

# **Building on Budget 2020**

## **OPSEU/SEFPO Submission on Bill 229 - Protect, Support and Recover from COVID-19 Act (Budget Measures)**

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## Introduction

OPSEU/SEFPO represents over 170,000 members throughout Ontario and across the public sector, including many who have been on the front line during the COVID-19 pandemic.

Overall, the union's reaction to the main provisions in Bill 229 – the 2020 budgetary provisions -- is cautiously optimistic.

An omnibus bill, Bill 229 contains worrisome provisions indicating the government is moving ahead with even further privatization of alcohol sales – a terrible financial and public health policy decision.

Otherwise, in both substance and style, the 2020 budget presented by the Finance Minister on Nov. 5 is the first budget in years – even decades – that does not in some way paint public sector workers and the services they provide as a problem to be solved with cuts and cutbacks. Instead, the budget celebrates the passion, dedication and heroism of front-line public sector workers and neither threatens nor delivers significant cuts. Even the 2020 budget's title – Protect, Support, Recover – pays tribute to the main functions of a strong public service:

1. Protecting the health, safety, and economic well-being of citizens.
2. Supporting citizens from birth to death, ensuring they have the education, training, and tools they need to live productive and fulfilling lives
3. Helping citizens and communities Recover, whether from an overwhelming crisis like COVID-19 that affects all, or from community or individual crises that are an inevitable part of life.

For recognizing and respecting public services and the front-line workers who provide them, Budget 2020 is a good first step after years of derision and austerity.

But it must not be the only step.

There is more – much more – the government can and should be doing to build public services that truly protect, support, and help all Ontarians recover.

The rest of the document will detail some of the steps OPSEU/SEFPO recommends.

## Repeal Bill 124 and make pandemic pay permanent

Front-line public sector workers deserve decent wages. But the truth is that many positions remain underpaid or precarious in nature or both.

This is the main reason sectors such as long term care are suffering extreme and even dangerous problems with recruitment and retention. Workers leave and their vacancies remain unfilled because the positions demand too much work for too little pay. It's a basic failure of labour market policy in this sector.

The wage-restraint legislation only makes the problem worse. While the private sector is offering annual wage increases of more than two per cent, Bill 124 caps annual public sector increases at just one per cent for three years.

In effect, the government is cutting public sector wages for those three years because one per cent doesn't even keep pace with inflation.

While you're struggling to fill positions, it makes no sense to hobble those positions with a wage cap.

Removing the cap by repealing Bill 124 will help reinvigorate workers' interest in vacancies in the public service, helping to solve the terrible problems plaguing sectors like long term care while at the same time helping to kickstart the economy, especially in rural and northern communities.

Making pandemic pay permanent and expanding the list of those eligible would provide another desperately needed boost to workers and communities all across the province.

Instituting pandemic pay was a clear acknowledgement that public sector workers need more to remain safe and productive. But the pandemic didn't cause the problems these workers face – the stress, strain, and hardship of low wages in many public service sectors existed long before anybody had ever heard of COVID-19. Without action now, they will continue to last long after the pandemic is over.

Permanently raising the wage floor for low-wage public sector workers -- along with addressing the conditions that have allowed precarious work to spread like its own kind of virus -- will foster significant benefits not just for the workers themselves.

Those extra wages will circulate in communities across the province. And all Ontarians will enjoy improved public services that aren't wracked by unfilled vacancies and overworked staff.

OPSEU/SEFPO urges government to repeal Bill 124 and make pandemic pay permanent.

## End privatization and stop privatizing the LCBO by stealth

While urging government to dramatically increase spending, OPSEU/SEFPO is also calling on government to dramatically cut the amount of money it is wasting on privatization.

A variety of studies and audits – including by the province’s Auditor-General – have shown that privatized public services cost billions more than necessary.

And as we have seen unfolding before our eyes, the much larger death toll in private long term care homes shows how dangerously ineffective privatized services can be.

It’s time to invest in public services, not privatized public services.

This includes the LCBO, which has a long and successful track record of both responsible sales and of returning billions every year to provincial coffers.

Although Bill 229 makes no specific mention of privatizing aspects of the LCBO or alcohol sales, it does contain worrisome provisions.

One provision transfers aspects of the Liquor Licence and Control Act from the legislation itself to regulations, while another increases the government’s power to create new regulations.

Regulations receive much less public scrutiny and oversight, and OPSEU/SEFPO is concerned that these moves are part of

a larger government plan to continue its “stealth” privatization of alcohol sales by slowly allowing more and more private sector involvement – along the lines of its recent decision to permanently allow restaurants to deliver potentially large amounts of alcohol to customers’ homes.

## Build the capacity of our health care and public services

Ontario’s health care and public services did not have the capacity to handle COVID-19. That’s why 2,000 have died in long-term care, and that’s why so many large communities are once again under hard lock down.

It needn’t and shouldn’t be this way.

Now is the time to build both the infrastructure and staffing capacities of our health care and public services to address pandemic surges and future pressures from an aging population.

And while Budget 2020 does increase spending on physical infrastructure, it fails to make any significant investment where it’s most needed: in building up the capacity of our social infrastructure.

Aside from dedicated COVID-19 funding, the budget, as tabled, does little to strengthen and expand the capacities of our health care system and public services.

For example, the base health care funding provided in Budget 2020 is simply inadequate. The 1.2 per cent increase to the

Ministry of Health won't likely keep pace with the general inflation rate and falls far short of the health care inflation rate which has been between five and six per cent.

So while health funding is increased in this budget, the increase is so low that it's effectively a small cut, and does nothing to make up for decades of lost capacity because of chronic underfunding.

The importance of quality health care has never been more clear, and the consequences of underfunding have never been more damaging.

Millions of Ontarians would not have to be on lock-down right now if our health care system was on stronger footing, robust enough to handle surges in COVID-19 cases.

Thousands of Ontarians would not be dead if our long term care system was not in such extreme disrepair.

And that's to say nothing of the extreme challenges facing the health system before the pandemic. Hallway health care. Ambulances forced to wait hours before being able to unload patients. And agonizingly long wait-times for mental health care, long term care, and home care. All in an era when our population is aging and the health problems we face become more acute.

Restructuring and amalgamations will not solve these problems – the only answer is significant investment in increased capacity not only in terms of buildings and beds, but also in terms of medical staff and professionals.

And while the investment required will be significant, so will be the returns on that investment. A healthier and more productive population. And when the next pandemic arrives, fewer deaths and fewer lockdowns.

Like health care, the province would benefit significantly from major investment in our education capacity. The province's college system, for example, was built by Progressive Conservative Premier Bill Davis in a bold bid to lift the entire province with higher learning.

We stand now at a moment when a similarly bold reinvestment in colleges would lift the province even higher.

The staffing shortages facing long term care provide a perfect example of what could be accomplished. Thousands of Personal Support Workers (PSWs) are needed in long-term care – the college system should be pressed into action to quickly teach and certify thousands of fully credentialed PSWs in communities across the province. That template can be replicated to address other staffing shortages across the board in health and front line social services.

Properly staffed and funded –and offering affordable or free tuitions – our colleges could easily respond to skills shortages and industry demands without having to resort to arbitrary performance indicators or a complex system of “micro-credentials.”

In health care, education, and all of our public services, the need for more capacity is clear. The time to build it is now.



## Create don't cut

After decades of budgets focussed on cuts and austerity, a budget that isn't primarily focussed on reducing public sector spending is a welcome change.

And while this budget commits significant spending to addressing the pandemic, it does little to address the decades of cuts and privatizations that make the COVID-19 response so difficult in the first place.

As OPSEU/SEFPO urged in its prebudget submission on Budget 2020, the government must begin seriously confronting the damage done to public services by decades of underfunding.

There has never been a better time for significant investment.

Politically, it has rarely been a more popular idea. The pandemic has truly opened peoples' eyes to the vital importance of strong public services, and the esteem with which they regard front-line public service workers has risen dramatically.

A variety of polls – including one commissioned by OPSEU/SEFPO earlier this year – bear this out. They consistently show that a strong majority believe that strengthening public services should be a much higher government priority than reducing the deficit.

In other words, people want government to create, not cut.

Economically, the time is also right for significant investment. The pandemic has pushed the province into a recession, and the appropriate fiscal response is increased government spending.

Ontarians expect and deserve more.

## Conclusion

In name and in spirit, the budget within Bill 229 is the first Ontario budget in years that begins to pay real respect to the public services and the front-line workers who provide them.

But one year of no cuts is not going to fix the damage that's been done by decades of cuts and austerity.

OPSEU/SEFPO urges the government to build on the 2020 budget and begin planning for bold and significant investments in the capacity of our health care and public services and, ultimately, in the people of the province.

These investments will be politically popular, economically sound, and they will help the province recover more quickly from this pandemic, and prosper in the months and years ahead.

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