

2012 ONTARIO BUDGET

A Catalogue of Cuts



OPS CAUCUS MEETING

OPSEU CONVENTION - APRIL 19, 2012

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2012 Ontario Budget – A Catalogue of Cuts

- Finance Minister Dwight Duncan estimates the 2012-13 budget deficit at \$15.3 billion.
- The deficit is the difference between how much money the government is taking in compared to how much it is spending.
- \$15 billion sounds big.
- What really matters is the government's ability to pay based on the size of its economy.
- \$15 billion amounts to 2.4 % of the province's economy.

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- Ontario's deficit was worse than that for 5 years in a row from 1991-1996, the duration of the last recession.
- For the next 3 years, the Budget will increase spending by one per cent.
- But after inflation and population growth are taken into account, what sounds like an increase is actually a cut.
- Overall, the budget plans for a real spending cut of about 2.3 per cent a year.
- Ontario's deficit is the result of the 2008-2009 global recession and tax cuts to corporations.

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- In no way, was the deficit caused by government spending.
- Ontario's spending per person is lower than any province in Canada.
- In fact, it is 11 per cent lower than the average of the nine other provinces.
- Ontario delivers government services with the lowest number of provincial public servants at 7.4 per 1,000 population.
- In the 2009 Budget, the government promised to slash the OPS by 3,400 positions by March 31, 2012.

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- The government says it is on track to meet this target.
- In the 2011 Budget, the government said it would slash the OPS by a further 1,500 positions.
- In this year's Budget, the government said it will slash 1,000 of those jobs in the next two years.
- Current size of the OPS is 14 per cent below 1995 levels.
- The Liberals have ignored options to increase revenue.

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- Some options include:
 - Getting rid of lower tax rates for income earned from stock options.
 - Making income tax rates more progressive i.e. making the rich pay.
 - Introducing a Financial Transactions Tax of 0.1 per cent on trades – this could bring in over \$1 billion a year.
 - Tackling offshore tax havens. Canadian banks avoided \$2.4 billion in taxes in 2007 alone.
 - Restoring corporate tax rates to 2009 levels to bring in an additional \$1.5 billion a year.
- This year's budget bill, Bill 55, is an omnibus bill. It will amend 69 pieces of legislation.

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- These amendments are seriously scary.
- They are all about the government getting out of the business of governing.
- If Bill 55 is passed, the government will be able to offload the regulatory functions of all ministries to Delegated Administrative Authorities, or DAAs for short.
- DAAs are industry-run associations.
- In other words, this means self-regulation by industries.
- DAAs were originally set up under the Mike Harris Conservative government.

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- They took over the regulation of such industries as propane storage and handling.
- The Sunrise Propane explosion in 2008 killed one worker and forced the evacuation of thousands of people from their homes.
- These industry-run associations are not crown agencies.
- They are not subject to the oversight of the Legislative Assembly, the Auditor General or Ombudsman Ontario.
- Bill 55 will allow for the privatization of ServiceOntario without restraint.

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- The bill allows for the establishment of a holding company and a network of subsidiaries.
- This is the structure used by ORNGE to avoid the oversight of the Legislative Assembly, Auditor General and Ombudsman Ontario.
- ServiceOntario will be able to take over customer services delivered by the federal government, municipalities, schools, universities and colleges and hospitals.

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- ServiceOntario recently announced that it is entering into talks with CIBC to explore private investment.
- ServiceOntario has made it clear they are seeking investment to fund the expansion of on line services.
- The damage from the Budget bill is not limited to regulatory functions in government and ServiceOntario.
- The budget makes it clear that cuts and restructuring will happen across the OPS to front line and so-called “back-office and program administration” functions.

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- The Budget bill will amend nine laws that protect our provincial parks and the stewardship of natural resources.
- They will allow for :
 - self-regulation by industry;
 - longer time lines; and
 - looser notice and reporting requirements to the public.
- About \$17.7 billion in program spending cuts were announced in the budget.

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- No ministry avoids the axe. However, the hardest-hit ministries are:
 - Infrastructure (10.1 % cut)
 - Environment (9% cut)
 - Tourism, Culture and Sport (7.9 % cut)
 - Natural Resources (3.7% cut)
 - Economic Development and Innovation (2.9% cut)

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- The cuts to MOE and MNR are happening even though they receive 45 per cent and 22 per cent less funding, respectively, to operate than in 1992. (Environmental Commissioner's 2010-11 Annual Report)
- Three new jail closures were announced: Brantford, Chatham and the full closure of the Toronto West Detention Centre.
- This is in addition to the closures of Owen Sound, Walkerton and Sarnia Jails announced in the 2011 Budget.

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- The closure of the Bluewater Youth Centre, and the downsizing of the Brookside Youth Centre and the Cecil Facer Youth Centre, were announced prior to the Budget.
- As was the closure of the Thistleton Regional Centre and Ontario Place.
- The Budget announced that the Ministry of Tourism, Culture and Sport will reduce funding to cultural and tourism attraction agencies by 1 per cent over the next three years.

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- These include the ROM, Science North and the St. Lawrence Parks Commission.
- The Budget announced the closure of seven Ontario Travel Information Centres.
- In addition to all of the regulatory changes which will surely have an impact on staffing, MNR will close some regional, district and area offices over the next 3 years.
- The Ministry of Transportation is looking at “alternative service delivery” of enforcement as well as the Motor Vehicle Inspection Station Program.

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- This could mean privatization and self-regulation by industry.
- The Ministry of Attorney General plans to use e-filing of court documents and greater use of technology to reduce staff.
- The Commission for the Review of Social Assistance will make its final recommendations in June.

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- In the Budget, the government said it will be informed by these recommendations and will look to:
 - Integrate the income support programs of ODSP and Ontario Works; and
 - Integrate the employment programs of ODSP and Ontario Works with Employment Ontario.

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