

Big changes in store for the OPS

There's some bad news in the 2011-12 Ontario budget for OPSEU members in the Ontario Public Service.

In essence, the government is saying that Ontario has turned the corner and things are improving. This means it's time to put the emphasis back on deficit reduction. The budget documents make it very clear that this priority will be achieved in large measure at the expense of the OPS.

The government is committed to a further reduction of 1,500 positions in the OPS in addition to the current five per cent reduction already announced.

In addition, as we have speculated, it looks like ServiceOntario could be divested or privatized. The government states that the current model for ServiceOntario as a government model of service delivery will be "tested against the private sector."

The Backgrounder that deals specifically with the OPS is entitled *2011 Ontario Budget: Managing Responsibly*. The following is taken from this backgrounder:

Specific actions to find savings and reform public service delivery include:

- Exploring alternative service delivery models for ServiceOntario, including leveraging private-sector investments through a competition. It will also explore opportunities to expand ServiceOntario's one-stop delivery network to other lines of business, including delivering services on behalf of other governments through partnerships.
- Reducing the size of the Ontario Public Service (OPS) by an additional 1,500 positions between April 2012 and March 2014. This is in addition to the reduction of about 3,400 full-time OPS employees announced in the 2009 Budget
- Cancelling construction of the Toronto West Courthouse, with savings of \$181 million over the next three years.
- Closing jails in Owen Sound, Walkerton and Sarnia, and partially closing Toronto West Detention Centre. Inmates will be transferred to new, larger, more efficient facilities.

The government will seek new consolidation opportunities in:

- **Collections:** A number of different and separate collections functions exist within the OPS. The government is proposing to move towards a more coordinated and centralized collections function within the Ministry of Revenue to reduce costs and enhance collections.
- **Audits and special investigations:** The Ministry of Revenue operates a comprehensive compliance audit function for 11 tax statutes. The ministry has also provided audit support to several other ministries. To enhance regulatory audit compliance within the OPS, the ministry is proposing to provide a coordinating audit/inspection support function to all ministries. In addition, the Ministry of Revenue is proposing to provide support to other ministries and BPS organizations where forensic data recovery and forensic accounting services are required.
- **Laboratories:** The government currently has eight laboratories across six ministries, performing a variety of functions. The cost of these laboratory services is \$54 million per year. While continuing to protect public safety, the government will take steps to better

align laboratory services across several ministries, including consolidating common testing functions, pooling specialized procurements of supplies and equipment, and exploring facility consolidation.

- **Research:** The Ontario government conducts research on a number of fronts. The government will create a specialized organization with a clear mandate to focus research activities on productivity growth in key sectors. This will better leverage private-sector investments and result in estimated cost savings of \$3 million over three years.
- **Geographic information systems:** The numerous geographic information system-related programs existing across 18 ministries will be explored for consolidation.
- **Benefits administration:** The Province provides Ontarians with more than \$20 billion a year in income-based benefits and tax relief through more than 40 programs, delivered with the support of the federal government, municipalities and BPS organizations. Multiple application processes make it difficult for some Ontarians to access these programs. To streamline client access to program information, the government has created a one-window portal where individuals can find information quickly and easily. The government is also investigating other changes to further improve benefits program delivery.
- **Prison modernization:** The government is constructing two new state-of-the-art facilities with modern features and advanced technologies that enhance public safety. The government will close underutilized prisons in Owen Sound, Walkerton and Sarnia, and partially close Toronto West Detention Centre. It is anticipated that this will reduce expenditures on the transferred inmates from the oldest facilities by more than 50 per cent, while achieving over \$8 million in annual savings.
- **Imaging and data capture services:** The Ministry of Revenue will work with ministries across the OPS to leverage its imaging and data capture services to improve and automate document-capture and transactional processing for their programs. This will reduce program costs; speed up the delivery of services to the public; increase secured access to documents electronically; and, for programs with approved record-retention schedules, reduce the size of the government's office-space footprint by moving millions of paper files to secured electronic records.
- **Environmental cleanup:** Environmental cleanup is currently carried out through four ministries. Going forward, the Province will consolidate environmental cleanup activities. Key components of this initiative will include integrating funding for cleanup activities, establishing a single inventory of contaminated sites, and developing a risk-based approach to project prioritization.
- **Direct business support:** The government has supported the growth of small, medium and large businesses in Ontario since 2003. Now that the government has fundamentally changed the cost structure for business through Ontario's Tax Plan for Jobs and Growth, there is less need for direct business support. Over the coming years, the government will reduce direct business support while simultaneously moving towards a single window for direct business support programs across the government.

The Liberals go on to state that they will be opening up the provision of various services currently provided by the government to competition. After praising it for improving service delivery to Ontarians, the Budget suggests big changes are in store for ServiceOntario: "The government will build on ServiceOntario's accomplishments to achieve even greater service and

value for Ontarians. The government will explore alternative service delivery models for ServiceOntario, including leveraging private-sector investments through a competition, and will explore opportunities to expand its one-stop delivery network to other lines of business, including delivering services on behalf of other governments through partnerships.”

Clearly, further privatization of ServiceOntario is a distinct possibility. But the Budget doesn't stop there, as this quote from the Budget shows:

One way to improve productivity is to open up the provision of government services to new forms of competition. Competition determines whether services could be delivered more efficiently and effectively by another entity, be it another level of government, a not-for-profit, a social enterprise or a private sector organization. Just because a particular government department delivers a program today does not mean it should deliver it tomorrow. This is particularly true if another entity could deliver the program more efficiently and effectively, while maintaining high service levels. Through competition, the government expects to realize better customer service outcomes. Decisions will be based on a rigorous assessment of the impact on customer services and efficiencies to be achieved. The private sector would not necessarily be the delivery partner of choice.

The government will be looking at new models of service delivery in at least two other areas:

- **Court enforcement services:** Currently enforcement officers perform duties including the seizure/sale of assets. The government will look at the feasibility of other delivery agents performing enforcement-officer functions.
- **Building on Infrastructure Ontario's success:** The Province intends to expand the role and mandate of IO into new sectors and a broader range of projects, which apparently will result in greater efficiencies and more savings for the province.

The government will also be approaching the federal government to discuss a realignment of federal/provincial responsibilities. This could include such things as:

- devolving direct funding and responsibility for **immigrant settlement programs** to the province;
- devolving direct funding and responsibility for remaining **labour-market development programs** to the province;
- transferring responsibility to the federal government for **all inmates serving sentences of over six months.**

The government will also be looking at new partnerships, especially with social enterprise, which “uses private markets to pursue public goals.” This seems to be just new language to describe another way of divesting public services to the private and not-for-profit sectors.

-- Ruth Hamilton, Local Services Supervisor (OPS)

-- Randy Robinson, Political Economist