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Ontario

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December 5th, 2019

Ms. Cathy Taylor
Executive Director
Ontario Nonprofit Network
300 - 2 St. Clair Avenue East
Toronto ON M4T 2T5
By email: cathy@theonn.ca

Dear Ms. Taylor:

Thank you for your letter of November 4, 2019 regarding the *Protecting a Sustainable Public Sector for Future Generations Act, 2019.* I appreciate the opportunity to connect with you directly on this issue.

First, I want to thank you for your feedback on the Transfer Payment Consolidation Smart Initiative, which will reduce administrative costs, increase value for money, enhance the client experience and improve service outcomes. It was a pleasure to announce this initiative with you at the Ontario Investment and Trade Centre and I am grateful for your support in our efforts to build smarter government for the people of Ontario.

Our government is committed to protecting public sector jobs, vital front-line services and the fiscal health of the of the province. To this end, the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* was passed by the legislature on November 7, 2019, and came into force on November 8, 2019.

Any conversation about restoring sustainability to the province's finances must include public sector compensation, which represents roughly half of all government spending. We consulted with public sector bargaining agents and employers in good faith, considered all ideas that were put forward and determined a balanced path forward that reflects the fiscal realities of the province. The Act enables the government to manage compensation growth in a way that allows for reasonable wage increases while also respecting taxpayers and the services they rely on.

The Act sets out requirements that allow for up to one percent increases to salary and total compensation for unionized and non-unionized employees in the Ontario public sector. The provisions are time-limited and will be applied widely. The government's approach does not impose a wage freeze, rollback or job cuts nor does it impede the collective bargaining process. In addition, Ontario's public sector employees will still be able to receive salary increases for seniority, performance, and increased qualifications, as they currently do.

Employers to which the Act applies are set out in Section 5 of the Act, which is available online here: www.ontario.ca/laws/statute/19p12. This includes transfer payment recipients who received more than $1 million in annual funding from the Government of Ontario in 2018, which is aligned with the funding threshold in the *Public Sector Salary Disclosure Act, 1996.* Changes to the funding threshold are not being considered at this time.

I would also like to confirm that nothing in this legislation, or its regulations would be interpreted or applied so as to reduce a right or entitlement under the Human Rights Code, Employment Standards Act or Pay Equity Act.

Finally, in an effort to provide a timely resource for our stakeholders, any requests for information about the Act and its application may also be directly sent to PSPSFGA@ontario.ca.

The government highly values the important role all public sector workers play in delivering programs and services to Ontarians. We will continue to work with all broader public sector employers, employees and bargaining agents to protect frontline services and the fiscal sustainability of the province.

Thank you again for writing.

Sincerely,

Peter Bethlenfalvy
President of the Treasury Board

c: The Honourable Monte McNaughton, Minister of Labour, Training and Skills
       Development