



**RESPONSE TO THE EMERGENCY SERVICES STEERING COMMITTEE
POSITION PAPER *“Escalating Emergency Services Labour Costs
and the Ontario Taxpayers’ Ability to Pay”***

June 2011

INTRODUCTION

The Police Association of Ontario (PAO) is a professional organization representing over 33,000 police and civilian members from every municipal police association and the Ontario Provincial Police Association. The PAO is committed to promoting the interests of front-line police personnel, to upholding the honour of the police profession, and to elevating the standards of Ontario's police services.

Our unified voice has always been a resource to government on all matters related to policing. Building on our shared goal of making communities safer, we have shared our experience and expertise with successive governments on a number of important policy files.

Policing is dependent on professionally trained personnel. This is demonstrated by the fact that staffing accounts for approximately 90% of the costs in the operating budgets of police services across the province. In Ontario, these costs are borne by municipalities and the province. As the ESSC paper demonstrates, municipalities are constantly looking at ways to lower the budgets of police services and emergency services more generally.

The PAO understands firsthand the constraints brought about by the challenging fiscal environment. Police services across the province do excellent work with limited resources and personnel. However, professional policing is continually compromised by budget restraints and cutbacks as the Mayerthorpe incident clearly demonstrates.

A Federation of Canadian Municipalities strategic counsel survey 2008 found the following:

- Canadians feel that they are well protected, but reject the idea that too much money is spent on policing.
- Less than 20 per cent of Canadians agree that “too much money goes to the police department—our community is safe enough.” Conversely, almost seven in ten disagree with this statement.
- Overall, Canadians feel there is a lack of co-operation among orders of government regarding policing and emergency preparedness. Over half of Canadians agree with the statement, “There is not enough co-operation and investment by federal, provincial and municipal governments in policing.”

Similar results can be found from two public opinion polls commissioned by the PAO and conducted by Innovative Research Group in October 2005 and November 2007, Ontarians believe that police personnel are vitally important in the effort to keep Ontario's streets safe. In order to maintain this level of safety, Police Services must continue to be adequately staffed, trained, equipped and funded.

The PAO is deeply concerned about the information relayed in the ESSC position paper. Clearly, the intent of the ESSC is to dismantle the arbitration system in Ontario. However, their perspective and what they offer as facts are without merit, unfounded and shortsighted. The PAO appreciates the opportunity to respond to the inaccuracies contained within the paper and offer a contrasting perspective to some of the points raised. The PAO does not speak for the emergency services personnel umbrella referred to in the paper, but rather speaks for the members of the PAO that put their lives on the line every day for the safety and security of all Ontario communities.

PAO RESPONSE

1) The ESSC's recommendation that the government "**consider not only comparisons to other emergency services workers within the community and other areas, but also comparisons to other unionized and nonunionized employees in the same community**" (pg. 5 of ESSC paper) is like comparing apples to oranges. Police and other emergency services personnel risk their lives daily to protect and provide security for people living in this province. A cost comparison with other municipal workers ignores the realities of the job and the danger in which the police work on a daily basis. To imply that such a comparison is possible is to denigrate the foundation on which this country and this province exists and to underestimate the value and importance of police services. There can be no comparison made between the range of duties, special skills and dangerous tasks expected of a police officer and that of a clerk or garbage collector, and consequently no comparison of compensation awarded to the two.

Police in Ontario and across the globe put their lives on the line to protect and serve Ontarians. Sgt. Ryan Russell is one example of the type of sacrifice officers make upon entering the Service. Police provide necessary protection and public service to Ontarians and the PAO is simply advocating for fair compensation in return. Adequate compensation for this challenging role is the only way to maintain the quality and professionalism of the police that Canadians know and trust.

The Mayerthorpe incident of 2005 is an example of what happens when the people responsible for protecting communities are affected by the fiscal and personnel pressures facing police forces. On March 3, 2005, four RCMP officers were shot and killed during a raid on an Alberta farm. Any town in the Province of Ontario north of the GTA approximates the kind of police coverage Mayerthorpe had, and is vulnerable to similar tragedies when lack of proper equipment, coverage and appropriate supervision are at play. In order to ensure such events do not continue to occur, funding for people-power, equipment and officer safety is needed and cannot be compromised.

The current economic climate has generated an antagonism toward public sector wages and benefits. Unionized public sector workers are being targeted as the culprits for the large deficits and economic instability facing governments. In reality, there is no direct

correlation between public-sector collective bargaining and rising municipal budget deficits. Budget deficits are not the product of collective bargaining, but rather reflect the effects of a multitude of fiscal pressures, as well as the integrity of fiscal practices.¹

The PAO is appalled by the ESSC's recommendation that unionized employees be compared to non-union employees, and the implicit suggestion that the solution to rising labour costs is to level the field by lowering wages to the lowest common denominator. By equalizing union and non-union work, the ESSC is seeking to lower the threshold of compensation instead of raising others to it.

In limiting their statistics to the last 10 years alone, the ESSC also fails to take into account the historical realities of fluctuations in private and public sector wages. Over decades, the pendulum has swayed back and forth with periods of favour being with the private sector and other periods in favour of the public sector. In the 1960s, the private sector earned more than their government counterparts. Regardless of where we are at in the ebb and flow of economic trajectories, the focus should not be on who has the higher compensation levels, but rather what is an appropriate pay and benefit package for attracting and retaining a qualified workforce.

The PAO believes the Province and municipalities should support the public workers that bring decent wages to working people to ensure economic stability. The after-tax income gap between richest 10% and poorest 10% of families in Ontario is currently at an all-time high.² Public sector workers comprise a significant proportion of the middle class, a result of the hard fought battle to win collective bargaining rights in 1967. An assault on the fair wages of unionized public workers will only further erode the middle class and drive a race to the bottom. Public sector wages are fair, decent and hard won, and ensure the continued economic viability of the economy. The municipal and provincial governments should not concede to false information and short term data to determine funding for police, or other unionized public sector workers.

2) The ESSC's assertion that **"Increased wages and benefits do not lead to increased or improved emergency services or improved public safety"** (pg. 9 of ESSC paper) is faulty. A more accurate assessment can be found below:

"Since 2003, overall crime rates in Ontario have declined by 17 per cent, including an 11 per cent reduction in violent crime. Ontario's streets are safer and Ontario's communities are more secure thanks to the efforts of Ontario's public safety employees."³

¹ McCartin, J. A. (2011, February 19). What's Really Going on in Wisconsin? *The New Republic* . <http://www.tnr.com/article/politics/83829/wisconsin-public-employees-walker-negotiate>

² Yalnizyan, A. (2007). *Ontario's Growing Gap: Time for Leadership*. Toronto: Canadian Centre for Policy Alternatives.

³ Ontario Budget 2011. <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2011/ch1c.html>

Commenting on the efficacy of increased funding for PAVIS (Provincial Anti-Violence Intervention Strategy) across Ontario, Minister of Community Safety and Correctional Services Jim Bradley publicly noted that this funding has been instrumental in decreasing crime rates in the Province. The decline in crime rates suggests that compensation practices are not out of line with results.

While citizens and governments are reaping the benefits of safe communities, the range of duties, workload and responsibilities placed on existing officers is increasing dramatically. In addition, the administrative burden on top of regular duties is rising rapidly. It is estimated that possibly 60% of a front-line police officer's time is spent on paperwork. The average time to investigate a domestic call has quadrupled (or more) over the past twenty years. Investigative call times have increased considerably. Officers are encumbered by a variety of processes, regulations, legislation and reporting requirements. In a September 2010 poll, when asked about administrative burden and response time, more than half of Ontarians agreed that police officers in Ontario are overburdened with administrative responsibilities. The majority believe that municipalities and the Province should be lessening the administrative burden for Ontario's police officers.

According to the FCM report entitled "Toward Equity and Efficiency in Policing", municipalities have seen their share of policing costs rise dramatically over the last 20 years, while municipal police forces have had to take on more and more of the traditional federal enforcement role. Municipal governments are increasingly left to enforce laws and provide services – border control, interdiction and enforcement on the Great Lakes or combating cyber-crime – that fall squarely within federal jurisdiction.

The security environment in which police operate is becoming more complex. Crime is becoming more sophisticated, organized and technically complex. Criminals are using cutting-edge technology and the police are not keeping pace. Criminal organizations do not face the budgetary restrictions faced by police agencies, which often prohibit or delay the acquisition of equipment or personnel. Investigations into these matters are very time and resource consuming and, in many cases, police must play catch-up with the criminal.

The effects of budget constraints are felt in every aspect of policing, from training to occupational health and safety, and are intensified by rising costs and expectations. Fiscal pressures appear to have the greatest impact on general patrol officers. As the specialization of policing tasks increases, resources are drawn from the patrol units. This places increased pressure on the remaining front-line personnel; contributing to stress and morale issues. It may also compromise the ability of police services to meet public expectations and internal service level standards.

The PAO is still waiting for the federal government to fulfill its 2006 promise of putting at least 2,500 more front-line officers on the streets. Under the Community Development Trust, Ontario received \$156 million to partially fund 329 officers over five years. The five-year funding arrangement has had a detrimental impact on municipal participation in the program. Investing in new a police officer is a long-term financial commitment but unfortunately, due to its short-term nature, many municipalities are reluctant to participate in this initiative, as they are concerned about the future fiscal pressure they will be facing once the program's funding runs out. In the meantime, officers are taking on multiple roles and increased workloads. For this, they deserve to be fairly compensated.

3) The ESSC advocates for consideration of **“the financial impact of settlements on the municipality and on the wage structure in other programs/services within the municipality.”** (pg. 18 of ESSC paper)

The PAO insists that due consideration be given to the long-term impact of policing on Ontario's economy. A safe community is the backbone for innovation, investment, and an engine for job creation. Toronto was recently ranked #2 for livability in a study conducted by The Atlantic (*The World's 26 Best Cities for Business, Life, and Innovation*), for which community safety significantly affected the ranking. The PAO appreciates municipal and provincial efforts to reduce budget expenditures and curtail deficits. However, we request that municipal partners take a look at the value, beyond dollars and cents, of safe municipalities and the overall economic benefit that follows investment in safe cities.

Safe communities are part and parcel of ensuring Ontario's place in a competitive world. Historically, Ontario's "tough on crime" agenda has been one of the fundamental tenets for prosperity. In these tough economic times, the most important thing we can do is to maintain safe communities and commensurate compensation in order to attract new industry to Ontario. The PAO believes that the economic spinoff of safe communities must be taken into account in any arbitration process.

4) **“The introduction of statutory criteria governing interest arbitration was intended to ensure that factors such as ability to pay were applied. The failure by arbitrators to respect and apply such criteria has left public sector employers at a disadvantage and the resulting settlements and awards create significant fiscal pressures for these employers and the taxpayers they serve. As a result, arbitrators possess the power to make determinations that have a direct impact on municipal and provincial budgets yet they have no accountability for this decision-making power.”** (pg. 17 of ESSC paper)

The PAO can state with confidence that the collective bargaining process, including the arbitration system, works well in the policing sector. Almost all collective agreements are resolved at the bargaining table and ratified by both employees and employers.

Over a 10 year period from 2001 to 2010, 6% of Ontario's police contracts were decided by an arbitrator.

Arbitrators for municipal police arbitrations are appointed by the Ontario Police Arbitration Commission. The Arbitration Commission is a neutral body that is appointed by the Lieutenant Governor in Council. It is balanced by members from both Associations and Police Services Boards. If the Province and a municipality are convinced that their fiscal situation means they cannot afford any increased compensation, then they have the opportunity to prove that at arbitration should local negotiations fail. Both parties have the opportunity to make arguments for the employer's ability to pay and economic situations of the Province and/or municipality.

According to the *Journal of Labour Research*, the availability of arbitration seems to have little or no influence on the dollar amount of police fringe benefits, and neither the current nor the prior use of arbitration has any consistent association with police fringe benefits.⁴ A Cornell University publication also notes that the use of arbitration has no consistently significant association with any of the outcome variables on wage rates or fringe benefits.⁵

According to the Ontario Provincial Firefighters Association, there is very little difference in the amounts of the average wage increases between locals that freely negotiated contracts and those who received an arbitrated award. The average wage increase for freely negotiated settlements from 2005 to 2010 was 3.61%, while the aggregate average wage increase for arbitrated awards was 3.65 %. Some awards have higher wage increase but that is due to the local 'catching-up' to its historical comparators and to the local police force with respect to pay.

The last time the Toronto police contract was negotiated in 2008, an arbitrator was appointed by the province after talks broke down. After a 13 month battle, the arbitrator came up with a deal that increased salaries by 10 per cent over 3 years. This is not significantly different from the collective agreement proposed earlier this month.

5) Comparative Wage Increases in Other Sectors

The pattern for public sector wage increases has been set at the provincial level. Workers in hospitals, universities, long-term care homes and police services have not heeded the government's call for a voluntary, two year wage freeze. Instead, these

⁴ Feuille, P., Delaney, J. T., & Hendricks, W. (1985). Police Bargaining, Arbitration, and Fringe Benefits. *Journal of Labour Research*, 1-20.

⁵ Feuille, P., & Delaney, J. T. (1986). Collective Bargaining, Interest Arbitration, and Police Salaries. *Industrial and Labor Relations Review*, 2-3.

workers have won pay increases averaging 1.6% over those 2 years. The 2010 OPP agreement, reached without arbitration, gave provincial officers a 5.075% increase in 2011, freeze for 2012 and 2013 and a recently announced 8.5% pay hike in 2014.

Other recent contracts:

- 38,000 provincial workers from OPSEU in 2008 were given an additional 1% pay increase on top of the publicly announced 2% hike, making the total negotiated increases 8.75% over 4 years.
- 3,400 Ontario Power Generation (OPG) unionized engineers, scientists and other white-collar workers were awarded increases of 6% over 2 years.
- Ontario doctors received a 12.25% wage increase under a new \$8 billion four year contract including wage hikes of 3%, 2%, 3% and a 4.25 % in the final year. Then Minister of Health David Caplan: "...it's a fair deal for Ontario's doctors, but importantly, it's a fair deal for Ontario taxpayers, and that was really important."

CONCLUSION

The PAO is cognizant of the fiscal challenges facing municipalities in Ontario and has shared in the budgetary restraints and compromises that municipalities have made in recent years. Police Services in Ontario strive to provide exceptional services despite economic pressures. In light of this, the PAO is particularly concerned with a number of assertions made in the ESSC position paper, which presents a skewed perspective of emergency services in Ontario. The PAO is deeply concerned about the factual inaccuracies, and incomplete information that is contained in the ESSC position paper, and the economic ramifications that could follow from such a short-sighted narrow investigation into emergency services compensation models. The arbitration system has rarely been used by police services in the past 10 years. 94% of contracts over this time period were negotiated through collective bargaining. While unable to speak for other emergency services, the PAO firmly rejects any suggestion that the arbitration system for police services in Ontario is broken. The PAO is grateful for the opportunity to respond to this paper and welcomes any questions or further discussion of the issue.

Contact Persons:

Larry Molyneaux, President
Ron Middel, Chief Administrative Officer
Tel: 905.670.9770
Email: pao@pao.ca