



May 7, 2010

The Honorable Dwight Duncan
Minister of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario
M7A 1Y7

Re: Concerns with Bill 16, The Compensation Restraint Bill

Dear Minister Duncan,

*Ontario Community
Support Association
Association ontarienne
de soutien communautaire*

The Ontario Community Support Association (OCSA) is writing to voice our concerns with the government's planned restrictions on salary increases for public sector workers. The mandated salary freeze in the bill as it is currently proposed will have negative consequences for many of our member agencies and their employees, even though these workers are not directly employed by the government and are among the lowest paid health workers in the province.

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The OCSA represents hundreds of member agencies employing 25,000 staff and 100,000 volunteers who deliver compassionate, high quality and cost-effective home and community support services to 750,000 Ontarians per year. These services allow individuals to stay in their homes, stabilize their health, improve their quality of life and avoid the need for more expensive health services.

We are concerned this blanket prescription for a public sector compensation freeze will unnecessarily complicate union and individual worker relationships between our members and their employees. Retention of staff, specifically personal support workers – the backbone of the delivery of services to seniors and those with physical disabilities living in the community – is an ongoing challenge and directly affects the quality and accessibility of care to the public.

Wages of workers in the home and community support services sector are 20% to 40% lower than workers with the same training doing the same work in hospitals and long-term care homes. Hundreds of full-time community workers earn \$35,000 a year or less. The median salary of Executive Directors of Community Support Service agencies is \$78,000. A wage freeze will only increase the flow of these workers to better paid positions elsewhere, negatively impacting the capacity of the home and community sector to take on a greater role in alleviating the current ALC and ER challenges. This legislation will also affect home care services. The wages of many not-for-profit home care providers delivering services through contracts with CCACs will be frozen because of the funding these organizations receive from the LHINs to deliver Community Support Services. Without incentives to retain qualified workers not-for-profit providers are likely to lose workers to the for-profit providers who will not be prevented from adjusting their compensation.

This will happen especially in those parts of the province experiencing worker shortages. This law will unfairly impact the ability of not-for-profit providers to meet their contracted obligations to the CCACs, and negatively impact their ability to compete when the competitive process resumes. For-profit home care providers receive no direct funding from government and thus will not have any requirements under Bill 16.

Many unionized organizations will soon enter negotiations for collective agreements. There is concern among these health providers that they will be unable to negotiate contracts with no compensation increases and that strikes will be unavoidable causing disruption to the delivery of health care in the community. This will put at risk the ability to achieve the ALC and ER reductions that are the focus of the Ministry of Health and Long-Term Care.

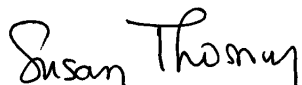
A further complication is the threshold for including organizations in the salary freeze that receive \$1 million in government funding. This will create an unhealthy scenario for the sector whereby non-profit agencies at this threshold will be restricted in their compensation plans and those under the threshold will not – creating further competition for a limited pool of workers, a competition that will also include the for-profit health providers not affected by this law.

Finally, this Bill, with its \$1 million threshold, conflicts with the strategic direction of the LHINs for integration of services to reduce duplication and improve client care. Organizations are unlikely to pursue voluntary integration activities if the combined budgets of the interested parties exceed the \$1 million threshold.

As you can imagine, there is a great deal of anxiety and uncertainty within our membership. While we understand the intentions of this Bill, we are extremely concerned about its unintended consequences for our members and their employees. We are therefore asking for consideration that non-profit home and community support agencies be afforded an exemption from Bill 16.

We would be pleased to further discuss this issue and the concerns of our members with you or your staff directly. We will be following up with your office but in the interim, if you have any questions please do not hesitate to contact me.

Sincerely,



Susan Thorning
Chief Executive Officer
Ontario Community Support Association
104 - 970 Lawrence Avenue West
Toronto, ON M6A 3B6

Cc: The Honorable Deb Matthews, Minister of Health and Long-Term Care