



News Release

For Immediate Release

May 18, 2016

Government Funding to Unions Covered More Than Just Bargaining Costs, Auditor General Says in Special Report

(TORONTO) Ontario government funding to education-sector unions for bargaining costs was unusual but within the government's authority, Auditor General Bonnie Lysyk said in a Special Report released today.

"We found no evidence of the government reimbursing bargaining costs of any other large public-sector unions in Ontario. We also found little evidence across Canada of a provincial government paying teachers' unions for bargaining costs," Lysyk said after tabling the report, entitled *Government Payments to Education-Sector Unions*.

"On one hand, some may say that this was good use of taxpayer dollars if it facilitated reaching agreements on central-bargaining issues; on the other hand, some may say that this money should have been spent on providing government services for Ontarians rather than giving the money to unions," Lysyk added.

Lysyk noted, however, that her audit also found that the province had directly given teachers' unions and the Ontario Teachers' Federation about \$80.5 million since 2000, of which \$22 million was provided in 2006 with no strings attached—no requirement for the unions to tell the government what they did with the money.

The remainder of the \$80.5 million did have some accountability mechanisms attached to it, and was largely earmarked for professional development of teachers. However, Lysyk said, "one might reasonably ask why these funds were not instead provided to school boards for their own locally determined professional development needs."

In addition to the \$80.5 million, the Ministry also flowed another \$6.8 million in 2008/09 to school boards, which provided these funds to a teachers' union to allocate to teachers who requested financial support for professional development.

The Special Report released today was requested by the Legislature's Standing Committee on Public Accounts in November 2015, a month after reports emerged that the government gave three teachers' unions \$2.5 million to help defray the cost of contract bargaining in 2015.

The Special Report contains six recommendations. In response to the Report, the Ministry of Education said it has no plans to pay union bargaining costs in future rounds of negotiations.

Among the Report's other findings:

- The total bargaining costs that the government paid or committed to pay the unions for three bargaining rounds between 2008 and 2015 was \$3.8 million as of March 31, 2016.

- In 2004, Ontario instituted education-sector central bargaining, in which teachers' unions and school boards agreed to the terms of central issues and then incorporated them into their local collective agreements. Participation was voluntary, so in order to attract participants, the Ministry set the precedent of reimbursing bargaining costs in 2008/09 and 2012. This may have created expectations of more reimbursements in the future, even once participation was legally mandatory.
- Accountability provisions were in place for the 2008/09 and 2012 reimbursement of bargaining costs, even though the amounts reimbursed were considerably smaller than \$2.5 million (\$705,000 in 2008/09 and \$591,000 in 2012). Accountability provisions were not put in place for the 2015 \$2.5-million payment commitment until after the Standing Committee on Public Accounts passed the motion for this audit on November 4, 2015.
- The *School Boards Collective Bargaining Act, 2014* made central, provincial-level bargaining mandatory for teachers' unions—10 years after voluntary central bargaining was initiated by the Ministry with no detailed policy or legislated framework in place.
- The Ministry is not legally the employer in education-sector bargaining and is therefore not prohibited from contributing financial or other support to teachers' unions.
- The Ministry has also paid school board trustees' associations about \$14.7 million for central bargaining between 2008 and 2015 in order to build their capacity for collective bargaining.

-30-

For more information, please contact:
Bonnie Lysyk
Auditor General
(416) 327-1326

To view the report, please visit www.auditor.on.ca.

The Office of the Auditor General is an independent Office of the Legislative Assembly that conducts value-for-money and financial audits of the provincial government, its ministries and agencies. We also audit organizations in the broader public sector that receive provincial funding. Our vision is to deliver exceptional value and assurance to members of the Legislative Assembly, the Standing Committee on Public Accounts, and all Ontarians through high-quality work that promotes accountability, value for money and effective governance in the Ontario public sector.