

**Notes for a presentation to the  
Standing Committee on Finance and Economic Affairs  
By Leah Casselman, president, Ontario Public Service Employees Union  
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*Check against delivery*

Hello. My name is Leah Casselman, and I'm the president of the Ontario Public Service Employees Union.

OPSEU represents 100,000 Ontario workers in 525 bargaining units. Almost all of those units are at least partly funded by the province. We are very interested in the next Ontario budget.

In the Ontario Public Service, we represent direct government employees who perform hundreds of different jobs on behalf of Ontarians.

Our members are water inspectors and meat inspectors. We are correctional officers and court clerks. We are psychiatric nurses and tax auditors. We process birth certificates and issue OHIP cards. We regulate day care centres. We write the curriculum for our schools. The complex machinery of government depends on the work of OPSEU members.

The majority of OPSEU members work outside the public service.

We are a leading union in health care, representing home care professionals, ambulance paramedics, long-term care workers, hospital support staff, and hospital professionals. We are Ontario's leading union for mental health care workers. We are Canada's leading union for hospital professionals like lab technologists, respiratory therapists, and so on.

In education, we are the union for faculty and support staff in our community colleges. Our members work in universities and school boards.

In social services, we represent staff at Children's Aid Societies, children's mental health centres, young offender facilities, and homes for people with developmental disabilities.

Our members also provide services to municipalities, including property assessment for the Municipal Property Assessment Corporation.

This is only a brief sketch, but when it comes to public services in Ontario, OPSEU covers the waterfront. No organization that will come before you at these hearings has the breadth of experience that we do. So you should believe us when we say that Ontario's public services are in crisis.

OPSEU members have to deal with this crisis every day. If any of you have seen the new show, "This is Wonderland," on CBC, you may get an idea of the daily chaos in our criminal courts, especially in our big cities. It's a picture of a system on the verge of total breakdown. It's no wonder that the backlog in our courts now adds up to 99,000 cases, according to the provincial auditor. Judges may end up dismissing tens of thousands of criminal cases because the accused are not getting the speedy access to justice they deserve. I'm warning you now: if this happens, the people of Ontario will be outraged like you've never seen before. And they won't be interested in excuses. We must fix the problem.

The daily disaster in our public services is in no way limited to the courts. How many times have we heard people say, "This sounds like another Walkerton"? How many times have we heard people wonder, "Are there other Aylmers out there, waiting to happen?"

The sad answer is, public service tragedies are happening every day.

In long-term care facilities, thanks to the previous government, we have no minimum standard of care. This allows private operators to make sure staff are run off their feet every minute they're at work. This is not a recipe for quality care for our seniors.

In our colleges, where faculty have already been cut by 20 per cent, the employer is demanding that faculty members give up all limits on workload for preparation time, evaluation time, and one-on-one contact with students outside of class. Higher workloads mean poorer education. It's as simple as that.

In Children's Aid, social workers spend three-quarters of their time filling out forms instead of helping families and children in trouble. The last government doubled the funding for children's aid but tripled the workload. To keep our children safe, children's aid workers need to be face-to-face with clients, not filling out forms.

In home care, competitive bidding guarantees that care for your aging, sick or disabled family member will be provided by the lowest bidder. Non-profit organizations with long histories of providing quality care, like the Victorian Order of Nurses, are being driven out of home care by this cutthroat competition.

Ambulance dispatch is another example. The wages of communications operators are so low that positions remain vacant for months on end. Low wages mean high turnover rates, which means most dispatchers are basically still in training. Ontarians are dying because the last government wouldn't address this crisis.

In group homes for people with developmental disabilities, our members are routinely getting beat up because provincially funded agencies refuse to fund safe staffing levels.

Many of our public services are long past the point of meltdown. Try to imagine what this means for the people who are actually trying to provide these services. How would you like to work in the Don Jail?

These days, when our public services function at all, they function because frontline workers are going flat out. But there's a limit to how much you can stretch people. Superman and Superwoman can only carry so much.

Aside from on-the-job stresses, public employees have faced added stresses in their daily lives for over 10 years. After inflation, wages in the public service are 10 per cent lower today than they were 10 years ago. The situation is, if anything, worse in the broader public sector.

When people embark on a career, they want to move ahead. They want recognition for doing a tough job. They want respect.

Public employees got no respect from the previous government. There isn't a single worker in the Ministry of the Environment who can forget what Tory MPP Bill Murdoch said after the Walkerton disaster. He said that the problem with his government's cuts to the MoE was that they had laid off the wrong people.

This kind of insult was routine under the Tory government. It's not good for morale. And low morale is not good for public services.

Ontario desperately needs to rebuild public services. We desperately need to improve conditions for public sector workers. The two go hand in hand. When we hire enough staff, we reduce stress levels for public employees. And that makes their lives better. When wages match the skill levels that jobs demand, people are attracted to those jobs and want to stay in them. Their experience makes public services better.

OPSEU does not support any move to cut funding for any public service in Ontario.

Recently, our Minister of Finance, Mr. Sorbara, said there would be "no sacred cows" in his government's quest for cost savings. We believe the government has many options for raising

revenue. But on the expense side of the ledger – the public service side – I have to tell you, every sacred cow that could be slaughtered is already hanging upside down from a hook.

When it comes to particular public services, if the Tories didn't cut them, they couldn't be cut. The last government's zeal for cutting, privatizing, and downloading public services was unmatched in Ontario history. The Tories sold the furniture. They sold the groceries in the cupboards. They sold the light fixtures. They stripped the place bare.

So it's very upsetting to OPSEU members, who voted Liberal in large numbers, to hear a Liberal government come in and start talking about selling the furnace. It's simply not possible. There is nothing left to cut.

We are willing to accept Mr. Sorbara's rough estimate that Ontario has a "structural deficit" of \$4.5 billion a year. Because of the Tory tax cuts, this year's budget has about \$13.3 billion less in revenues than it would have had without the cuts. The chickens have come home to roost.

But after over two years of NDP cuts and over eight years of Tory cuts, Ontario does not have a spending problem. Ontario has a revenue problem.

We can solve this problem. Our economy is fundamentally strong. Interest rates are low. Inflation is low. The dollar is higher than it was, which may hurt exports, but on the other hand, the U.S. economy is now cranking up rapidly, which will help exports.

There is no reason Ontario has to suffer another Walkerton. We can easily house the homeless. We can afford to put provincial money into public transit. We can afford to live in a safe, healthy, orderly, well-governed modern society. But we can't do it if we don't rebalance our revenues to match our needs.

There are three ways we can do this.

The first way is through better management of public services.

Every provincial auditor's report since the Tories got elected has attacked their managerial incompetence. There are several things we can do to undo some of this damage.

1. Collect all corporate taxes. Half of Ontario businesses have not filed tax returns, the auditor says. This is not acceptable. We need to find out what they owe and make them pay.
2. Hire more tax auditors. You couldn't find a better investment. If new auditors find only an extra one per cent in revenue, that's \$500 million right there.
3. Get rid of consultants in the OPS. In 2002, the Tories spent \$662 million on consultants in the public service, a jump of \$400 million compared to a few years before. Many consultants are doing the same work that in-house public employees do, but at two, three, and even six times the hourly rate. It's time we stopped buying champagne and caviar for high-flying vultures.
4. Improve management and accountability at transfer payment agencies. Time and time again, the auditor has said that the government simply doesn't know whether or not money being spent by transfer payment agencies is being well spent. Our experience backs that up. Last year, for example, we learned that one young offender facility had received several million dollars to provide a service even though it did not provide any service at all during an 11-month lockout of its staff. We still don't know what happened to the money.
5. Fix the Family Responsibility Office. If you hire enough staff at the FRO to get caseloads there under control, you will save tens and even hundreds of millions of dollars in welfare costs. We say, make the deadbeats pay.

6. Abolish the Ontario Innovation Trust. As the auditor pointed out, we don't know anything about the Ontario Innovation Trust except that it has \$500 million of our money. Its real purpose was as a slush fund for Jim Flaherty's Tory leadership campaign. We don't support that use of tax dollars.

The second major way to rebalance Ontario's revenues is by closing tax loopholes.

Economist Hugh Mackenzie, with the Ontario Alternative Budget project, has identified over 50 corporate tax loopholes. Close the loopholes and you could boost government revenues by over a billion dollars. I encourage you to consult Mr. Mackenzie on this.

A big part of Ontario's economic success is our health care system. We've all heard about how every car built in the United States costs hundreds of dollars more because U.S. employers have to pay directly for employee health insurance. The Employer Health Tax is a very small price for Ontario employers to pay for this huge competitive advantage. We favour the elimination of all exemptions for the EHT. This would raise an extra \$1.1 billion.

The third major way to rebalance government revenues is to restore taxes to a level that will allow us to rebuild public services.

I say this because a) it's obvious; and b) most people seem to be scared to say it.

I'm not scared to say it. If we have to restore tax levels to rebuild our public services, then we should do it. The crisis we face in Ontario is not a financial crisis. It is a public service crisis. It is absolutely idiotic to deepen the public service crisis when the problem lies on the revenue side.

So, how much do taxes have to go up?

That depends. If the government implements all the suggestions here, it could take as little as \$1.4 billion to balance the books. \$1.4 billion is a tiny two per cent increase in personal and corporate taxes. How much would it cost most taxpayers? Not much. Half of Ontario taxpayers would pay less than \$60 more a year. Half would pay more than \$60. The average taxpayer would pay an extra \$130 a year.

Really, no one would notice it. Not many people would notice twice that amount, or even five times that amount. Remember, the Tories cut taxes by 30 per cent in their first term, and 20 per cent in the second term. Many Ontarians did not even notice these tax cuts. If they didn't notice the cuts, they certainly won't notice an increase that is much, much smaller.

Restoring taxes will not really be a problem for Ontarians. Whatever they invest, they will get back in the form of improved public services.

However, we recognize that restoring taxes may create a political problem for Liberals. To the Liberals here I say, give Ontario voters some credit. They were very clear on what they were voting on on Oct. 2. They had three choices: the Tories would cut taxes and cut public services; the NDP would increase taxes and improve public services; and the Liberals would improve public services by some means that wasn't exactly clear. Forty-six per cent chose the Liberal option.

You shouldn't think that Ontarians voted Liberal because they thought they could have their cake and eat it, too. They voted Liberal because they wanted somebody at Queen's Park who would fix our schools, improve our health care, and prevent the next Walkerton.

Now you've got control of the province's books. You can see what the situation really is. You don't have to base your plans on fictitious Tory numbers.

Tell Ontarians the real story. Go to them with a proposal for a reasonable tax increase. Tell them what they will get in return. If you do that, they will support you.

Thank you very much.