WAC but, on the advice of legal counsel, have rejected others.

The latest request from WAC is contained in a communication to the Board of Governors dated April 19, 2006. The action being requested by WAC in this document was forwarded to City Legal Department for review and the opinion is provided in an in-camera report from the City Solicitor dated May 31, 2006. Based on the advice provided by City Legal, it is recommended that the approaches requested by WAC not be adopted. Rather, the CNEA should not intervene in third parties' employer-employee relationships. The proper venue for mediation of employment disputes is the Employment Standards Branch of the MOL.

Generally, it must be said that there is a marked difference of opinion between what WAC and CNEA believe is the extent and severity of this matter. WAC argues that, because they received five complaints in 2004 and nine complaints in 2005, there has been an escalation of the issue. WAC also argues that the issue is severe because the complaints involve the same third party "contractor", NAME, and are repetitions of the same alleged violations from year-to-year. However, staff believe that given an estimated 5,000 workers at the CNE, a total of 14 complaints represents less than 2/10ths of one per cent. We are confident that NAME understands its responsibilities and did not intentionally act in such a way as to violate any workers' rights. None of the complaints, to our knowledge, has been subject to any notification to NAME by the Employment Standards Branch (ESB) of the MOL. On the contrary, NAME itself has contacted their local ESB for clarification of the employment standards.

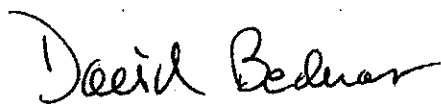
Given the opinion of the City Solicitor, staff cannot recommend the direction as put forward by WAC. However, Mr. Bednar and Ms. Young along with Mr. Terry Denison, City Legal met on Tuesday May 30<sup>th</sup>, with Sonia Singh (WAC), a community legal worker from Parkdale Community Legal Services and a former summer employee of Conklin. After a very thorough discussion of the issues, we tried to reach some common resolutions which would focus not on the CNEA assuming the duties and liabilities of its third party contractors, but rather on the education of young workers about all matters, including employment rights and health and safety issues. It is also important to ensure that CNEA staff and the CNEA Board take into account any reliable information which may be available on any actions or employment violations committed by third party contractors prior to contract negotiations, so as to be fully informed as to the ability of the contractor to properly undertake the work in accordance with all applicable laws and preserve the public reputation of the CNE and Exhibition Place.

We believe that the recommendations in this report reflect our meeting. Attached as Appendix "B" is a letter from Ms. Singh dated May 31, 2006, which generally is in agreement with this report and the recommendations. Accordingly, we are hopeful that our existing procedures, with these additional actions will achieve the intended results in supporting a good working experience for all youth at this and future CNE's. The CNE depends heavily on the willingness of young people to participate and work during the fair. Therefore, we have always agreed with WAC that all workers' rights must be understood and respected at the CNE.

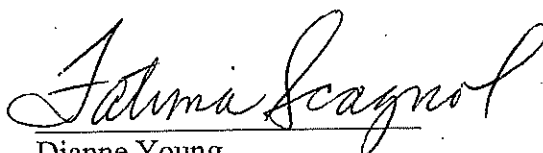
Conclusion:

This report recommends that the motions proposed by WAC on April 19 be replaced with other actions as described above.

Respectfully submitted,



David Bednar  
GM, Canadian National Exhibition



Dianne Young  
CEO, Exhibition Place

for

"A"



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April 19, 2006

**To:** The Board of Governors of Exhibition Place  
**From:** Sonia Singh, Workers Action Centre  
**Subject:** Workers Rights Issues

**Purpose:**

This report is submitted for the consideration of the Board.

**Recommendation:**

The Workers' Action Centre asks the Board of Governors to receive this report for information and FURTHER that the Board pass the following motion:

- (1) The CNEA affirm and ensure that every employee hired by either the CNEA, or any contractors it engages with, are aware of Employment Standards protections;
- (2) The CNEA ensure that all contracts with all contractors it engages with articulate a series of consequences for Employment Standards or Health and Safety violations, culminating in non-renewal of contract.

**Background:**

At its meeting of December 2, 2005, the Board received a deputation from the Workers Action Centre regarding workers rights issues at the CNE and adopted the following motion:

On motion duly made by, seconded and CARRIED, it was RESOLVED that this matter be referred to the CNEA Staff and the Exhibition Place Director of Human Resources to meet with the Workers' Action Centre Representatives and any others, and pursue the matter and report back to the Board through the CNEA Board.

On January 26, 2006, the Workers Action Centre made a deputation to the **CNEA BOARD OF DIRECTORS** following correspondence with the CNEA Executive and Mr. David Bednar, General Manager of the CNE. At this meeting, the CNEA Board of Directors adopted the following motion:

On motion duly made by John Downing, seconded by Kan Vigneswaran, and **CARRIED**, it was **RESOLVED** that Report No. 8 dated January 19, 2006 from the General Manager with respect to the Workers' Action Committee – January 2006, be received for **INFORMATION**, as referred by the Executive Committee.

The Board of Governors, at its meeting of January 27, 2006, received Mr. Bednar's report dated January 20<sup>th</sup> and adopted the following motion:

On motion duly made by John Weatherup, seconded by Rene Foisy-Marquis and **CARRIED**, it was **RESOLVED** that Report No. 7 dated January 20, 2006 from the General Manager and CEO with respect to the Workers' Action Committee, be received for **INFORMATION**, and **FURTHER** that:

- (1) the CNEA President send an information letter to Mayor David Miller with respect to this issue;
- (2) the CNEA affirm and ensure that every contractor it engages is aware of its student hiring policy;
- (3) a copy of the CNEA's new Orientation Package be circulated to the Board for information; and
- (4) the Board be kept updated on this issue.

The Board of Governors, at its meeting of March 10, 2006, received Mr. Bednar's report dated February 24<sup>th</sup> and adopted the following motion:

On motion duly made by Rene Foisy-Marquis, seconded by Jim McMillen, and **CARRIED**, it was **RESOLVED** that Report No. 6 dated February 24, 2006 from the General Manager & CEO with respect to the Workers' Action Committee, be received for **INFORMATION**.

At this meeting John Weatherup asked that the Hiring Policy circulated to Board Members be checked with the CNEA Solicitor. The Chair also advised that representatives from the Workers Action Centre had not received these materials, and would be invited to comment at them at the April 20<sup>th</sup> Board meeting.

#### Discussion:

- The Workers Action Centre has received 14 complaints during the 2004 and 2005 season of Employment Standards violations from young workers employed during the CNE. These complaints included **unpaid hours of work** and **illegal deductions of wages**, and represented a total of **\$1,686.43**. While some of these complaints have been resolved,

there is over \$1,000.00 still outstanding from the 2005 season.

- The Workers Action Centre is concerned these violations will continue in future years unless pro-active measures are taken. Specifically, young workers must be made aware of their rights, and contractors must face some consequence if they violate labour laws.
- The Workers Action Centre is pleased to see that the CNE will be distributing Ministry of Labour Employment Standards information to all contractors in the 2006 season, however, this information must also be distributed to **all employees** of contractors in order to have maximum impact. The CNE should require contractors to distribute this information to employees, and/or should take its own measures to ensure that this information is made available to **all employees**, including those employed by the CNEA.
- One of the major violations reported in 2004 and 2005 was **illegal deductions** of wages, however this topic is not specifically covered in the Ministry of Labour information circulated to the Workers Action Centre. The CNEA should ensure information about this issue is distributed to all contractors and employees.
- In its Rules and Regulations, which forms part of the contract with CNEA partners, the CNEA makes the following requirement:

“That it will comply with the Employment Standards Act governing employers and employees performing services at the CNE. A short synopsis of the Employment Standards Act will be provided to you by the CNEA.”

However, in order to be effective, this contract must also stipulate consequences for violation of this clause. This could be done in a step-wise approach, for example, a first reported violation of the Employment Standards Act would result in a fine, a second violation would result in the contractor being put on a probationary status, and a third violation would result in non-renewal of the contract.

- The Workers Action Centre would be happy to meet with CNE staff to develop a strategy plan to ensure effective implementation. For example, this could involve the CNE doing random checks with the Ministry of Labour on Employment Standards Orders against contractors. Please note this information can be provided to the public as a “Brief Employment Standards Summary” through the Freedom of Information Office of the Ministry of Labour.

### **Conclusion:**

The Workers' Action Centre asks the Board of Governors to receive this report for information and FURTHER that the Board pass the following motion:

- (1) The CNEA affirm and ensure that every employee hired by either the CNEA, or any contractors it engages with, are aware of Employment Standards protections;
- (2) The CNEA ensure that all contracts with contractors it engages with articulate a series of consequences for Employment Standards or Health and Safety violations, culminating in non-renewal of contract.

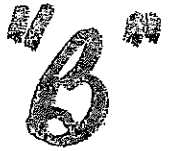
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David Bednar, General Manager  
Canadian National Exhibition (CNE)

Dianne Young, General Manager  
Board of Governors of Exhibition Place

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*VIA ELECTRONIC MAIL*

May 31, 2006

Dear Mr. Bednar and Ms. Young,

Thank you for taking the time to meet with us yesterday to discuss our motion regarding workers rights at the CNE. As we stated in the meeting, we feel that this motion would ensure contractor compliance with the Employment Standards Act in a simple, yet effective manner.

There are several existing policies that outline similar requirements for contractors. We mentioned a few such as the City of Toronto Fair Wage Policy, which has been in place for many years and the recently adopted City of Toronto No Sweat Policy. We feel confident that our motion would not prevent the CNE from maintaining a clear contractual relationship with its contractors and their employees. We were disappointed to learn that you have a different position.

At our meeting you mentioned moving forward on a number of initiatives that could address some of the issues raised by the motion:

**Education with workers about their rights**

- Ensuring that employees of contractors and concessionaires seeking information about their rights at work would be given the phone number of the Ministry of Labour and the Workers Action Centre. This information would be provided to the Human Resources office, Visitor Relations, the Summer Student Office and you would contact the Human Resources Canada office on site to request that they also provide this information.
- Expanding information in the CNE Employee Handbook on Employment Standards protection (specifically breaks, illegal set-offs and payment of wages for hours worked and training)



- Contacting the North American Midway Company and asking them to produce an employee handbook mirrored on the CNE Employee Handbook (with expanded information on Employment Standards) for them to distribute to all of their employees.

### **Ensuring compliance with Employment Standards**

- Developing a policy which would outline the process which would apply at the time of renewal of contracts with concessionaires, contractors and partners. This policy would articulate a process that is already informally in place where reports of Employment Standards violations, (or any other violations) are considered when discussing renewal of a contract. The process could be as follows:
  - Any Employment Standards orders or notices of settlement of Employment Standards claims (or other violations under other statutes) would be placed in the file of the contractor
  - These violations would be raised at the Board level through a Board report
  - When renewing contracts, reported violations would be considered and specific language could be incorporated into the new contract to address those violations if the contract was renewed (for example requiring contractors to provide information to employees)
  - The violation (and resulting breach of contract) would be a factor in determining non-renewal of contracts
- Using the Freedom of Information process of the Ministry of Labour to determine whether violations have been reported for any contractors operating during the season. This process could also be used to do background checks to determine if there are any violations for specific contractors when contracts are being negotiated.

While these initiatives would certainly be a step in the right direction, we urge you to consider contacting all contractors and requiring them to distribute workers rights materials to their employees. Similarly, we urge you to consider outlining more clearly how a reported violation would affect non-renewal of contracts (for example, outlining a step-wise approach of probation, leading to non-renewal of contracts).

We look forward to reviewing a copy of the report you will be submitting to the Board of Governors outlining your proposal.

Thank you again for your time and attention to this matter.

Sincerely,

Sonia Singh  
on behalf of the Workers Action Centre Youth Committee

