

February 13, 2014

The Honourable Yasir Naqvi, MPP  
Minister of Labour  
400 University Avenue, 14th Floor  
Toronto ON M7A 1T7

## **Re: Reforming Ontario's Broken Interest Arbitration System**

Dear Minister Naqvi,

On behalf of the Ontario Chamber of Commerce and its network of 160 local chambers of commerce and boards of trade, we are writing to express concern over the impact that the province's interest arbitration system is having on Ontario's competitiveness.

As you are aware, interest arbitration is the only legal mechanism available to municipalities to settle contract negotiation disputes with essential municipal workers such as police officers, firefighters, and some paramedics.

Partly as a result of interest arbitration, emergency service costs are growing much more quickly than the Consumer Price Index, and faster than the average growth rate of other public sector workers' wages, including nurses and teachers. As a result of the costly contract settlements created by the current interest arbitration system, there is significant pressure on municipalities to raise taxes and/or reduce services to compensate.

Competitive tax rates and quality public services are key to economic development and prosperity in our communities. The current interest arbitration model is hurting municipalities' economic competitiveness, and ultimately the competitiveness of the province.

We recommend that the following changes be made to the interest arbitration system:

- streamline the process by adopting the single arbitrator model for all hearings, imposing limits on pre-hearing processes and post-hearing submissions and mandating a maximum period of one year (from the start of the process to its completion) for arbitrators to complete their work;
- arbitrators should be provided with clear, measurable criteria upon which to base their decisions, particularly regarding the "fiscal health" of the community;
- arbitrators should be required to provide a written explanation of their decisions, with clear assessments of the mandated criteria for arbitration, and must give priority to how the "fiscal health" of a community was considered when making a decision; and
- the "ability to pay" criteria used in interest arbitration decisions should be broadened to include the wider economic and fiscal environment, and productivity criteria (as recommended by the Commission on the Reform of Ontario's Public Services).

We are increasingly worried about the negative impact of unsustainable increases in emergency services labour costs on Ontario's municipalities and the broader Ontario economy. As a demonstration of the importance of interest arbitration reform to Ontario businesses and municipalities from across the province, 30 chamber executives have signed on to this letter.

We would be pleased to organize a meeting between you and a small group of representatives of the chamber network to further discuss these ideas and how the current interest arbitration framework is impacting our communities.

If you have questions or comments and would like to arrange a meeting, please do not hesitate to contact Josh Hjartarson, Vice President, Policy & Government Relations at 416-482-5222 ext. 2320 or [joshhjartarson@occ.on.ca](mailto:joshhjartarson@occ.on.ca).

Thank you,



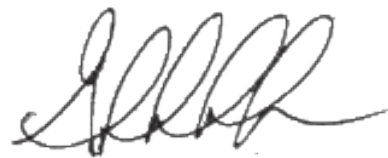
Jim DiNovo  
Brantford-Brant Chamber of Commerce



Anne MacDonald  
Brockville and District Chamber of Commerce



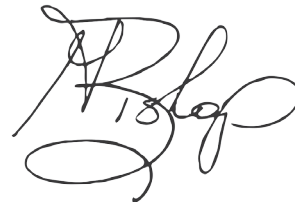
Keith Hoey  
Burlington Chamber of Commerce



Greg Durocher  
Cambridge Chamber of Commerce



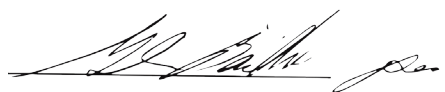
Roberta Scarrow  
Centre Wellington Chamber of Commerce



Gail Bishop  
Chatham-Kent Chamber of Commerce



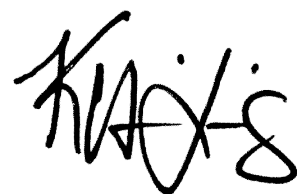
Kevin Hargreaves  
Cornwall & Area Chamber of Commerce



Glen Baillie  
Grand Bend & Area Chamber of Commerce



Kathleen Dills  
Halton Hills Chamber of Commerce



Keanin Loomis  
Hamilton Chamber of Commerce



Ann Campbell  
Ingersoll District Chamber of Commerce



Matt Hutcheon  
Greater Kingston Chamber of Commerce



Gerry Macartney  
London Chamber of Commerce



Richard Cunningham  
Markham Board of Trade



Debra Scott  
Newmarket Chamber of Commerce



Walter Sendzik  
Greater Niagara Chamber of Commerce



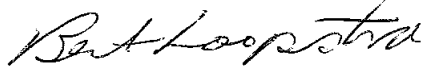
John Sawyer  
Oakville Chamber of Commerce



Allan O'Dette  
Ontario Chamber of Commerce



Bob Malcolmson  
Greater Oshawa Chamber of Commerce



Bert Loopstra  
Owen Sound & District Chamber of Commerce



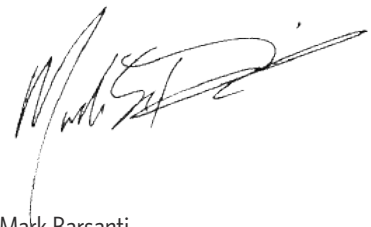
Jill Campbell  
Perth & District Chamber of Commerce



Suzanne Andrews  
Quinte West Chamber of Commerce



Rory Ring  
Sarnia Lambton Chamber of Commerce



Mark Barsanti  
Sault Ste. Marie Chamber of Commerce



Julie Curran  
Scugog Chamber of Commerce



Bob Hammersley  
St. Thomas & District Chamber of Commerce



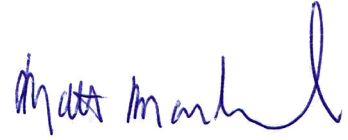
Debbi Nicholson  
Greater Sudbury Chamber of Commerce



Charla Robinson  
Thunder Bay Chamber of Commerce



Phil Barton  
Timmins Chamber of Commerce



Matt Marchand  
Windsor-Essex Regional Chamber of Commerce



Martha Dennis  
Woodstock District Chamber of Commerce

cc. The Honourable Kathleen Wynne, Premier of Ontario  
Pat Vanini, Executive Director, Association of Municipalities of Ontario