

News Release

Ontario Government Taking a Flexible, Fair and Reasonable Approach to Managing Public Sector Compensation

June 5, 2019

Proposed legislation would allow for reasonable wage increases while protecting vital services and fiscal sustainability

Today, Peter Bethlenfalvy, President of the Treasury Board, introduced legislation that would enable the government to manage public sector compensation growth. If passed, the legislation would allow for reasonable wage increases, while protecting the province's front-line services, restoring the province's financial position and respecting taxpayer dollars.

The proposed legislation, Protecting a Sustainable Public Sector for Future Generations Act, 2019, would not impede the collective bargaining process nor impact existing agreements. Rather, it would put reasonable, time-limited requirements on new compensation increases for unionized and non-unionized employees in Ontario's public sector while maintaining existing opportunities for pay increases, such as movement through salary ranges.

The proposed legislative approach would not impose wage freezes, wage rollbacks or public sector job losses. Additionally, Ontario's public sector employees would maintain eligibility for compensation increases and be able to negotiate terms and conditions.

"Since being elected, our government has made great strides in restoring sustainability to the province's finances," said Bethlenfalvy. "We must do all we can to protect front-line services and public sector jobs, while ensuring a strong and sustainable fiscal situation now and for future generations. Through the legislation introduced today, we are proposing a fair, consistent and time-limited approach to moderating compensation that applies across the provincial public sector."

In Ontario, public sector compensation represents roughly half of all government expenditures, totaling over \$72 billion annually. By taking steps to ensure increases in public sector compensation reflect the fiscal reality of the province, the government is working to protect jobs, workers and vital services, now and as the government tackles Ontario's debt.

"We are taking these steps precisely so we can protect vital services and the workers who deliver them," said Bethlenfalvy. "If we do not take this action, we could be putting tens of thousands of jobs at risk, which our government refuses to do."

The government is asking all interested stakeholders to review the draft measures and continue to provide feedback over the summer, at ontario.ca/page/protecting-sustainable-public-sector-future-generations-act-2019

The government is also continuing to accept feedback from public sector bargaining agents and employers that participated in the government's Spring 2019 consultations by email to PSconsultations@ontario.ca.

QUICK FACTS

- On April 4, 2019, the government invited Ontario's public sector employers and bargaining agents to share their feedback on how to achieve reasonable public sector compensation growth. Interested stakeholders can continue to provide feedback on the government's proposed path forward.
- Every one per cent increase in compensation-related spending translates into approximately \$720 million in additional costs.
- Collectively, provincial public sector organizations employ approximately 1.2 million workers across multiple sectors.
- As of the 2019 Ontario Budget, Ontario's Government for the People is projected to reduce the Province's \$15 billion inherited deficit by \$3.3 billion to \$11.7 billion in 2018-19.

BACKGROUND INFORMATION

- Protecting a Sustainable Public Sector for Future Generations Act, 2019

ADDITIONAL RESOURCES

- [Protecting a Sustainable Public Sector for Future Generations Act, 2019](#)
- [Ontario Public Sector Consultations](#)
- [Minister Bethlenfalvy's address to the Canadian Club](#)
- [2019 Ontario Budget: Protecting What Matters Most](#)
- [Learn more about Ontario's Finances](#)