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Re: Unifor's request for an exemption pursuant to the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*

Thank you for your letter dated May 3, 2021 to the Hon. Peter Bethlenfalvy, President of the Treasury Board.

You have requested an exemption under sections 6(2) and 27 of the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* (the Act), for the collective agreement between Unifor Local 2002 and Ornge.

In your submission, you identified the following key concerns to support your request:

Ornge is one of only a small number of paramedic units to which the Act applies

- “Most EMS services in Ontario are not covered by the wage restraint legislation but Ornge is [...] Under the Act, Ornge paramedics are subject to the 1% wage and total compensation restraints while the rest of the sector is exempt (save for a small handful of paramedic units operating out of hospitals), despite providing the same type of services in some of the most challenging conditions in the province.”
- “Treating differently paramedics in similar organizations creates inconsistencies and disadvantages within the sector. A patchwork of inclusion and exclusion will result in differential treatment among the EMS providers providing similar care to patients in the same sector.”

Retention Problems and Viability of Sector

- “If Ornge paramedics are not excluded from application of the Act, this will have the unintended effect of making retention of staff more difficult for Ornge and the working conditions for those who stay worse. Depressed wages and benefits will

impair the ability of Ornge to attract highly specialized paramedics and will further contribute to the health care and EMS crisis in Ontario.”

Impact on Patient Safety

- “Unifor is gravely concerned about the impact the Act will have on the quality and availability of air ambulance and critical care services and the corresponding impact on public health and safety, particularly in remote communities. [...] Allowing Unifor to negotiate fair wage rates and shape working conditions without restraint through free collective bargaining will encourage these highly specialized and experienced paramedics to stay employed with Ornge which will in turn ensure the health-care and EMS systems that are under threat are not further compromised.”

ASCBA meets objectives of the Act

- “Unifor submits that the purposes of the Act ‘to ensure that increases in public sector compensation reflect the fiscal situation of the province, are consistent with the principles of responsible fiscal management and protect the sustainability of public services’ are already met in the ambulance sector because it is governed by HLDAA and ASCBA.”

Impact on Bargaining

- “The Act will now ensure that Ornge’s highly skilled paramedics will receive lower wage increases than other paramedics in the province such as those working at Toronto EMS. As Toronto EMS paramedics are municipally employed, they are excluded from the application of the Act. The Act’s 1% wage restraints[sic] will also ensure that Unifor is unable to negotiate general wage increases in line with increases it bargained in the past for this group and in recognition given by prior arbitrators to the highly skilled nature of the Ornge paramedics work. The Act now makes it impossible for Unifor to not only negotiate increases comparable to other paramedics for its Ornge bargaining unit but also the additional increases necessary to compensate them for their additional skills and qualifications.”

Your submission was reviewed and assessed to determine whether the Minister should use his power to exempt the collective agreement as requested. All exemption requests are thoroughly reviewed and given due consideration.

I am writing on behalf of the Minister to inform you that your request for an exemption under the Act has not been granted. In response to the specific points raised in your correspondence, the ministry responds that:

- The Act applies a fair, consistent and time-limited approach to moderating compensation across the provincial public sector. The Act is not intended to address nor hinder matters of recruitment and retention of staff. Additionally, the Act is not intended to address nor hinder matters of wage differentiation between employers.
- All in-scope employers and their employees are subject to moderation.
- Unifor has not demonstrated that the Act is not being applied in a fair and equitable manner.

- The Act puts in place certain time-limited caps to moderate compensation increases while maintaining existing opportunities for increases, such as movement through salary grids and ranges.
- The Act recognizes that restoring sustainability to the Province's finances is in the public interest and is needed to maintain important public services that matter to the people of Ontario.
- The Act does not impede collective bargaining or interest arbitration or interfere with the right to strike, nor impact existing agreements.
- As a separate level of government, municipalities are not subject to the Act. Municipalities have their own budget process and accountability mechanisms.
- Unifor has not demonstrated that wage increases alone would solve any recruitment and retention challenges.
- A substantial proportion of government program expenses is applied to public sector compensation, whether paid directly by the Province to Ontario Public Service employees or provided indirectly to employees in the Broader Public Sector. Given the significant fiscal challenges facing the province, the growth in compensation costs must be moderated to ensure the continued sustainability of public services for the future.
- The purpose of the Act is to ensure that increases in public sector compensation reflect the fiscal situation of the Province, are consistent with the principles of responsible fiscal management and protect the sustainability of public services.
- The government's health care plan includes implementing a combination of short and long-term strategies to address current and expected gaps, and ensuring Ontario's health workforce is trained and employed in the right sectors and the right communities.
- While the ASCBA and HLDA give the board of arbitration discretion to consider the economic situation of Ontario, these acts do not necessarily meet the objective of the Act.

Should you require further information about the Act, please contact the Centre for Public Sector Labour Relations and Compensation at: PSPSFGA@ontario.ca.

In friendship,



Deborah Richardson
Deputy Minister, Treasury Board Secretariat
Secretary of Treasury Board and Management Board of Cabinet

c: Prabmeet Sarkaria, President of the Treasury Board

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