

# BACKGROUND

Nov. 30, 2005

Ministry of Finance

## The Provincial Public Sector

The “public sector” includes ministries and organizations that receive a significant amount of funding and direction from the Province, including Crown corporations, public schools, colleges and universities, health care and social service providers.

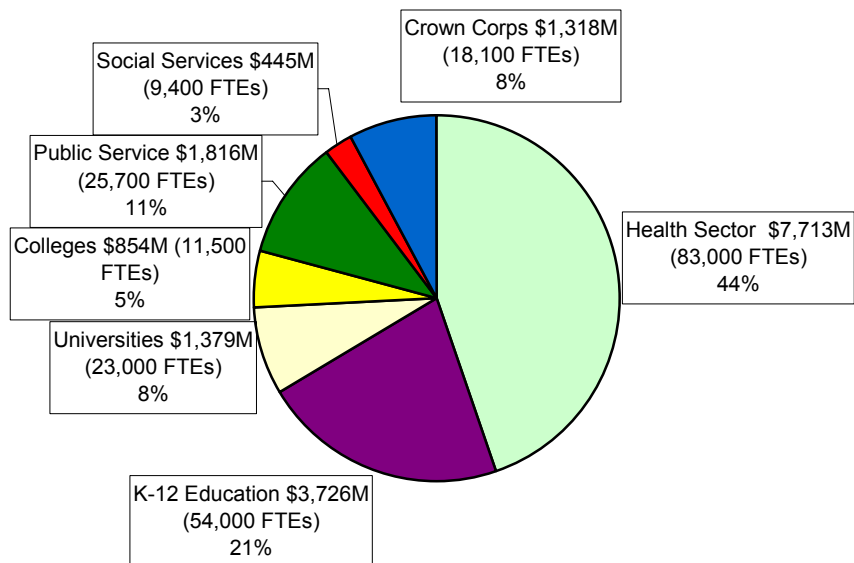
There are approximately 258,000 unionized workers and 42,000 management and other non-union employees in the provincial public sector (approximately 224,700 FTEs).

The largest component of the Province’s budget is devoted to funding, either directly or indirectly, the wages and benefits of public sector employees.

Under existing agreements, wages and benefits for public sector employees are forecast at \$17.2 billion in 2005/06; compensation costs account for approximately 52 per cent of total provincial expenses. Health care and education are the two largest sectors, making up about 65 per cent (\$11.4 billion) of the overall compensation base.

Collective agreements for almost 90 per cent of public sector employees will be up for renegotiation over the next eight months.

### Current \$17.2 Billion Public Sector Compensation Base By Sector



## **The Previous 2002/03 - 2005/06 Wage Mandate**

The previous wage mandate for fiscal years 2002/03 to 2005/06 was set at net-zero. This mandate did allow public sector employers to address legitimate skills shortages through an approved labour market strategy, which, if affordable to the employer, could include targeted compensation adjustments. However, the government did not provide incremental funding to employers for these market adjustment increases.

Since January 2002, more than 135 agreements, covering 93 per cent of public sectors workers, were concluded under this mandate.

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