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### Collective Agreement Facts

#### Tenure & Promotion

Your submission for Promotion & Tenure is due **August 15, 2012.**

If you want your Chair or Dean to review the document you will want to provide it to them ASAP

## Salary Wage Freeze – True or False?

### Did Dwight Duncan, Minister of Finance freeze our salaries?

The Ontario Confederation of University Faculty Associations of Ontario (OCUFA) recently forwarded to the UGFA the attached letter from Ontario Minister of Finance, Dwight Duncan. Minister Duncan has sent a copy of this letter to all employers in the Broader Public Sector, including universities. In the letter, Minister Duncan reiterates the McGuinty Government's position outlined in the 2012 Budget regarding public sector compensation and, specifically, their goal to constrain future increases to the wages of public sector employees while respecting local collective bargaining rights.

There are three important pieces we would like to draw your attention to:

- (1) The communication does not convey any new information since the original provincial budget announcement about wage freezes. Specifically, at the moment, **there is no legislative mechanism in place requiring an actual freeze to UGFA member wages.** The letter indicates that the Government intends to act if the parties do not achieve the government's political and budgetary objectives. As we

have seen in the previous round of discussions with the government, bargaining agents, mediators, arbitrators and boards are only compelled to reach such agreements where legislation has been passed.

(2) It is likely that this letter is mostly a political act, designed to reassure and appease both external market forces (bond rating agencies) and opposition parties. Another plausible explanation for the government's approach, and the current letter from the Minister, is that recent legislation (the Supreme Court decision on the BC Health Services Act) sets certain legal tests (such as broad consultation) for governments at all levels when attempting to impose wage restrictions and limiting collective bargaining rights for unionized workers.

"(3) The Government states that it "respects the collective bargaining process and will leave existing agreements intact." Meaning, to the extent that they have committed to respect local free collective bargaining, our compensation negotiated in our second Collective Agreement will remain unchanged and wage increases will take effect as scheduled. Our current agreement expires on [June 30th, 2014](#). While a government could attempt to overturn existing agreements and change or nullify aspects of compensation increases, this is a fairly remote possibility. The previous discussions held with the Government in summer/fall 2010 over public sector wage freezes indicate that the McGuinty Liberals do not appear willing or eager to try to overturn existing agreements. Such actions would likely be subject to numerous court challenges, including Charter of Rights challenges. "

In terms of the next round of collective bargaining, it is too early to determine the impact of this letter on our local environment. However, we do anticipate that the Administration will be communicating the contents of it to the university community and wanted to ensure that our Members had the facts as they pertain to our current Collective Agreement. We fully anticipate that our next round of bargaining will be quite difficult given the unprecedented intrusion of the Provincial Government into public sector bargaining on both the compensation and pension fronts. As your Association, we assure you that we are already preparing for the tasks that lay ahead, working with other partners such as OCUFA and CAUT, to defend the rights of our Members. We will however need to stand together as an Association in order to protect what we have.

To be successful as an Association will require all of us to stand behind each other to protect what we have.

If you have any questions, concerns or comments, please feel free to contact the UGFA office at extension 52126.

Ed Carter, UGFA President



1<sup>st</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> etage, Edifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone : 416 325-(0)400  
Telecopieur: 416 325-0374

To: BPS Employers

RE: Provincial Compensation Framework

In March, when I tabled the 2012 Budget, Strong Action for Ontario, I laid out a plan to keep Ontario on track to balance the budget by 2017-18. I indicated then that eliminating the deficit was the single most important step the government could take to grow our economy, and protect and create jobs. I said the government was committed to getting its fiscal house in order while protecting the services that matter most to Ontarians: health care and education.

That strong action includes a plan to transform the broader public sector (BPS).

Our partners in the BPS play critical roles in providing services to Ontarians and the McGuinty government has always valued, and will continue to value that work. Compensation for the BPS accounts for more than 50 per cent of all Ontario government spending.

The government is asking all Ontarians to do their part in returning the budget to balance.

As you know, we have asked teachers and doctors to hit the pause button for two years. And now we are asking others in the BPS to do the same.

To meet the government's fiscal targets, the fiscal plan provides no funding for incremental compensation increases for new collective agreements.

The government respects the collective bargaining process and will leave existing agreements intact. The government will also insist that its partners continue providing high-quality health care, education and other key public services to Ontario families.

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Ontario is expecting its bargaining partners to meet the following criteria:

- For two years, collective agreements should not allow for increases in compensation. This includes wages, performance pay and benefits. Any movement through an established grid must be fully offset from within the total compensation package. Should parties wish to enter contracts of more than two years, those contracts should contain no increases in compensation during the additional period.
- The *Broader Public Sector Accountability Act, 2010*, implements compensation restraint measures for designated executives at hospitals, universities, colleges, school boards and designated organizations. The restraint measures are effective March 31, 2012, and are in place until the province ceases to have a deficit.
- Decisions related to compensation for non-executives who are not governed by collective agreements should live within fiscal targets.

These criteria are consistent with the approach the government is taking with teachers' compensation and doctors' fee for service arrangements.

In addition, there should be no agreement to terms that impose longer-term costs or restrictions on service delivery.

You, as an employer, are expected to share these parameters with your bargaining agents. The McGuinty government believes being transparent about our expectations will support the collective bargaining process and good-faith bargaining.

As the 2012 Budget states, where agreements cannot be reached that are consistent with the government's plan to eliminate the deficit, the government is prepared to propose necessary administrative and legislative measures.

In addition, the 2012 Ontario Budget announced a number of initiatives intended to improve the sustainability, affordability and efficiency of pension plans in the Broader Public Sector. The government is currently conducting consultations on the affordability and sustainability of public sector pension plans.

Ontario is facing some challenges. Strong action is required to eliminate the deficit, protect jobs and encourage the creation of new jobs as well as economic growth.

I know I speak for my Cabinet colleagues when I say that we appreciate everything that all parties are doing to help move Ontario forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duncan', with a horizontal line extending to the right.

Dwight Duncan Deputy  
Premier Minister of Finance