



THE ECHO

Information for OPSEU members in the Liquor Board Employees Division - Issue 6 - February 20, 2006

Do you get paid too much?

Deloitte report is cause for concern

A new report paid for by the Ontario government says LCBO employees get paid too much.

The report, by the consulting firm of Deloitte and Touche, was tabled in the Legislature Jan. 17. It says that the LCBO "is a well managed organization that has successfully transformed itself into a modern retailer." But it also says Queen's Park should be looking at ways to cut costs.

Sixty per cent of LCBO's costs are wage and benefit costs.

The LCBO pays higher wages and has more full-time staff compared to other Canadian retailers, the Deloitte report says. Filling positions based on seniority (as required by the OPSEU collective agreement) also adds to the cost of staff, it notes.

How can the LCBO reduce those costs? Hire more casuals, the report says.

Deloitte also has other cost-cutting ideas:

- **Close the Thunder Bay and Ottawa warehouses.** "The Ottawa and Thunder Bay markets can be served from Durham and London or via a third party cross-dock facility," the report says.
- **Contract out all distribution.** "Outsourcing all or part of the distribution network to a third party is a

viable business strategy to reduce costs and provide future operating flexibility."

- **Contract out Information Technology.** The LCBO spends less on IT than the average Canadian retailer, Deloitte says. While this sounds like a reason for keeping IT as is, Deloitte has another view. "LCBO should review the option of outsourcing its IT department to a third party organization to determine if cost savings are feasible."

In a letter to employees Jan. 17, the LCBO was quick to downplay the report. Former Chair and CEO Andy Brandt and President and COO Bob Peter wrote that:

It is important to note that the government does **not** plan to explore any of the options in the report that conflict with our Collective Agreement or could affect labour relations. For example, the report recommends reviewing certain existing functions with a view to possibly outsourcing. The government has informed us it has **no** plans to pursue such recommendations.

"While it is important that the LCBO says there are no plans to contract out more of the

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work our members do, we still have a lot of questions about the report,” said Jo Ann Fisher, Acting Chair of the Liquor Board Employees Division of OPSEU (LBED). “We hope to have a meeting of our provincial Labour-Management Committee as soon as we can. Hopefully we’ll get some answers.”

OPSEU members can expect the LCBO to keep pushing hard to cut wage costs, said OPSEU president Leah Casselman.

“No matter what they say about this report, the fact is that the LCBO is already cutting wages and benefits by wiping out full-time jobs and by selling more booze through agency

stores,” she said.

“This report views the LCBO as just another retailer,” Casselman said. “It’s not. The LCBO sells a controlled substance, it is publicly owned, and it makes unheard-of profits per employee.

“It should be a model employer that offers full-time jobs and a solid benefit package for everyone who works there.”

For a copy of the report tabled in the Legislature, please send your mailing address to jproudfoot@opseu.org or call 1-800-268-7376 ext. 8797 or (416) 443-8888 ext. 8797.

Committee will survey casuals about benefits

Last fall, the Liquor Board Employees Division set up a province-wide committee of casual employees to design a benefit plan for all casuals at the LCBO.

In the three meetings held so far, we’ve discussed various plan designs, but we need more information. The committee has decided to distribute a formal survey to all casuals in April. Watch for it -- we’re hoping that all casuals will complete and give the committee a strong sense of what our members need.

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Get on the list!

You can receive **The Echo** directly by fax or e-mail. Just let us know how to reach you. Give us your secure e-mail address or fax number by calling OPSEUdirect at 1-800-268-7376 or (416) 443-8888.

The Echo is authorized for distribution by:



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