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McGuinty aims to axe 1,400 public-service jobs

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From Monday's Globe and Mail

To reach overall job-cut target, Ontario government will have to rely on layoffs

The Ontario Public Service is bracing for job cuts that could put more than 1,000 bureaucrats out of work, as Dalton McGuinty's government seeks to demonstrate a commitment to austerity before a fall election.

Asked for a progress report on efforts to shrink the bureaucracy by 5 per cent, a senior provincial official said the government has identified more than half the jobs being trimmed. But the process will be accelerated in the months ahead, with deputy ministers informed that they need to be more aggressive in order to reach the target by this summer.

"Deputies are taking it seriously," the official told The Globe and Mail, insisting that all departments will be expected to engage in the process. "They're at the point where they know this is real."

For the first time since Finance Minister Dwight Duncan announced the target in his budget nearly two years ago, the downsizing will involve significant pain. The transfer of 1,253 tax collectors to the federal government following the implementation of the harmonized sales tax accounted for the majority of the 2,000 jobs reduced to date, and others were shed by not filling vacancies. But to quickly reach the goal of about 3,400, the province will have to rely heavily on layoffs.

The downsizing threatens to cause turbulence in a public service already enduring the typical uncertainty of an election year, with the potential for turf battles as senior bureaucrats struggle to protect their departments.

Tony Dean, the head of the OPS from 2002 until 2008, said he thinks the cuts will be "manageable," but acknowledged that they will present challenges.

"I don't see changes of this magnitude causing disruption for the government in terms of election preparedness," Mr. Dean said. But he added that "identifying and deciding on the last few hundred positions will in some cases require some tough political discussions and decisions," noting that "geography usually plays a part in this" - an allusion to the sensitivities of reducing regional jobs outside Toronto.

Mr. McGuinty's government, which is currently carrying a projected deficit of \$18.7-billion, is hoping that the downsizing will ultimately result in annual savings of approximately \$320-million. But those savings won't be fully realized in the short term, as the government will have to spend on accumulated benefits and severance packages.

The provincial civil service has grown moderately since Mr. McGuinty took office, from under 64,000 employees in 2003 to about 68,000 when the current downsizing began. The Liberals have previously attributed that growth to a decreased reliance on consultants. And they've noted that the number is still far below its 1992 peak of 86,000.

At the same time, the broader public service - workers who are not paid directly by the government, but work for provincially funded institutions - had grown to 1.2 million by 2009, which is roughly 180,000 more jobs than when Mr. McGuinty took over.

Liberals make no apologies for that growth, boasting that they're shrinking the number of bureaucrats while adding front-line workers such as teachers and nurses. But their critics charge that they've also effectively increased the number of bureaucrats, by creating additional desk jobs at new provincial agencies such as Local Health Integration Networks and the Ontario Power Authority.

The government has also recently been on the defensive over its attempt to impose a two-year wage freeze across the broader public sector, which has been thwarted by a series of arbitrators' rulings handing out significant pay increases. A recent Globe and Mail review of recent labour agreements found that an average wage increase of 1.6 per cent over the next two years will cost public-sector employers \$126.4-million.

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