

Sisters and Brothers

Below is the head office fact sheets provided for your locals. H Our new website is launched and I have added the link for easy navigation. The pdfs are also available straight off the website here.

<http://www.opseu.org/information/im-voting-factsheets>

I can also order hard copies of the political party comparisons for your local. Please email me and let me know how many you need and I will get them to your nearest regional office.

Nothing left to cut: Ontario is dead last in public program spending

In this Ontario election, all three parties are talking about cutting program spending.

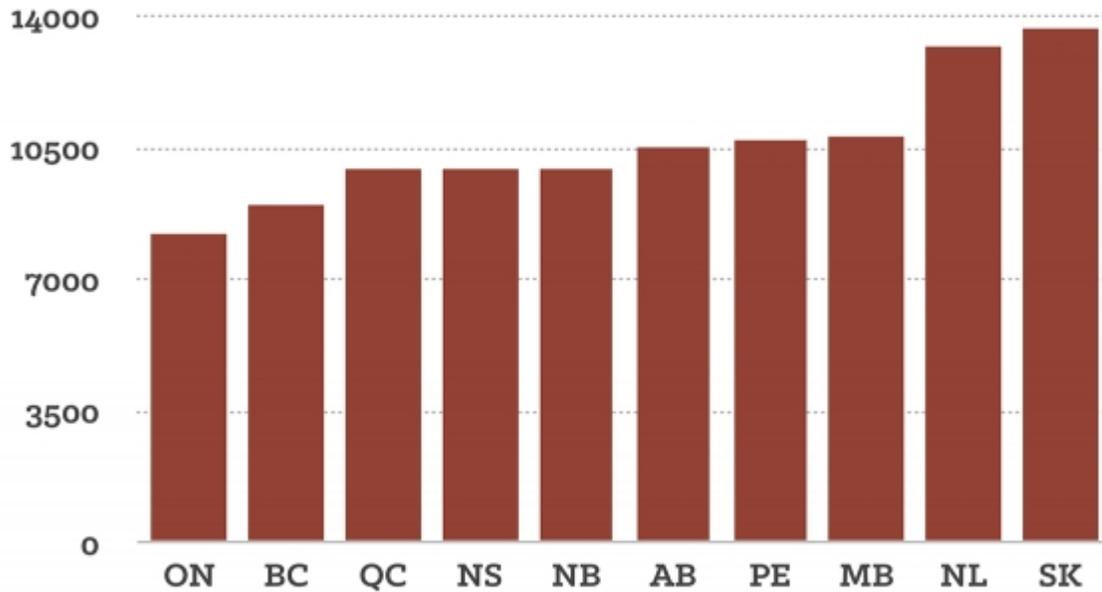
PC leader Tim Hudak says he'll fire 100,000 public employees and cut the provincial deficit by \$8.5 billion in one year. Kathleen Wynne and the Liberals say they'd keep cutting until the deficit is gone and find an extra \$1.25 billion in unbudgeted savings over the next three years. And NDP leader Andrea Horwath says she'd cut \$600 million in government "waste."

Are public dollars being misspent? Sometimes. Government pays more than it has to when private companies deliver IT services, medical lab testing, highway maintenance, and other services. Government pays more when it pays private-sector interest rates and profit margins for infrastructure projects like hospitals and gas plants.^[1]

But does Ontario spend too much on public services overall? For that question, the answer is **NO**.

Ontario spends less per capita on government programs than any province in Canada, the Ministry of Finance says. And not by a little: by a lot.

Chart 1.15 - Program Spending Per Capita in 2012-2013



*Note: Due to differences in accounting standards, figures may not be directly comparable.
Sources: 2012-2013 Provincial Accounts and Statistics Canada*

In 2013-14, Ontario spent \$8,598 per person on government programs. British Columbia spent \$8,979. If Ontario spent at B.C. levels, we've have an extra **\$5.2 billion** to spend on public services and infrastructure.

And other provinces spend even more. Last year, neighbouring Manitoba spent \$11,128 per person on programs. If Ontario spent at Manitoba levels, we'd have an extra **\$34.4 billion**. In other words, **we could pay off the current deficit and still have \$21 billion to spend on:**

- health care
- schools
- transit
- post-secondary education
- safe communities
- housing
- child protection
- women's shelters
- supports for people with disabilities
- drinking-water testing
- food security
- environmental protection

...or any of the other important needs that are going unmet in this province.

Ontario's public services are desperately underfunded. The people who provide those services are asked to do more with less every year. It's time Ontarians knew it: *our public services need proper funding, not more cuts.*

Question for politicians

Q. As you probably know, Ontario spends less per person on government programs than any other province in Canada. What is your plan to increase funding to public services to adequate levels? If you plan instead to cut public services, which ones will you cut, and can you explain how those cuts will affect our community?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

 [2014-05 im voting fact sheet public services letter e.pdf](#)

The real scandal is privatization: We've tried it. It failed.

No government policy of the past 20 years has a worse track record than privatization. Yet in Ontario, PC and Liberal politicians want the private sector to deliver *more* public services.

They say competition drives efficiency and means better service at a lower price. **The facts say otherwise.**

Since 1995, privatization has played a part in many fatalities and illnesses. Think of the Walkerton water tragedy. Think of the Sunrise Propane explosion. Think of traffic deaths on our highways which many have linked to poor maintenance.

Privatization is expensive. The private sector costs more than the public sector for IT services. For air ambulance service (ORNGE). For medical lab tests. Meanwhile, high-volume LCBO "agency" stores are pouring profits into private pockets – profits we're paying for. And we will *never* get our money back from the Highway 407 and Teranet rip-offs.

So-called "private-public partnerships" (P3) to build infrastructure like hospitals force the public to pay for private-sector profit margins, higher interest rates, and "risk premiums" to make sure profits are protected. The record shows: P3s **cost more** and **deliver less**.

The cancelled gas plants in Mississauga and Oakville got a lot of attention. But here's a fact that's overlooked: the gas plant scandal was a *privatization* scandal. When the Liberals cancelled

the plants, hedge funds in the U.S. and the Cayman Islands were paid \$149 million – *more than twice what they invested in the first place.*

The real scandal is privatization.

In this election campaign, Ontario PC leader Tim Hudak is clear: he'd privatize everything from building maintenance to gambling. Liberal leader Kathleen Wynne is looking at “asset recycling” and “unlocking the value of Provincial assets.” Her proposals are vague, but they still mean *privatization*.

For more details on privatization's track record in Ontario, please see www.opseu.org/epicfail.

Questions for politicians

Q. When it comes to value for money, no government policy of the last 20 years has a worse track record than privatization, as we can see from the Highway 407 lease, the Walkerton water disaster, the ORNGE fiasco, and the gas plant scandal. If your party wins government, will you work to bring privatized services and assets back into the public sector, or are you in favour of more privatization despite its dismal history?

Q. Every year, more and more Ontario government revenues are spent on purchasing services from the private sector instead of delivering those services directly. Given the increased role of the private sector in government, many people believe the private sector should be just as accountable to the public as the public sector is. If your party wins government, will you ensure that all companies or individuals providing services or financing to government or its agencies are covered under the rules of the *Public Sector Salary Disclosure Act*, also known as “The Sunshine List,” so the public will know who really benefits most from public spending?

Q. Since 1995, Ontarians have watched as public services and infrastructure projects were handed over to private operators and private financiers. Judging by the results of privatization, this has often been done with no clear rules to determine whether these projects were providing adequate service or delivering value for money to the public. Do you believe that privatizing public services is a good idea? If so, do you agree that any privatization should be subject to a “privatization test” to determine whether the privatization is a good idea *before* it happens? Would your party agree to give Ontario's Financial Accountability Officer both the responsibility and the resources to oversee the privatization test?

Q. Recently, the government of Ontario expressed interest in using “Social Impact Bonds” as a way to allow private investors to invest money and make a profit from social services like addiction treatment and child protection. Social Impact Bonds are essentially small-scale P3s. Do you support the idea of Social Investment Bonds, or do you support greater public funding for social services?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

War on unions, war on wages: Hudak is targeting you

Good jobs don't just happen.

It's a fact that bosses like to pay as little as possible for labour. History tells us that the only way working people ever win decent wages, benefits, pensions, and safe workplaces is by getting organized. That's why unions were invented. And at a time when more and more jobs are part-time, temporary, and insecure, that's why unions are more important than ever.

But Ontario PC leader Tim Hudak is on the side of the bosses. He knows unions succeed when they challenge business – and government – to share the wealth workers create. When it comes to labour law, Hudak has one main aim: to drive down wages. And to do that, he's attacking unions.

In 2012, Hudak said that if he were Premier, he'd let workers receive the benefits of union representation without paying the dues that make those benefits possible. His idea for U.S.-style "free rider" legislation did not go over well, however. Unions opposed it. So did people within the PC party. So in February 2014, Hudak dropped it. "Our agenda is a lot bigger, and a lot more ambitious, than that," he said.

Does this mean workers have nothing to fear from Hudak? No, it doesn't.

First, Hudak could say something different after the election. That's what happened in Michigan, where the governor opposed free-rider legislation before his election but passed it into law a month after. But even if Hudak's telling the truth, he still has labour in his sights. Based on PC private members' bills and their policy paper, "Flexible Labour Markets," here's what Hudak would like to see in Ontario:

- **Opting out of collective bargaining.** The PCs could require every worker in a bargaining unit to pay dues, but allow individual workers to opt out of the bargaining unit altogether. This is not the same as a free-rider law, but it could have the same effect. The PCs proposed the idea in two private member's bills.[\[2\]](#)
- **Destroying seniority.** The PCs want to void any contract clause that "grants a preference of employment to members of the trade union." This is a direct attack on seniority – no small matter if Hudak wipes out 100,000 jobs. Also, in the public sector this proposal would open the door to old-style patronage, where jobs in *public* service become a reward for *political* service.
- **Red tape.** Tories don't like regulations for business but they love them for unions. The PCs want unions to collect dues directly from their members, not through payroll deductions. They want all strike votes supervised by the Labour Relations Board or Elections Ontario. They want all union revenues and expenses over \$5,000 reported to

government and published. All of these measures would pull union resources away from representing members.

- **Shutting unions up.** Tim Hudak wants to stop unions from voicing opinions on political issues – such as his plans for labour law. Silencing opposition by blocking democratic unions from being heard is common practice in many countries, of course – just not the kind of countries we want to emulate.
- **Driving down wages.** All of the measures listed here would drive down wages by weakening unions. But Hudak and the PCs aren't stopping there. They want a legislated wage freeze for every public sector employee. They want to rig arbitrations so public employees' wages could only go down, never up. And they want to privatize more public services, which invariably lowers wages.

Tim Hudak gets his ideas around labour law from the United States. There, even states that *don't* have “free rider” legislation have found creative ways to bust unions. Laws in Wisconsin, for example, allow public employees to bargain collectively, but their unions can only bargain wages, and no wage increase above the rate of inflation is allowed.

Make no mistake about it: Tim Hudak is gunning for your union. He plans to cut your wages. He's coming after you.

Questions for politicians

Q. In the last two years there has been a lot of debate in Ontario about labour law. Can you explain the specific changes your party would make to labour laws, if elected, and why you would make those changes?

Q. If elected, will your party pass legislation to allow workers in unionized workplaces to opt out of paying dues, or to opt out of bargaining units altogether?

Q. One idea that has been raised in PC policy documents is the idea that anyone should be able to compete for any job in any bargaining unit regardless of any provision in a collective agreement. Do you support this idea, or would you allow employers and unions to continue to freely negotiate job security provisions? Do you support seniority as a principle to reduce favouritism in hiring decisions?

Q. With respect to labour law, what is the overall intention of your party's policies? Do you support measures to help unions succeed at organizing and collective bargaining to improve jobs for their members, or is your goal to limit union success and thereby keep labour costs low?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

 [2014-05 im voting fact sheet labour law b.pdf](#)

Get out and VOTE: Because the stakes are high this time

Some elections matter more than others. The June 12 provincial election is one of the big ones.

Ontario PC leader Tim Hudak poses the biggest threat to OPSEU members and their families since Mike Harris won the 1995 election.

Hudak says that if elected he'll fire 100,000 public employees. That's people in the public service. In health care. In social services. In school boards. In colleges and universities. In municipalities. In government businesses like the LCBO.

Only nurses, doctors, and police officers would be spared the axe, Hudak says. But of the rest, he'd fire **one out of nine**. That hurts the public services we all depend on. It hurts the economy we all share.

If that's not bad enough, Hudak also says he'll privatize more public services, freeze wages, and change labour laws to push wages down further.

Meanwhile, Kathleen Wynne and the Liberals are promising more privatization, too. They plan to keep cutting public services until 2017-18 and find \$1.25 billion more in cuts in addition to the ones already budgeted. Any wage increase you see – if you see one at all – will be paid for by layoffs and/or cuts to benefits.

The NDP, meanwhile, is promising to find \$600 million in “waste” in government program spending. So far NDP leader Andrea Horwath hasn't said whether the money would come from cancelling failed privatizations or somewhere else.

But here's the good news: OPSEU members can have a major impact in this election. And we only have to do one thing: VOTE.

With close to 130,000 members, we represent roughly 1.5 per cent of all eligible voters in the province. But if we all vote, we could be closer to 3 per cent. Why? Because in the last election, less than half of eligible voters cast a ballot. If that happens this time around, every ballot cast will count **double**.

The stakes are high in this election. Get informed about the issues. Watch the leaders' debate. Go to all-candidates' meetings in your riding. Visit www.opseu.org/vote2014 for party comparisons and fact sheets. Talk to your co-workers, friends, and family about the election. Tell them what's at stake.

Pick the candidate that's best for you, your family, and your community. And then go vote.

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

Killing jobs kills jobs: Why Tim Hudak's "plan" won't work

Ontario PC leader says he can create a million jobs in the next eight years. How? Well, to start, he'll fire 100,000 public employees.

Does this seem weird to you? It should. Because there's a problem with Hudak's plan: **It won't work.**

Hudak's plan is based on the fantasy that you can create jobs by taking money out of the economy. You can't. Provincial spending puts more than \$100 billion into Ontario every year. The wages of public employees buy groceries, pay rent, and put shoes on feet. Public sector wages are a key part of consumer spending. And when you cut consumer spending, you cut jobs.

Ontario's economy is not strong these days. Government spending is shrinking. Business investment is weak. And we're spending more on imports than we're earning on exports. This leaves only consumer spending to keep the economy afloat. Problem is, the typical consumer's income hasn't gone up for decades, and household debt is at record levels. So consumer spending is weak, too.

So how will Tim Hudak help? He won't. Instead, he'll put 100,000 consumers on the unemployment lines. And when 100,000 public employees stop spending, another 65,000 private sector employees lose their jobs, too. So that's the starting point for Hudak's plan – a *cut* of 165,000 jobs.

Hudak's plan to *cut* jobs is real – it is something that a Premier can actually do. But the benefits of doing so are *not* real. They're *imaginary*.

Hudak thinks cutting corporate income taxes by 30 per cent – at a cost to government of over \$3 billion a year – will make businesses invest. It won't. Governments have been cutting corporate taxes in Ontario for a decade, yet business investment has gone down, not up. Canada's corporations are now sitting on *\$638 billion* in cash that they are not investing. Why? Because their customers are all broke. And under Hudak's plan, 165,000 *more* people will be broke, too.

A real plan to create jobs would be to invest in public services and infrastructure. A real plan would create a real industrial strategy – not just take a "hands-off" approach and hope for the best, as in Hudak's plan.

For most of the last 25 years, Ontarians have been promised "jobs, jobs, jobs" through free trade deals, cuts to public services, more privatization, and tax giveaways to corporations and the wealthy. Tim Hudak is a big cheerleader for these policies because they transfer money from people to profits. But they don't help regular people.

Things can only get worse if we go along with Hudak's plan. Because killing jobs kills jobs.

Question for politicians

Q. What is your job creation strategy for Ontario? Do you believe it is possible to create jobs by laying off 100,000 public employees and taking billions of dollars out of the economy?

Q. Do you believe corporate tax cuts create jobs? If so, what is your evidence? Why do you believe this when, in the last decade, corporate tax rates have fallen and business investment has fallen, too? Also, at a time when Canadian corporations are already sitting on \$638 billion in cash, what makes you think giving them more cash will make them invest?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

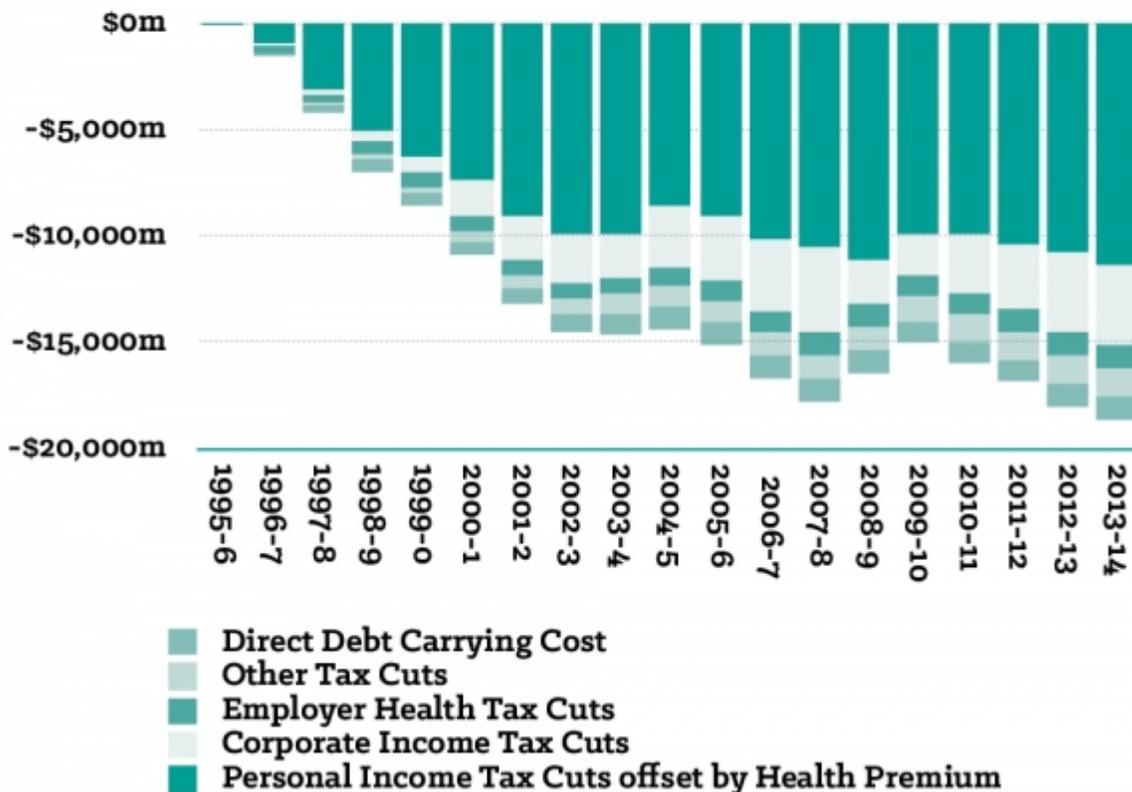
 [2014-05 im voting fact sheet jobs b.pdf](#)

Billions of dollars are missing: And it's killing public services

Ontario has the lowest program spending per person of any province in Canada. We're **not** spending too much on health care, or children's aid, or any other public service.

Yet we still have a provincial budget deficit that's over \$12 billion. Why is that?

Ontario government net revenues lost as a result of tax cuts, 1995-96 to 2013-14 (\$millions)



There's a simple answer: tax cuts. Right now, provincial coffers are missing more than \$18 billion a year because of them.^[3] Don't believe it? Here's the story:

In 1995, Ontario PC leader Mike Harris promised to cut personal income taxes by 30 per cent. He did it. In 1999, he promised to cut them by a further 20 per cent. He did that, too. But that's not all the Tories did.

The PCs cut the Employer Health Tax. They cut corporate taxes. They cut other taxes. In fact, in the 2000 Budget speech, then Finance Minister Ernie Eves bragged that he had made **99 tax cuts** since taking office. And he kept on cutting after that.

Those tax cuts came at a price. Harris cut nursing positions. He slashed social assistance rates. He closed water testing labs. He leased Highway 407 and let tolls go sky-high.

Some people think Liberal Premier Dalton McGuinty increased tax rates back to where they were. He didn't. The Ontario Health Premium (OHP), which arrived in 2004, now raises about \$3 billion a year. But McGuinty's tax cuts to business cost much more than that.

The 2014 budget says Liberal cuts to the corporate income tax rate cost \$2.3 billion a year. The elimination of the Capital Tax – a tax on big piles of corporate money – now costs us \$2.1 billion

a year. And the personal income tax cuts McGuinty brought in to reimburse Ontarians for the HST caused a further net reduction in public service funding.

Add up two decades of tax cuts and what do you get? \$18 billion a year – gone.

In other words, if Ontario’s tax rates were the same today as in 1995, the deficit would be gone and **we’d have an extra \$6 billion** to spend on public services and infrastructure.

Billions of dollars are missing. And it’s killing public services.

Question for politicians

Q. Following tax cuts since 1995 by both Conservative and Liberal governments, the province now receives \$18 billion less in revenues each year than it would have if taxes had stayed at their 1995 levels. The result is that Ontario has the lowest program spending and the highest deficit per person of any province in Canada. Given that the money lost to tax cuts has mostly gone to profitable corporations and high-income individuals, will you bring in tax fairness measures to restore our ability to fund public services and balance the books? What changes would you make to the tax system, and why?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

 [2014-05 im voting fact sheet taxes b.pdf](#)

Income inequality: A very real concern

All around the world, a lot of people are concerned about income inequality.

Here in Canada, income inequality has been on the rise since the 1980s. From 1980 to 2005, the poorest fifth of Canadians saw their incomes fall by 20 per cent on average, while the richest fifth saw their incomes rise by 16 per cent on average. And in that group, it was the top one per cent who got richest quickest. From 1987 to 2007, the top one per cent of Canadian earners got **32 per cent** of all the income gains in the country!

We have now reached the point where Canada’s top 100 CEOs earn, on average, **171 times** what the average full-time, full-year worker makes.

The rich are getting richer, and the poor are getting poorer.

Income inequality isn’t just about how much money people have. It’s about the disparity between the “haves” and the “have-nots.” In their ground-breaking book, *The Spirit Level*,

researchers Richard Wilkinson and Kate Pickett found a connection between income inequality and:

- reduced trust in public institutions;
- lower social status for women;
- higher rates of mental illness, obesity, homicide, teen pregnancy, and infant mortality;
- poorer educational outcomes;
- shorter life expectancy;
- reduced social mobility; and
- slower economic growth.

It is possible to reduce income inequality. It can be done through wages. It can be done through taxes and public services. Either way, government has a big role to play.

By improving employment standards and labour laws, government can ensure that working people get a fair share of the money they earn for their employers. Through tax fairness, government can use society's wealth to ensure that quality public services and opportunities to succeed are available to all.

Every government budget affects income inequality, for better or worse. But too often, the effect is either hidden or not measured. That is why OPSEU supports the idea of a "Fairness Test."

The Fairness Test is a process to measure the overall impact on income inequality of every Ontario budget. OPSEU proposes that the Fairness Test be overseen by the province's Financial Accountability Officer, and that the results of the Test be published each year and announced by the Minister of Finance in the annual Budget speech.

There are many benefits to reducing income inequality. When we measure it, we make it important. And when we make it important, we start to make progress.

Questions for politicians

Q. In recent years the issue of income inequality has received a lot of attention. Income inequality has been linked to reduced trust in public institutions, higher rates of teen pregnancy and infant mortality, and slower economic growth. If elected, will your party take measures to reduce income inequality in Ontario? If so, what measures would you take?

Q. Many people these days are concerned about rising income inequality. We are now at the point where Canada's top 100 CEOs earn, on average, 171 times more than the average full-time worker. Government budgets can make income inequality better or they can make it worse, but the effects of budget decisions are often hidden or not measured. One solution is called the Fairness Test, which would require the government to create a process to measure the impact on income inequality of every Ontario budget and publish the results of the Test each year. Would you support a Fairness Test for Ontario budgets?

Download factsheet leaflet

Select this link to download a PDF copy of the printed factsheet.

 [2014-05 im voting fact sheet income inequality b.pdf](#)

Footnotes:

[1] See www.opseu.org/epicfail for details.

[2] The most recent of these was Bill 64, available at http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2786&detailPage=bills_detail_the_bill. PC policy papers on labour law and the public sector are available at <http://www.ontariopc.com/white-papers>.

[3] Source: Mackenzie, Hugh (2010). *Deficit Mania in Perspective*. Toronto: Canadian Centre for Policy Alternatives. Updated by author November 2013.

Download all factsheets

Select the links below to download a PDF version of each factsheet individually.

-
-
-
-

Chris Cormier
OPSEU Regional Vice President
Region 4
chrisopseu@gmail.com
613 921 5346