

**DRAFT remarks by Warren (Smokey) Thomas, President, Ontario Public Service Employees Union, for a presentation to the Standing Committee on Finance and Economic Affairs re: the 2017-18 Ontario Budget**

**Committee Room 151, Main Legislative Building, Queen's Park, Toronto  
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**CHECK AGAINST DELIVERY**

Good morning. I'm Smokey Thomas, President of the Ontario Public Service Employees Union. With me today is Clarke Eaton, Special Assistant to the President. Thank you very much for the opportunity to speak to you today on behalf of all 130,000 members of OPSEU.

As most of you know, I have appeared before this committee to talk about the provincial budget just about every year since I was first elected President back in the spring of 2007. There is a very good reason for this: there is no member of my union who is not affected, in a very direct way, by the decisions that are made in building the provincial budget.

Like all Ontarians, OPSEU members use the public services that are funded and delivered by the province. We drive on the roads. Our children go to public schools, colleges, and universities. Our parents need home care and health care. Just like everybody else.

But OPSEU members have a different stake in the provincial budget: we deliver the services the budget helps pay for. This gives us a different perspective.

All Ontarians see the public face of public services, and our members are that public face in many cases. We help you renew your driver's licence. We do safety inspections on big trucks. We take your x-ray and your blood donation. We help people deal with addictions. We teach the skills needed by the workforce of the future.

OPSEU members are the public face of public services. But we also work behind the scenes. So we see firsthand how the machinery of government works. OPSEU members know what government is doing right, and we know what government is doing wrong. And now, seven years after then Finance Minister Dwight Duncan launched the current Age of Austerity, government is doing a lot of things wrong. That's our experience, and it's the experience of all Ontarians who depend on public services.

The Great Recession of 2008-09 was not caused by people in the public sector. It was triggered by the rapacious greed of a tiny group of private sector millionaires. Yet

around the world, it has been the public sector that has paid for the damage those people did. We've paid. And paid. And paid.

My members have fought hard to maintain their standard of living. Yet because of Liberal austerity, the typical OPSEU member's income is at least five per cent lower, after inflation, than it was seven years ago.

Of course, the sacrifices made by public employees – not just OPSEU members, but all public employees in Ontario – have lessened the impact of Liberal austerity on public services. Nonetheless, the impact of austerity has been brutal.

So where are we at today? Last place, that's where we are. We rank tenth out of ten provinces when it comes to per-student funding for our colleges. The number of licensed residential beds for children and youth in care is down 35 per cent in the last 10 years. And as we wrap up the ninth consecutive year of real-dollar cuts to our hospitals, we have fewer hospital beds per capita than any other province.

In the time I have, I can't talk about the impact of Liberal austerity on every service my members provide. But I can tell you this: on the frontlines of public services, there is nothing left to cut.

So it was pretty alarming last week when the province's Financial Accountability Office, which has previously criticized this government for throwing away money by privatizing Hydro One, indicated that the only way the budget can be balanced by next year is through cuts to health spending on the order of \$2.8 billion.

This cannot happen.

There is no doubt in my mind that many Ontarians have already died as a result of Liberal austerity. More cuts at this stage will be murderous.

I don't use the term lightly. If I think of what's happening in the sector I come from, which is mental health care, we're seeing rising levels of violent assaults on staff. If we don't see a substantial investment in staffing, better training, better equipment, and better facilities in mental health care, then it is just a matter of time before someone is killed.

That's what this budget means to us. Austerity must end, and it must end now.

This government continues to brag that it has the lowest program spending per capita of any province in Canada. As I've said many times before, this is not something to brag about – this is something to be ashamed of.

The impoverishment of people and public services in Ontario is not based in any kind of objective reality. As a province, we are not poor. There is no reason our people should be. And there is no reason our public services should be facing cut after cut after cut.

A single fact illustrates this point: right now, today, Gross Domestic Product per capita in Ontario is higher than it has ever been. As a province, we are richer than ever before.

Yet a third of our workforce is struggling to get by on insecure part-time, temporary, precarious work. And everywhere you look, public services are starving.

It appears that, relative to Ontario, every other province places a higher premium on the well-being of its citizens.

No province spends a smaller percentage of its GDP on public programs. All other provinces have made a decision, over the decades, that investing in public services is good for people and good for the economy.

Based on the 2016-17 fiscal year, if Ontario's program spending relative to GDP equaled that of British Columbia, this committee would be deliberating on how to spend an extra \$19 billion a year.

That number, by the way, is almost exactly how much money is missing from provincial revenues, right now, this year, as a result of the tax cuts that began with former PC Premier Mike Harris and continued with former Liberal Premier Dalton McGuinty.

Money that used to be spent on public services for all of us is now being enjoyed by the people who need it least.

There is no shortage of money in Ontario. As we learned two weeks ago, CEO salaries in Canada have kept on chugging upwards through good times and bad. Right now, the top CEOs in the country makes an average of \$9.5 million a year – 193 times the wage of the average full-time, full-year worker.

Meanwhile, single Ontarians who are forced to collect social assistance through Ontario Works receive a maximum of \$706 a month – in real dollars, close to \$300 a month less than the rate in 1993.

The poverty is bad enough, but the inequality is outrageous.

The next budget must take action to make our society fairer, and there is no better place to start than by raising the rates for those on Ontario Works and the Ontario Disability Support Program.

There is plenty of room to do so. I encourage you all to expand your thinking and work to get us outside of the box we are currently stuck in. We need to bring our revenues in line with those collected in other provinces if we want to even dream of having public services that meet the needs of Ontarians.

My members deliver the best they can with what they've got, but they haven't got the support they need in order to deliver the services Ontarians expect – and deserve.

As I said, austerity must end, and it must end now.

Now, the fact that we need more revenue does not mean that we should not spend our money wisely.

If this government wants to improve its bottom line, the number one easiest way to do so is to end its obsession with privatization.

Whether we are talking about infrastructure spending, or contracting out of services, or the sale of public assets, privatization in Ontario has been a disaster from start to finish. Our union will have much more to say about this over the next year and a half.

But the point I want to make right now is that privatization is wreaking havoc with the provincial budget. In boardrooms, on job sites, and in workplaces across this province, privatization is eating public dollars the way termites eat floor joists. Public services are collapsing.

Forget what you've been told. Privatization is not about improving services. It's not about saving money. It's about mining the public wealth that belongs to us all and delivering it to private investors for whom "the public interest" is not a consideration.

As members of this committee, you have a different responsibility. You are responsible for the public interest.

I wish you good luck. We'd be pleased to take your questions now.