



Austerity and service cuts

What is “austerity”?

Austerity means cutting government spending by lowering wages and cutting public services. Though the financial crisis and corporate tax cuts caused Ontario’s deficit, the government is trying to pay it down on the backs of workers through austerity measures such as wage freezes, privatization, layoffs and closures.

Why attack us?

Tax cuts for corporations and the wealthiest Ontarians have reduced government revenues by \$17 billion per year. If the deficit were really the problem, the government would reverse those cuts, eliminating the deficit with billions to spare for expanding social programs and services. That, in turn, would create jobs and increase the tax base.

Unions are a political force in Ontario fighting for improved services and working conditions. If unions are weakened or eliminated entirely, who will oppose more tax cuts for the rich? Who will fight for expanded publicly-operated services?

What is the cost of austerity?

Public programs are the great equalizer in our society. Cut programs and inequality increases. The richest 1 percent of Ontarians saw their incomes nearly double over the past thirty years, while the bottom 50 percent saw their real earnings *go down*.

Cuts included in the last budget will remove an estimated \$20 *billion* and 100,000 jobs from the economy over the next few years, slowing the already fragile economy by 3 percent and possibly sending Ontario back into recession.

Recent austerity measures include:

- \$3 billion+ cut from hospital budgets over several years, even though Ontario already spends less per person on hospitals and has fewer beds than any province;
- \$2 billion cut from schools, which will result in thousands of lost jobs and dozens of school closures;
- \$160 million cut from post-secondary education while Ontario continues to have the highest tuition rates in the country;
- Cuts to provincial-municipal transfers, despite continued downloading of some services (eg: Community Start-Up, Disability)
- Real funding cuts will mean waitlists for developmental services (currently at 23,000 people), childcare (21,000 in Toronto alone), home care (10,000), long-term care (32,000), affordable housing (156,000) and other services will continue to grow as fewer and fewer Ontarians are able to access the services they need.