## FTR Now

# Ontario Releases Draft Compensation Restraint Legislation for Consultation

**Date:** September 26, 2012

Earlier today, the Ontario Minister of Finance announced draft omnibus legislation, the *Protecting Public Services Act, 2012* (the "Draft Bill"), that would implement new, substantially more restrictive compensation restraint measures, and impose a significant new provincially mandated collective bargaining regime, for the Broader Public Sector ("BPS"). Highlights of the Draft Bill include:

- Schedule 1 (enacting the *Public Sector Compensation Restraint Act, 2012*) would impose new wage restraint measures on non-bargaining employees in the BPS, including a permanent compensation cap set at no more than two times the Premier's annual salary (subject to limited exceptions), two-year restraints on compensation with strict limits on performance pay, and other measures. Of note, the new restraint measures would apply very broadly, and would include government agencies and the government-funded not-for-profit sector.
- Schedule 2 (enacting the *Respecting Collective Bargaining Act (Public Sector), 2012*) would create a new framework for provincial control of collective bargaining in the BPS. It would allow the Government to establish enforceable bargaining mandates, overturn interest arbitration awards and impose a collective agreement following consultation with the parties. As with the new proposed wage freeze, these provisions would also apply broadly, and would also cover some elements of the for-profit sector that deliver certain government services.
- Neither Schedule 1 or 2 would apply to municipalities or local boards (and Schedule 2 would not apply to school boards), though they would apply to municipal boards of health and long-term care facilities.
- Schedules 3 to 8 of the Draft Bill would re-introduce certain amendments to the interest arbitration process under various statutes that were removed from the final version of Bill 55, the Budget implementation legislation. These would apply to the following sectors or organizations: ambulance, fire, police, hospitals, the Toronto Transit Commission and the Ontario Provincial Police.

Hicks Morley will be publishing a detailed *FTR Now* tomorrow, which will address how the proposed draft Bill would impact organizations in the BPS.

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