



Interest arbitration

What is interest arbitration?

Ontario's interest arbitration system is the back-up process available to hundreds of thousands of workers providing "essential services" such as health-care workers, police and fire fighters, who are forbidden by law from striking. Health-care workers fall under the Hospital Labour Disputes Arbitration Act (HLDA).

How does it work?

Negotiated settlements free of government interference are the best way to resolve bargaining. When negotiations fail in sectors covered by interest arbitration, both sides agree on an independent, neutral adjudicator to resolve their disagreements by objectively considering the positions of both employer and union. Arbitrators also consider contract provisions for employees doing similar work, impact on services, the employer's ability to pay, the ability of an employer to attract and retain qualified employees, and the economic climate. Under HLDA, arbitrators decide which factors are relevant and how much weight to give any one factor. This is why the system is considered independent and neutral.

Why is it used?

Interest arbitration avoids labour instability in sectors where strikes or lockouts could compromise public safety or other essential services. While the system is not perfect, employers, unions and arbitrators agree interest arbitration under HLDA works to resolve issues when regular contract negotiations reach an impasse.

Why is it fair?

For the arbitration system to be fair, arbitrators must be credible, neutral and independent. They must be free from any third-party control – including the influence of government – otherwise the integrity of the system will be compromised.

Altering HLDA by giving more weight to one factor over another – the Conservatives want the employer's ability to pay to be the main factor – would diminish an arbitrator's ability to make independent decisions because ultimately the ability of a public sector employer to pay is fully within the government's control.

The majority of health-care workers whose bargaining rights fall under HLDA are women. Ensuring the compensation rates of a predominantly female workforce keep pace with inflation is good public policy. It benefits the provincial economy and helps narrow the income gap between men and women.



Neutral arbitration under threat

Over the past year, the Liberal government has made two attempts to change interest arbitration in a way that would destroy its neutrality and bias the process against workers. They have been clear that they intend to bring changes forward again this spring. The Conservatives are pushing for even more radical changes to the process. Without strong opposition from CUPE members, there is a real possibility such attempts could become law.

Making changes to HLDAA:

- Will disproportionately affect women – the majority of health care workers;
- Is misguided and should not be used as a tactic in the government's effort to control the wages of public-sector workers.