

# Out of Step With Ontario

A First Look at the Report of the Drummond Commission

February 16, 2012



Ontario Public Service Employees Union  
100 Lesmill Road, Toronto, Ontario M3B 3P8  
[www.opseu.org](http://www.opseu.org)

## Drummond reports

**Ten months after it was first announced**, the Commission on the Reform of Ontario's Public Services has finally published its report. The Commission, chaired by former bank vice-president Don Drummond, has made 362 separate recommendations. If implemented, Drummond's plans would permanently change not only our public services, but our province itself.

With very few exceptions, the changes Drummond suggests would not be for the better.

This paper is called "Out of Step With Ontario" because that is what Drummond's report is.

In December 2011, the Angus Reid polling company conducted a survey of 2,000 Ontarians. What the survey found was that 71 per cent of Ontarians want to see spending on public services either stay the same or go up; 81 per cent support higher income taxes on corporations; 82 per cent support higher income taxes on individuals earning over \$300,000 a year; and a whopping 87 per cent chose "job creation" as their preferred method of paying down the provincial deficit.<sup>1</sup>

In contrast, Don Drummond wants to take an axe to public services, cutting spending more deeply and for more years than the Mike Harris government did in the 1990s. He wants more privatization, which would drive down wages for workers and increase profits for investors but not provide better services or lower costs to the public. With very few exceptions, Drummond ignores options for generating revenue to pay for public services.

Lastly, Drummond forecasts a weak economy for years to come but proposes no ideas to make that economy stronger. Indeed, his "austerity" measures will slow down our economy, thereby cutting jobs and making the provincial budget deficit worse.

Drummond's plan won't work.

This document is a first look at what Drummond has in mind. It is not a comprehensive analysis. Instead, it provides a quick overview that looks at Drummond's proposals from the perspective of OPSEU members. Some key points have, without a doubt, been overlooked; if so, they will be added to future editions of this document, available on the OPSEU web site.

---

<sup>1</sup> See Angus Reid Public Opinion, *CUPE – Saving the Economy Poll* (December 13, 2011). Available at <http://cupe.on.ca/d1667/Drummond-Report>.

## Economic assumptions and spending targets

The Drummond Commission forecasts slow growth for Ontario’s economy for the foreseeable future – roughly 2 per cent per year in real terms, i.e., after inflation is taken into account. Slower growth in the economy means slower revenue growth.

According to Drummond, the problem is so bad that the current deficit of \$16 billion will grow to \$30.2 billion if left unchecked. Based on these assumptions, Drummond says that, to balance the budget, total program spending for the Ontario government must grow by only 0.8 per cent per year until 2017/18.<sup>2</sup>

This is actually a cut in spending. That’s because inflation adds 2 per cent – or more – to costs every year. With population growth of about 1.1 per cent a year, an “increase” of 0.8 per cent is really a cut of 2.3 per cent per year per person in Ontario.

Drummond recommends a different level of spending “growth” for each sector of government. The chart shows the level of growth Drummond recommends and what it means on a per capita basis in real terms:

<b>Sector</b>	<b>Drummond growth recommendation</b>	<b>Real increase per capita per year, after inflation</b>
Health	2.5%	-0.6%
Education (Schools)	1.0%	-2.1%
Education (Post-Secondary)	1.5%	-1.6%
Social Services	0.5%	-2.6%
All Other Programs	-2.4%	-5.5%

In 2009, Ontario’s overall tax load was 13.2% of the economy as measured by Gross Domestic Product. This was the second lowest in Canada. According to Finance Minister Dwight Duncan, Ontario spends less per person on government programs than any other province in Canada.

The obvious conclusion from these two facts is that Ontario’s public services are already underfunded and it is possible to raise provincial revenues.

---

<sup>2</sup> According to Drummond, this would be the most sustained period of restraint of any government in Canadian history, with the possible exception of the Romanow government in Saskatchewan in the 1990s.

Drummond, who has been a staunch supporter of corporate tax breaks for a long time, makes no recommendations to raise any tax rates to deal with the province's evident revenue problems. The Commission identifies some revenue measures, however. These include increased enforcement around contraband tobacco and the underground economy, improved collection, the elimination of some "tax expenditures" (targeted tax breaks) to business, and additional revenue from Crown Agencies.

Drummond also points out that although Ontario is now receiving equalization payments from the federal government, the fact still remains that the federal government takes more and returns less to Ontario than it should, based on the province's share of the Canadian population.

A number of facts about the provincial budget are worthy of note:

- First, Ontario does not have a spending problem. The budget was, in fact, balanced for in 2005-06, 2006-07, and 2007-08. The real cause of the deficit was the fall in revenues from the recession, not spending.
- Second, Drummond's assumption that the budget must be balanced by 2017-18 is a political decision, not an economic one. That's because it is not the size of the deficit that matters. What matters is the size of our overall debt compared to the size of our economy. In reality, the provincial debt will begin to fall in relation to the size of the economy as soon as the deficit gets down to about \$8 billion a year. After that, the province's overall financial health begins to improve – even if the books are not quite balanced.
- Third, Ontario can afford to raise revenues. To take just one example, freezing corporate income tax rates at 11.5% instead of reducing them to 10% as currently planned would bring in an extra \$300 million in the first year and \$800 million every year after that.
- Fourth, Don Drummond was in charge of budget-making when he worked under former Finance Minister Paul Martin in the 1990s. In 1997-98, he forecast a budget deficit of \$17 billion. That year, the government had a surplus of \$3.8 billion. In other words, Drummond's forecast missed the mark by more than \$20 billion. During the years he worked at Finance, Drummond's budget estimates were an average of \$8 billion a year too pessimistic.<sup>3</sup>

---

<sup>3</sup> See Jim Stanford, *Paul Martin, the Deficit, and the Debt: Taking Another Look* (Ottawa: Canadian Centre for Policy Alternatives, 2004). Available at [www.policyalternatives.ca](http://www.policyalternatives.ca).

## Recommendations on health care

Health care is the single biggest item paid for out of the Ontario budget, and the Drummond Commission spent a lot of its time examining this area. In the end, Drummond made 105 recommendations relating to health care.

### Spending more

Despite his advice to hold health care spending to 2.5 per cent a year – a very tough target to achieve – Drummond actually recommends spending more in a number of areas. Presumably his idea is to restructure the way health care is delivered and somehow save money in the long run, but just how that would happen is not clear.

Drummond recommends new spending that would:

- enhance mental health;
- upload public health from the municipalities and triple per capita spending on them;
- migrate doctors from the private practice model to the family health team model, including specialists;
- super-size the Local Health Integration Networks and pay LHIN CEOs a more “competitive” (higher) wage, comparable to hospital CEOs;
- accelerate the implementation of e-Health;
- enhance data collection and sharing;
- increase enrollment in medical schools for nurses and other health professionals;
- hire more “clerical system navigators” to co-ordinate appointments and assist patients with required forms and paperwork;
- expand telehomecare;
- create bodies similar to Cancer Care Ontario for mental health plus heart-and-stroke and renal disease
- enhance the roles of the Institute for Clinical and Evaluative Sciences (ICES) and Health Quality Ontario (HQO), including making HQO a regulatory body to enforce evidence-based practice and creating a role for ICES in conducting research on efficiency;
- get both organizations to play a bigger role in drug comparisons;
- create an OECD-type national entity that collates and enhances evidence-based policy directions and increases collaboration between provinces;
- provide additional resources to “integrate, co-ordinate and enhance traditional sectors” of community care;
- focus on “assess and restore” seniors to create opportunities for them to be transferred back home from LTC facilities;

- do better health human resources planning
- expand Medicare to include pharmaceuticals, expanded long-term care and “aspects” of mental health; and
- establish a Commission to guide health reforms.

### **Where would the money come from?**

To pay for all this, Drummond proposes that:

- the Ministry of Health will be gutted to provide enough staff for the super-sized LHINs;
- (remaining) ministry staff will be responsible for drafting a 20-year plan; and
- after 2017-18, health care funding increases will be arbitrarily capped at 5 per cent.

Much of Drummond’s focus centers on taking services out of hospitals, and creating incentives to keep health care providers – such as the Family Health Teams – from referring patients to hospital. Drummond recommends hospitals continue to receive increases, but at a slower pace than other sectors.

### **Privatization and restructuring**

Although Drummond’s mandate from the McGuinty government specifically said, “Do not recommend privatization of health care,” the Drummond report makes the following observation:

“We interpret this to mean that health care must be kept within the public payer model. We do not interpret it as denying opportunities for private-sector delivery of services....”

Not surprisingly, then, Drummond would like to see expanded alternate services that could include private for-profit entities. Drummond also envisions mergers:

- mergers of hospitals (on an administrative level so as not to trigger labour disruptions);
- a possible merger of the LHINs and Community Care Access Centres, given their similar roles and the need for the LHINs to take on case management (Case managers would play a larger role than assessing clients for home care and long term care, so presumably there would need to be more case managers).

### **Taking democracy out of health care**

Drummond advises taking “politics” – and by implication democracy – out of health care by giving the LHINs more authority without increasing accountability beyond existing agreements with the Ministry of Health.

### **More money for better CEO performance?**

Drummond offers no plan to cap CEO salaries. Instead, he would make pay more performance-based. (At present hospitals are already encouraged to do so -- up to 30 per cent of CEO compensation can be performance pay.)

### **Keeping an eye on “expensive” frontline staff**

Drummond would enhance scope of care for health professionals. LHINs would provide oversight to make sure no health professional is delivering care that can be delivered by someone with lesser qualifications.

### **Get ready to die**

Grimly, Drummond recommends that all doctors begin engaging their middle-aged patients in discussions about end-of-life care.

# Big plans for the Ontario Public Service

## ServiceOntario

Don Drummond has big plans for ServiceOntario. If implemented, his recommendations would:

- expand the services ServiceOntario delivers within the provincial government and have more service-delivery partnerships with municipal and federal levels of government.
- integrate the delivery of 37 income-based programs including social assistance.
- transfer call- and internet-based inquiries on employment standards and occupational health and safety from the Ministry of Labour to ServiceOntario.
- expand the databases ServiceOntario manages to occupational health and safety inspectors to “permit more efficient management of enforcement activities.”
- move the focus of service delivery to the Internet, kiosks and telephone service and away from in-person service.
- increase ServiceOntario’s capital budget and generate a “fiscal dividend” from ServiceOntario. (This despite the fact ServiceOntario is profitable as is, generating \$10 of revenue for every \$1 it spends.)
- bring in public-private sector partnerships for ServiceOntario to drive expansion and deliver a fiscal dividend.

## Privatization of I & IT

Related to public-private partnerships, Drummond is keen to shift delivery of I & IT from in-house to external resources – in other words, to privatize IT functions. “Simply put, governments cannot afford to remain the only centres of expertise when it comes to IT service delivery if more cost-effective options are available,” Drummond says.

## Social Programs<sup>4</sup>

Drummond recommends keeping spending on social programs within the annual 0.5 per cent growth cap. Social assistance accounts for 51 per cent of the province’s spending on social programs; as such, it receives a lot of Drummond’s attention.

Drummond claims to have uncovered evidence of higher costs and reduced quality of services due to maintaining two separate social assistance programs (Ontario Works and the Ontario Disability Support Plan) delivered by two levels of government. This is

---

<sup>4</sup> See also “Squeezing social programs,” below.



incredible because the provincial government's own figures from the Public Accounts show that only 3.6 per cent of social assistance expenditures go to administration! To "streamline" these programs – and others – Drummond would:

- combine Ontario Works and the Ontario Disability Support Program and have the combined program delivered at the local level.
- Consider integrating both with Employment Ontario services.
- Deliver "transactional services" associated with social assistance through ServiceOntario.
- Get more people with disabilities into the labour market.
- Get the federal government to establish a national-income support program for people with disabilities who are unlikely to enter the workforce.
- Make eligibility for Ontario Drug Benefits solely dependent on income as opposed to age or whether the person is on social assistance.
- Integrate the large number of programs and services provided by multiple ministries into Employment Ontario over time (being cognizant of the fact that Employment Ontario is a relatively new program).
- Shift the responsibility for all apprenticeship administration from government to other actors (e.g., College of Trades, colleges, and union training centres).

### **Closing Demonstration Schools**

In a shockingly cruel proposal, Drummond recommends closing all the provincial schools that work with children with severe learning disabilities.

A typical child admitted to a demonstration school is about 5 grades behind the reading level of his or her peers. The schools currently educate about 800 students, of whom only 120 are in residence. These children are not in the public school system because they have never been able to meet the standards of the public school system. And since the Drummond report recommends eliminating 70 per cent of non-teaching staff and increasing class sizes in public schools, the public system never will be able to meet their needs.

### **Youth justice: more closures**

Drummond would reduce excess capacity in the youth justice system through "strategic closures" of facilities: "Where excess capacity can be demonstrated and a more efficient option exists, strategic closures should occur."

### **(Not) saving the environment**

Notwithstanding the recent report of the Environmental Commissioner of Ontario (ECO), which indicated that the current budget of the Ministry of the Environment is 45 per cent lower, in real terms, than it was 20 years ago, the Drummond Commission trumps all things

ECO. Drummond includes the Ministry of Environment in that category of public services that should be cut back most severely.

Drummond would restructure the Ontario Clean Water Agency as a for-profit, wholly-owned government entity. The report points out the wages it offers skilled water and wastewater operators are not competitive with those offered in the municipal sector.

Drummond would accelerate the move to the risk-based approach to MOE's environmental approvals process and move towards full-cost recovery of the approvals program.

### **Expanding shared services to the Broader Public Service**

If implemented, Drummond's recommendations would:

- share more back-office functions (payroll, procurement) and common administrative services (printing, mail, asset management) of the OPS with agencies, boards and commissions in the Broader Public Service; and
- centralize transfer payment and grant programs currently delivered by multiple ministries into a single "transfer payment operation centre and enterprise grant management system."

### **More industry self-regulation**

Drummond would cut costs to government by expanding industry self-regulation. Drummond would remove the province from regulatory programs having to do with public safety, worker safety, residential and commercial construction, environmental protection, and consumer protection. "In a time of fiscal constraint, there is a risk of service erosion as regulatory ministries seek to reduce costs. It is important to explore different forms of service delivery through arm's-length bodies."

Drummond's report does not comment on the potential conflicts of interest involved when industries police themselves.

## Changes for OPS Correctional Services

Drummond knows that there will be huge pressures on Ontario's correctional services system with the passage of new federal crime legislation and the need to replace, or at least invest in, the many aging correctional facilities.

### **Private delivery of food, laundry, health care – and inmates**

Drummond wants to contract out much of the work that goes on inside – and outside – a correctional facility:

- Even though food and laundry service workers are the lowest-paid in the corrections system, and much of the work is done by inmate labour at no cost, Drummond wants to contract out this work. It will save no money, but it will increase security risks and the potential for contraband.
- Even though health care providers in Corrections are paid much less than their counterparts in hospitals and agencies, Drummond wants to hire agency staff. Using private delivery would actually increase costs.
- Contracting-out of inmate transportation has moved some of these services to the Ontario Provincial Police, which costs more. If Drummond wanted to save money in this area, he would recommend having all this work be done by Correctional employees.
- The greatest risk to the public from inmates occurs when inmates are being escorted in the community. Correctional Officers do this work currently at lower cost than OPP officers, who are sometimes called on to do it. There is no public appetite for inmate escorts to be handled by private security guards. Yet that is what Drummond recommends.

### **Divert inmates with mental health issues to programs to avoid remanding them into custody**

Nineteen per cent of provincial inmates have mental health issues, and correctional staff have long argued that many do not belong in jail. Drummond recommends moving these individuals to mental health programs in the community. It would be a fine idea if they had not wound up in correctional facilities because the programs they need do not exist in the community. Drummond acknowledges that this recommendation would have large impacts on the Ministry of Health; he says discussions should take place.

### **Infrastructure renewal**

Drummond acknowledges that 70 per cent of correctional facilities are aging and will need replacement or major renovations. He does not recommend closing any more facilities. Indeed, he states that a new \$900 million facility may need to be built if the federal crime bill passes into law.

He also recommends that there should be alternative (private) financing methods for new facilities, through Infrastructure Ontario.

### **Moving all inmates sentenced to six months or more to the federal system**

This recommendation would give inmates better access to opportunities for rehabilitation and life skills programs in the federal system. The beds freed up could be used for the expected influx of new inmates coming into the provincial system as a result of federal crime bill.

### **Privatization of corrections staff training**

Staff training of correctional staff is best done by corrections professionals, but Drummond suggests it could be delivered through a private company. Cost savings would be negligible at best – and that's if the training was successful.

## Squeezing social programs

The report of the Drummond Commission says that, “From 2000 to 2010, spending on social programs grew by an average of 6.0 per cent per year.” During the period, Drummond says, demand for the Ontario Disability Support Program (ODSP) increased by about five per cent per year. After the 2008-09 recession, the demand for income support through Ontario Works also went up.

Drummond now wants to hold spending on social programs to 0.5 per cent per year. In real terms, this is a large cut that will cause real pain to the most vulnerable Ontarians – not only those living in poverty, or people with disabilities, but children and families who depend on child protection services, daycare, and other vital programs. If Drummond’s recommended funding targeted is accepted, seven years of 0.5 per cent will guarantee levels of destitution and desperation not seen in Ontario in living memory.

Not surprisingly, then, Drummond recommends that the government renege on its 2011 commitment to increase the Ontario Child Benefit from \$1,100 a year to \$1,310 a year.

### **Centralize and integrate**

Drummond identifies the wide variety of income-based benefit programs, each with its own criteria for eligibility, as a source of extra administrative costs that could be reduced by:

- creating an integrated, centralized, and automated benefits system that would centralize income testing and payment delivery; automate the processing of applications, eligibility assessment and payments; automate income verification; consolidate program delivery; and standardize eligibility criteria across similar programs.
- creating a single point of access for clients to access benefits.
- collecting more data to measure “client outcomes.”

### **Child welfare**

Funding in the children’s aid sector has grown by five per cent a year over the last five years, Drummond says, noting that keeping annual spending growth to 0.5 per cent will be “immensely challenging.” He limply proposes “more integration” with other sectors and an “outcome-based accountability structure.”

### **Children’s mental health, children’s services**

Drummond recommends the government “consolidate agencies and improve service delivery and integration both within the sector itself and with other sectors such as children’s services, health, education, and youth justice.” This would be part of a general move to greater integration of children’s services. How these would be accomplished inside an environment of cuts is unclear.

### **Developmental services**

Individualized funding is the core of Drummond’s plan for developmental services. Rather than provide solid funding to agencies run by trained and experienced staff, Drummond suggests giving money to individuals or their families. Given the funding constraints, this money would obviously be less than what is required to provide the service; Drummond believes that “a more competitive and market-driven approach” would cause agencies to “realign in response to this market.” What he overlooks is that workers in developmental services are already among the lowest-paid in the public sector. One very strong possibility is that many of these workers would simply leave the sector altogether, leaving the families of people with disabilities with a certain (small) amount of money but no help at all. From the point of view of a bank economist, of course, this would still be a success, as overall costs for developmental services would be lower.

## Drummond weighs in on education

Drummond recognizes the problem of underfunding of First Nations schools, which is good, and he calls for more money for them. But that money comes out of a constrained budget. Drummond's growth target for elementary and secondary schools is 1 per cent per year, and calls for a "rigorous performance system" to guide compensation to help achieve this goal. To cut wage costs even more, he calls for the elimination of 70 per cent of non-teaching staff (teachers' aides, custodial staff, administrative staff, etc.) in public schools by 2017-18.

As a further cost-saving measure, Drummond calls for the elimination of full-day kindergarten, a program that is not yet fully phased in. In addition, he calls for average class sizes to go up, with caps rising from 20 to 23 in primary school, from 24.5 to 26 in Grades 4 to 8, and from 22 to 24 in secondary school.

Grade 12 students should not expect to get a fifth year of high school for free, Drummond says. If they want to come back to improve their marks, they can pay.

Drummond recommends that steps be taken to get teachers to retire later to reduce benefit costs over the long term.

Lastly, he would change the Education Act to allow the minister to sell schools and unused property owned by school boards.

In post-secondary education, Drummond calls for spending to be held to 1.5 per cent per year. As in the schools, he wants to tackle compensation with hard bargaining. He would also create a single pension fund administrator for all university and college pensions, while recognizing the differences in pensions.

Students will pay more, too. Drummond supports the existing tuition fee framework, which allows fees to rise by five per cent per year, and he also has other ideas to reduce overall costs by phasing out provincial tuition and education tax credits to invest more in upfront grants, and so on.

Drummond would also compel post-secondary institutions to examine whether they can compress some four-year degrees to three years by continuing throughout the summer.

## Government business enterprises

Ontario's four main Crown corporations are the Liquor Control Board of Ontario, Ontario Lottery and Gaming, Ontario Power Generation, and Hydro One. Together these four entities bring in \$4.3 billion in profits for the people of Ontario and hold combined net assets worth \$17.6 billion.

Clearly, these assets are attractive money-earners for potential private investors. Yet Drummond stops short of recommending that the government sell all or part of any of these enterprises "unless the net, long-term benefit to Ontario is considerable and can be demonstrated through comprehensive analysis." He concedes that the case for any such sale is weak: The advantage of paying down government debt faster at a time when interest rates are low is minimal, and the loss of revenue as a result of selling these assets would be permanent.

As long as the LCBO remains public, however, Drummond sees revenue possibilities in changing the markup structure on alcohol and moving to a "more aggressive store expansion program." Unfortunately, he overlooks the issue of agency stores, many of which could be removed from private hands and run by the LCBO at considerable benefit to the public purse. According to one consultant's study, 90 of 216 existing agency stores could be profitably run by the LCBO and boost its income by \$341 million over 10 years.

In a recommendation sure to infuriate Ontario wine makers, Drummond also proposes making less room for Ontario wines on LCBO shelves in order to sell more high-volume products.

At the OLG, Drummond proposes closing 1 of 2 head offices and 1 of 2 of the Niagara casinos. To bring in more money, he would allow slot machine operations at sites other than horse-racing venues.



## Labour Relations and Compensation

Drummond's recommendations for labour relations and compensation seem to be based on a singular principle – wage freezes, hiring freezes and elimination of performance bonuses don't work. He has another approach. He recommends, instead:

- a “transformation” of service delivery that will vastly reduce the number of employees (which will then reduce overall compensation);
- dismantling and re-vamping the arbitration system; and
- expanding management rights to more freely discipline, dismiss and move employees.

### **Reducing the number of employees deemed essential**

Drummond states that Ontario has the highest percentage of Broader Public Service essential service workers on Canada. He wants to see that number reduced. He feels the best settlements are ones that are negotiated.

### **Reform of the arbitration system**

Drummond feels workers are doing too well under Ontario's current system of interest arbitration. He wants to make changes that would limit compensation increases. He recommends:

- increased criteria forcing arbitrators to accept employer arguments about “ability to pay”;
- an “independent” tribunal to manage a roster of arbitrators; and
- more stringent rules under which arbitrators would operate.

### **Zero budget increases for wages in the Ontario government**

Drummond believes that when employers have no budget for wage increases, it creates a “healthy tension” that will “drive out inefficiencies.” He therefore proposes that government have no budget for wage increases – but continue to bargain.

### **Remove bumping rights**

Drummond believes that bumping rights – which are designed to recognize seniority rights at a time when people are losing their jobs – are a big obstacle to “progressive and efficient” public services that can be achieved (he says) by cutting jobs. He advises government to do everything in its power to get rid of bumping rights.

### **Don't worry about successor rights when transferring or merging services!**

Drummond states that inherited collective agreements don't live forever, and can be "bargained differently" when they come up for renewal.

### **Expanding the powers of the Ontario Labour Relations Board**

Drummond recommends that the OLRB should be allowed to combine bargaining units when it receives an application for a new certification or merger. This could also include combining existing units at certain employers.

### **Forcing BPS employers into "best bargaining practices" model**

This recommendation would pressure BPS employers to drive harder in bargaining, and let the government set targets for BPS employers to meet in bargaining.

### **Reduce the number of BPS collective agreements through central and coordinated bargaining.**

Drummond observes, correctly, that a smaller number of collective agreements cost less to bargain, and calls for more central bargaining and more coordinated bargaining. OPSEU has been saying the same thing for decades.

### **Allow for and increase performance bonuses for managers and "leaders"**

In keeping with his belief in "incentives," Drummond calls on government to make it possible to give significant bonuses to individuals deemed to be exceeding job expectations. He doesn't mention bargaining this with the individuals' union....

### **Expand management rights**

Drummond support greater powers for management, in all cases, to move employees as they see fit and dismiss employees.

## Pensions under pressure

For many Ontario workers, the Pension Benefits Guarantee Fund is the only thing protecting them from the total loss of their hard-earned pension entitlements in the case of a bankruptcy of their private-sector employer. Drummond notes, correctly, that the PBGF is underfunded, and has been for some time. But his solution – get rid of the fund, or hand it over to a private insurer to run – is basically that government abandon its responsibilities to Ontario workers.

With respect to publicly-run pension plans, Drummond’s recommendation is confusing. He recognizes that “most of the public sector pension plans are jointly sponsored, which means employer sponsors and members share” responsibility for any shortfalls that may occur in a plan. Nonetheless, Drummond makes a recommendation that the government “clarify who is financially responsible for funding deficits of the public-sector pension plans....” What needs to be clarified is Drummond’s recommendation.

Drummond’s overall goal for public sector pensions is to reduce how much government pays into them – a goal he would accomplish through bargaining. He says: “The government should accelerate work on the design of public-sector benefits and make containing the growth in the cost of benefits part of the broader public-sector compensation negotiation strategy.”

Drummond further recommends that “The province should examine opportunities to achieve savings and better investment returns through the consolidation of the administrative functions and investment pooling of pension plans across the broader public sector.”



Ontario Public Service Employees Union  
100 Lesmill Road, Toronto, Ontario M3B 3P8  
[www.opseu.org](http://www.opseu.org)