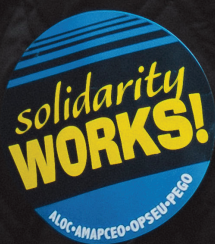


2019

Pre-Budget Submission

TO THE STANDING COMMITTEE
ON FINANCE AND ECONOMIC AFFAIRS



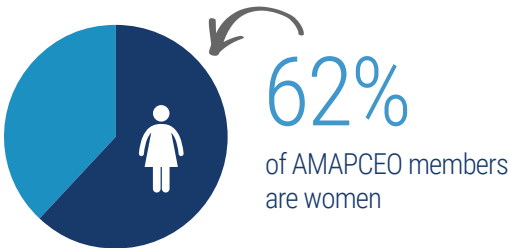
AMAPCEO

ONTARIO'S PROFESSIONAL EMPLOYEES

Who We Are

AMAPCEO is a member-driven union of professional employees, dedicated to providing outstanding representation and other services to our members. We protect members' rights, defend Ontario's public services and advocate for better working conditions for all workers.

14,000
public professionals
represented



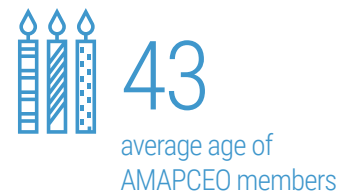
The majority of AMAPCEO members work for the Ontario Public Service. You probably know them; they work for the government in every ministry, as well as in a number of agencies, boards and commissions—in over 130 communities across the province and in eleven cities outside Canada.

We also represent members in six broader public sector bargaining units outside the OPS:

- Two independent offices of the Legislative Assembly (Provincial Advocate for Children and Youth and the French Language Services Commissioner);
- Three independent crown agencies (Ontario Arts Council, Health Quality Ontario and Public Health Ontario); and
- Waypoint Centre for Mental Health Care, in Penetanguishene.



Our membership is educated, professional, and diverse. They are problem solvers who take pride in working hard and offering creative, evidence-based solutions to public policy issues. They are passionate about serving the public interest.



Introduction

Ontario's new government has made following through on its election pledges a central concern of its mandate. The new government's keenness to honour its promises is certainly indicated by the new life it has given to an old mantra of the Mike Harris government: "a promise made, a promise kept."¹

Naturally, as we would see with any government, there were promises made by the new government that AMAPCEO would have preferred to see go unkept—the repeal of the previous government's labour law reforms stands here as a good example.

However, there are three promises the new government made that AMAPCEO would like to highlight. We believe that in these areas we share an interest with the government. These promises are:

1. The pledge of no layoffs
2. The pledge to find efficiencies
3. The pledge for transparency and accountability

AMAPCEO believes that it is possible for us to work together with the new government in keeping these promises. In this budget submission we offer recommendations which can help the government achieve these goals in a manner consistent with the Premier's pledge "to continue being for the front-line workers" in the OPS and government agencies.³

***"Promise made,
Promise kept."***

—Finance Minister Victor Fedeli²



No layoffs

The June 7, 2018 victory by the Progressive Conservatives marked Ontario's first change of government in almost fifteen years. Although the Liberal Party's term in office is short when compared with the near forty-two years that the 'Big Blue Machine' governed the province, fifteen years was long enough that most of our membership were not working in the Ontario Public Service (nor at any of the agencies we represent) during the last change in government.



***"Let me be clear:
No one is getting
laid off."***

—Premier Doug Ford⁴

Given Ontario's difficult budgetary situation, after the election many of our members have expressed concern about the prospect of significant downsizing in the public sector. Two past events fueled this concern. First is what hap-

pened last time a Progressive Conservative government came to power in a period of fiscal problems for the province: a 24 percent reduction of the OPS between 1995 and 2000.⁵ Second, are memories of a key theme of the Progressive Conservative's 2014 election campaign: a promise to cut 100,000 public sector jobs.⁶

There is no need for the government to go down a road of massive staffing reductions. Today, the OPS is a trim organization. Table 1 demonstrates that, based on population, Ontario's government has far fewer public servants than other provinces. The OPS rate of 4.74 full-time equivalent (FTE) positions per 1,000 Ontarians is more than 1 public servant per 1,000 residents *lower* than the next most efficient provincial public service (in British Columbia). To put that into perspective, if the OPS was staffed at the same rate as BC's public service, the OPS would be 25 percent larger, with more than 85,000 FTEs (instead of its current complement of 67,210).

Table 1: Provincial Public Service Size Comparison

PROVINCE	PUBLIC SERVICE SIZE (FTE)	PUBLIC SERVICE SIZE FTES PER 1,000 RESIDENTS ⁷	SIZE OF OPS IF STAFFED AT OTHER PROVINCES' RATES	PERCENTAGE INCREASE OF OPS IF STAFFED AT OTHER PROVINCES' RATES
British Columbia ⁸	28,900	6.00	85,152	26.69
Alberta ⁹	27,637	6.45	91,519	36.17
Saskatchewan ¹⁰	11,359	9.76	138,516	106.09
Manitoba ¹¹	13,721	10.25	145,539	116.54
Ontario ¹²	67,210	4.74	--	--
Quebec ¹³	57,429	6.84	97,106	44.48
New Brunswick ¹⁴	10,066	13.25	188,073	179.83
Nova Scotia ¹⁵	9,804	10.28	145,882	117.05
Prince Edward Island ¹⁶	3,047	20.04	284,482	323.27
Newfoundland and Labrador ¹⁷	7,180	13.58	192,710	186.73

The situation is starker when we look at other provinces. If the OPS was staffed at the same rate as in Quebec, the OPS would grow by 44 percent, it would more than double in size if staffed at the rate of Saskatchewan or Manitoba, and it would be more than four times larger if it was staffed at the same rate as PEI.

By comparison with its peers, the OPS is already a lean and efficient operation. Consequently, it concerns AMAPCEO that the promise of no layoffs has come in tandem with a hiring freeze (on all but essential services positions), implemented just days after the government's election victory.¹⁸ Should a freeze like this continue for four years, that would—even without layoffs—spell a significant reduction in the size of the OPS.

According to data from the Treasury Board Secretariat, 80 percent of the OPS workforce of 67,210 (or 52,768) are “regular” staff, which means they are employed on a permanent basis.¹⁹ Treasury Board further informs us that the turnover rate of these regular OPS staff, in the third quarter of fiscal year 2017/18, was 3.2 percent. In that period, 1,780 regular staff left the OPS (of which 54 percent were owing to retirement,

9 percent were involuntary, and 37 percent were voluntary, non-retirement exits.²⁰ Over the first and second quarters of fiscal year 2018/19, the turnover rate was 2.4 percent.²¹

Let us assume that a ‘normal’ turnover rate of regular staff is somewhere between the two reported figures, say 3 percent per year. As seen in Table 2, if that turnover held constant for four years, in the context of a hiring freeze we would see a consequent decline in regular staff from 52,768 to 47,600. This would represent a decrease of 6,168 or 11.5 percent.

Table 2: Turnover Rate and Staffing Size Reduction

YEAR OF HIRING FREEZE	TURNOVER RATE	OPS ‘REGULAR’ WORKFORCE	CUMULATIVE AMOUNT OF REDUCTION FROM CURRENT LEVEL	AMOUNT OF REDUCTION FROM CURRENT (CUMULATIVE %)
Current	--	53,768	--	--
1	3%	52,155	1,613	3.0%
2	3%	50,590	3,178	5.9%
3	3%	49,073	4,695	8.7%
4	3%	47,600	6,168	11.5%

Of course, these calculations do not consider one caveat on the hiring freeze: that essential positions will be filled. Filling such positions will certainly have a softening impact on the turnover rate as, when a position deemed essential is vacated, it will be filled.

That said, Table 2 also does not take into account turnover inducements. For example, the government recently extended voluntary early retirement programs (which were already in place for unionized staff) to management and excluded employees. Given that 31 percent of non-union staff will be eligible for retirement within the next five years, the voluntary exit programs could very well have a significant staffing impact.²² For an example of the impact exit inducements can have on the turnover rate we need only look back to the 2016/17 fiscal year. It was then that the government implemented changes to the post-retire-

ment benefits package which saw the program move from fully employer-paid to cost-shared. This led to an increase in the turnover rate to 7.8 percent, based on the benefit change induced spike in retirements.²³

The government's promise of no layoffs is welcomed by AMAPCEO. However, fulfilling this promise cannot simply be a matter of implementing a hiring freeze in lieu of involuntary exits. This is a recipe for overworked staff providing poor public services. Ontarians deserve better. Having seen a significant cut in size while the Harris government was in power, as well as being further disciplined by way of the cost-containment strategies pursued by the McGuinty government after the 2008 financial crisis, the OPS is already a lean and nimble organization.

Recommendation #1

Pairing the no layoff promise with a hiring freeze will not result in an effective OPS. Given that the OPS is already a lean and nimble organization, the government should adhere to its no layoff promise while engaging in normal hiring processes, thereby maintaining the current size of the OPS staff complement.

Efficiencies

Use of Consultants

In her 2018 Annual Report, the Auditor General found that waste stemming from the use of IT consultants and advisors in the OPS continues to be a problem. While the government is already well-aware of what the Auditor General had to say, some of her findings bear repeating here:

- In 2016, Treasury Board Secretariat found that on average IT consultants cost 30 percent more than similar full-time staff²⁴
- Approximately 80 percent of spending on consultants is in the area of IT²⁶
- Consultants are, for a higher cost, performing ongoing or operational work that full-time staff could be doing²⁷

While the former government began to make inroads to curtailing this waste—the Auditor General found a 10 percent decrease in consulting services expenditures since 2016—there is much more to be done. When she noted that 10 percent decrease, the Auditor General wrote that nevertheless in the OPS

there is still an over-reliance on IT consultants. We also noted that ministries at times used consultants for ongoing or operational work that could have been undertaken more cost-effectively by full-time permanent or term employees.²⁸

We will “develop a responsible plan to achieve efficiencies for taxpayers. We will not tire and we will not stop until we have uncovered all of the waste of the previous government.”

*—President of the Treasury Board
Peter Bethlenfalvy²⁵*



It is clear that the overuse of IT consultants for work that OPS employees could perform more cost-efficiently is a problem. Happily, it is a problem that can be solved.

As the Auditor General noted, the beginning of a trend towards a lessened use of IT consultants may be seen. This trend needs to continue. The Auditor General provided ten recommendations in her annual report. AMAPCEO endorses each of these recommendations, and in the spirit of finding efficiencies, asks that the government follow these recommendations.

Recommendation #2

Without delay, the government should implement the Auditor General's recommendations on the use of consultants.

Transparency and Accountability

The government's decision to merge three Offices of the Legislature (the Environmental Commissioner, the Office of the French Language Services Commissioner and the Ontario Child Advocate) with other existing offices is wrong. It not only will not lead to efficiencies (the ostensible

reason for the mergers); it will lead to a worsening of public services and to less accountability of these offices to their stakeholders.

The Child Advocate office was implemented by the Davis government and that office went on to serve as a model for others across the country and around the world. The

McGuinty Government then made the Child Advocate an independent office of the legislature, and thus free of government interference. When the McGuinty government moved the legislation to create that independent office, Lisa MacLeod (who is today the Minister of Children, Community and Social Services) stood in the Legislature and approvingly quoted a report which stated, "The Ontario government owes young people a unique duty of consultation in the project to establish a new office of the child and youth advocate."³⁰

Regardless of what the Minister said a decade ago, it should simply be obvious that the government needs to take the time to do the research and listen to the impacted groups and individuals. Minister MacLeod did say at the time that she understood the "unique duty" on the government to consult with youth on this matter.

Beyond consultation, the establishment of the Ontario Child Advocate as an independent office of the legislature is a broadly accepted best practice across Canada. In eliminating the independence of the office, Ontario will be in the minority of provinces, not a leader as it once was.



"We're cut from a cloth of reducing taxes, making smaller government, having accountability and transparency."

—Premier Doug Ford²⁹

The same arguments hold for both the Office of the French Language Services Commissioner and the Environmental Commissioner of Ontario. The government has not undertaken enough consultation and study on the ramifications of the changes it has proposed to make with these independent offices. This is not how to run a transparent and accountable government that strives to protect front-line services.

Recommendation #3

Maintain the Environmental Commissioner of Ontario, the Office of the French Language Services Commissioner and the Ontario Child Advocate as free-standing, independent offices of the Legislature.

Endnotes

- 1 See *e.g.*: Ontario, Legislative Assembly, *Official Report of Debates (Hansard)*, __ (5 May 1998), ___ (Hon. Ernie Eves); Murray Campbell, “Full income-tax cut in place six months early Centrepiece of PCs’ Common Sense Revolution kicks in sooner than planned; ‘It’s their money,’ Eves says of good news for taxpayers,” *Globe and Mail*, May 6, 1998 (“‘A promise made, a promise kept,’ Mr. Eves boasted, giving a hint of the Conservatives’ likely campaign theme in the next election.”).
- 2 Ontario, Legislative Assembly, *Official Report of Debates (Hansard)*, 49 (15 November 2018), 2318.
- 3 Ontario, Legislative Assembly, *Official Report of Debates (Hansard)*, 29 (27 September 2018), 1269 (Hon. Doug Ford).
- 4 Kristin Rushowy, “Doug Ford’s party pitch: New PC leader says his platform will be simple, funded by ‘efficiencies,’” *Toronto Star*, March 15, 2018, A4
- 5 Ontario, Auditor General, *2004 Annual Report* (Toronto: Queen’s Printer, 2004), p. 51. (The size of the OPS reduced from 81,250 to 61,800 FTEs over this five-year period.)
- 6 Keith Leslie, “Hudak would cut 100,000 public sector jobs to wipe \$12.5B deficit year early,” *Canadian Press*, May 9, 2014.
- 7 Provincial population data from Statistics Canada, Table: 17-10-0005-01.
- 8 British Columbia, Ministry of Finance, *Budget 2018*, p. 35
- 9 Alberta, Treasury Board and Finance, *Budget 2018: Fiscal Plan*, p. 151.
- 10 Saskatchewan, Public Service Commission, *Annual Report for 2017-18*, p. 24.
- 11 Manitoba, Civil Service Commission, *Annual Report for 2017-18*, p. 49.
- 12 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2018/19—Q2*, p. 6.
- 13 Quebec, Secrétariat du Conseil du trésor, *L’effectif de la fonction publique du Québec 2017-2018*, p. 3.
- 14 New Brunswick, Department of Human Resources, *Workforce Profile—2015*, p. 1 (The most recent headcount publicly available for New Brunswick is from 2015.).
- 15 Nova Scotia, Public Service Commission, *Moving Toward Equity—2017-18*, p. 6.
- 16 Prince Edward Island, Department of Finance, *44th Annual Statistical Review—2017*,

p. 109.

- 17 Newfoundland and Labrador, Human Resource Secretariat, *Departmental Salary Report—2017/18*, p. 293.
- 18 See “News from Secretary Steve Orsini,” <<https://www.ontario.ca/page/news-secretary#2018-june-18>>
- 19 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2018/19—Q2*, p. 6.
- 20 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2017/18—Q3*, p. 11.
- 21 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2018/19—Q2*, p. 8.
- 22 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2018/19—Q2*, p. 9.
- 23 Ontario, Treasury Board Secretariat, *OPS Workforce Facts: Quarterly Report 2017/18—Q3*, p. 11.
- 24 Ontario, Auditor General, *2018 Annual Report* (Toronto: Queen’s Printer, 2018), p. 619.
- 25 Ontario, Legislative Assembly, *Official Report of Debates (Hansard)*, 7 (23 July 2018), 236.
- 26 *Ibid.*
- 27 Ontario, Auditor General, *2018 Annual Report* (Toronto: Queen’s Printer, 2018), p. 620.
- 28 Ontario, Auditor General, *2018 Annual Report* (Toronto: Queen’s Printer, 2018), p. 619.
- 29 Kristin Rushowy, “Doug Ford’s party pitch: New PC leader says his platform will be simple, funded by ‘efficiencies,’” *Toronto Star*, March 15, 2018, A4
- 30 Ontario, Legislative Assembly, *Official Report of Debates (Hansard)*, 142 (19 March 2007), 7181.

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Established in 1992, AMAPCEO is a bargaining agent that represents 14,000 professional and supervisory public servants who work in the Ontario Public Service or one of six organizations in the Broader Public Sector.

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