



Pre-budget Submission

Standing Committee on Finance and Economic
Affairs

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President

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Canadian Union of Public Employees Ontario

The Canadian Union of Public Employees (CUPE) Ontario is the largest union in the province with more than 260,000 members in virtually every community and every riding in Ontario. CUPE members provide services that help make Ontario a great place to live. CUPE members are employed in five basic sectors of our economy to deliver public services: health care, including hospitals, long-term care and home care; municipalities; school boards in both the separate and public systems; social services; and post-secondary education. CUPE members are your neighbours. They provide care at your hospital and long-term care home. They deliver home care for your elderly parents. They collect your recyclables and garbage from the curb. They plough your streets and cut the grass in your parks and playgrounds. They produce and transmit your electricity, and when the storm hits in the middle of the night, they restore your power. CUPE members teach at your university and keep your neighbourhood schools safe and clean. They take care of your youngest children in the child care centre and make life better for developmentally challenged adults. They protect at-risk children as well as those struggling with emotional and mental health issues.

Our members do this work every day, and as a collective experience it equips us to make a positive and informed contribution to the discussions around the provincial budget and the priorities of Ontarians. We support the development of vibrant, healthy communities and strong local economies, and part of this can be realized through a provincial budget that invests in people and public services.

Introduction

In the Minister of Finance's Fall Economic Statement the government once again reiterated that the province will have a balanced budget by 2017-18.¹ Shortly thereafter, the Financial Accountability Office released a report that evaluated that claim, and concluded that this projection is based on overly optimistic assumptions, and it is unlikely that the budget will be balanced without spending cuts or increased revenues.² Cuts to expenditures will have profoundly damaging effects on the quality services that people rely on, and should therefore be a non-starter.

Ontario continues to have unnecessarily low corporate taxes, in absolute and comparative terms. There is room to tax, and the government should use it. Increases to corporate taxes will not have an adverse effect on the provincial economy, but austerity will. There is compelling evidence that demonstrates that eras of relatively high corporate taxation are actually consistent with high levels of economic growth, while eras of low corporate taxes are correlated with periods of slower growth.³ The premise that low taxes promote growth is based

¹ Charles Sousa, Minister of Finance, *Building Ontario Up For Everyone: 2016 Ontario Economic Outlook and Fiscal Review*, November 14, 2016.

² Financial Accountability Office, *Assessing Ontario's Fiscal Outlook*, November 28, 2016.

³ Jordan Brennan, *Do Corporate Income Tax Rate Reductions Accelerate Growth?*, Canadian Centre for Policy Alternatives, November 2015.

on an ideology that has no basis in reality. That ideology must be jettisoned in favour of a sound fiscal framework that raises enough tax revenue to provide quality services and redistributes wealth.

We would like to also point out, once again, that the government's target for balancing the budget is artificial. There is no deficit or debt crisis. In fact, Ontario's debt to GDP ratio is entirely manageable.⁴ The global economy remains vulnerable, as does the economy of Ontario. Attempting to balance the budget too quickly through austerity measures will intensify that vulnerability.

The Minister of Finance projects that the Ontario economy will grow by an average of 2.2% from 2016 – 2019. But that average is only that high because growth in 2016 is predicted to be 2.5%. Growth rates are predicted to slow in each subsequent year, to 2.2% in 2017, 2.1% in 2018, and 1.9% in 2019.⁵ Clearly the Minister recognizes the weakness of the province's economic position, even if the data are presented in a slanted way to appear better than they are. In this context, the appropriate measure would be to abandon austerity, increase expenditures on public services, and increase corporate taxes to pay for them. Changing course might mean a delay in balancing the budget. But it will eventually be balanced under an anti-austerity approach, and the people of Ontario will be better off as a result.

Despite the preponderance of evidence that austerity is harmful to people's wellbeing, and hinders economic growth and development⁶, this government has continued its commitment to this failed political project.

Austerity has a number of different features, all of which have characterized the policies of this government since at least 2010. It is characterized by expenditure restraint, in the forms of spending freezes and nominal and real cuts to spending. It involves rolling back of the scope of government, including lowering government expenditures as a percentage of GDP, and celebrating the fact that Ontario has lower per capita expenditures on public services than other provinces. Austerity involves the divestment of the public of its assets and services through privatization and contracting out. Tax cuts, especially to corporations and the wealthy, also define this mode of governance, as these cuts starve public coffers of necessary resources and add pressure to shrink the state. On the balance, austerity encompasses an array of policy choices that diminish the role of the state, scale back program expenditures, and predominantly benefits the owners of capital at the expense of the working class.

A hallmark of CUPE Ontario's pre-budget submissions has been the call to end austerity, and embrace a comprehensive agenda to redistribute wealth through an expansion of public

⁴ Sheila Block, *No Crisis on the Horizon: Ontario Debt 1990 – 2015*, Canadian Centre for Policy Alternatives, January 2016.

⁵ Charles Sousa, Minister of Finance, *Building Ontario Up For Everyone: 2016 Ontario Economic Outlook and Fiscal Review*, November 14, 2016.

⁶ <http://www.ieo-imf.org/ieo/pages/CompletedEvaluation227.aspx>.

services and public ownership. We once again renew this call. Austerity has failed most of us, and it threatens to further weaken Ontario's economic potential.

Revenue

It will come as no surprise that the first issue that we will address is government revenues. It has been said before, but it bears repeating, the government does not have a spending problem, it has a revenue problem. The budget deficit remains, even after almost a decade of austerity. The people of Ontario continue to feel the pain of government policies that freeze spending, or cut expenditures in real or nominal terms. The deficit, and program austerity are directly related to the failure of this government to tax appropriately.

Real cuts in expenditures can only have deleterious effects on people who utilize public services and the workers who deliver them. The rot goes much deeper than that though. Real cuts to program spending gouge money out of the economy, and contribute to worsening economic inequality.⁷ In fact, it is clear to a broad spectrum of economists that economic inequality is a fetter to economic growth.⁸ Leaving the market to itself will only worsen inequality. The only possible way to mitigate against the growing gap between the wealthy and the rest of us is through concerted government action. This requires government expenditures on public services (discussed below), financed through a progressive tax system that places a higher tax burden on corporate income taxes and those earning high incomes.

Improving the lives of the majority of people living in Ontario, and creating the conditions for more stable economic growth requires an abandonment of the reckless low-tax policies that this government has embraced on ideological grounds. An immediate increase in corporate tax rates to pre-2010 levels is required.

The practice of selling off public assets to raise revenue must also be abandoned. In recent years the government has deployed an array of Orwellian terms for privatization, including "unlocking the value of assets" and "broadening the ownership". In reality these terms mean "divesting the province of the value of assets", and "narrowing the ownership of assets". Once value is "unlocked" in the way the government means, it is actually transferred to private sectors for their own interests. Taking an asset that is owned by all of the people of Ontario, and giving ownership (in whole or in part) to a smaller group of people, is not a broader base of ownership. It robs people of what they spent generations to build for the public good – transferring it to the private sector for narrow self-interests. Privatization of assets denies us of the ability to use those resources for the public good. In the end, it always makes governing more expensive.

⁷ Broadbent Institute, *Haves and Have-Nots: Deep and persistent wage inequality in Canada*, September 2014.

⁸ Canadian Center for Policy Alternatives, "Do corporate income tax rate cuts fuel growth or just cash hoarding?", December 7, 2015; OECD, *Focus on Inequality and Growth*, December 2014, <http://www.oecd.org/social/Focus-Inequality-and-Growth-2014.pdf>

Relatedly, the practices of using Public Private Partnerships (P3s), and contracting out of services must end. As the Auditor General has noted, P3s have cost the government more than had projects been financed and run publicly.⁹ Contracting out and privatization of services only enriches the owners of the businesses that pick up these contracts, while degrading the quality of the services and diminishing the quality of jobs of the workers who deliver the services.¹⁰

Increase Funding for Public Services

Below is a list of proposals for investments in public services. In several instances, we point to ongoing consultations initiated by the government. While our intent is to continue to make submissions to these consultations, it is necessary to include comment on them in this pre-budget submission. Consultations on the Gender Wage Gap, Basic Income, the Long-Term Energy Plan, the Changing Workplaces Review, and others will identify several programs that must be funded if the government is going to achieve any success at meeting its stated goals. But these consultations are not the only areas on which comment is required. Funding commitments to an array of policy areas is required to improve services.

Funding to address the gender wage gap:

The Gender Wage Gap (GWG) consultation resulted in a several recommendations for government action.¹¹ Many of these will require immediate expenditures to reduce the gap. It is heartening that the government has committed to creating an additional 100,000 licenced childcare spaces in Ontario, which will help meet the first recommendation arising out of the GWG consultation. The commitment to spend \$1-3 billion over five years should begin with an immediate investment of \$500 million. All investments in childcare should be for the creation of public, not-for-profit spaces, and must be made affordable for all families to make it fully accessible to people regardless of income.

But the creation of new child care spaces is not enough. Funding is required for existing childcare centres that are still reeling from the introduction of a new funding formula including changes to previous wage grants and the introduction of full-day kindergarten. An immediate infusion of \$300 million is required to address the existing crisis in the system.

Pay Equity is another tool for addressing the gender wage gap. Commitment to the principle of equal pay for work of equal value must be accompanied by sufficient cash transfers to public sector workplaces to ensure that pay equity adjustments do not come at the cost of services or jobs. Without fully funding pay equity obligations, public sector employers are left with a no-win situation in which they either fail to meet the pay equity obligations (and thus violate women's human rights) or cut services and jobs, which adversely affect service recipients and workers alike.

⁹ Auditor General's Report 2014.

¹⁰ Canadian Centre for Policy Alternatives – Saskatchewan Office, "Privatization Nation: The Canada-wide Failure of Privatization, Outsourcing and Public-Private Partnerships", November 2015.

¹¹ Gender Wage Gap Steering Committee, *Final Report and Recommendations*, June 2016.

Basic Income Pilot:

In the 2016-17 budget the government announced the introduction of a Basic Income (BI) pilot. The stated goal of the pilot was to “test whether a basic income would provide a more efficient way of delivering income support, strengthen the attachment to the labour force, and achieve savings in other areas, such as health care and housing supports.”¹² There is much in this approach that is misguided. First, the primary goal of any approach to income support should be the elimination of poverty. Instead, the BI pilot is intended to find efficiencies in administration of income support and other programs like health care and housing. Prioritizing efficiencies will undermine the poverty-reduction goals.

Relatedly, the goal of “finding efficiencies” leads to the conclusion that a high priority of the government is to cut, in absolute or real terms, the budgets for other departments. Cuts of this nature are destructive to the overall quality of public services and the role they play in reducing economic inequality. Those cuts are always felt most acutely by people living in poverty. Cuts in program expenditures (and along with that the unavoidable cuts in quality of services) will undermine the overall poverty reduction strategy. While an increase in income can make a difference in the lives of people living in poverty, much more substantial improvements in their lives are achieved through a robust system of public services (health care, housing, employment services, child care, public transportation, education, etc.). If the cost of increasing cash transfers to individuals is cuts to other budgets, the likely outcome will be a worsening of real poverty because increased money will not (and cannot) be enough to fully compensate for the additional costs of services that will be borne by those living in poverty. We do support increasing cash transfers to individuals. But those increases must be coupled with improvements to public services, which will necessitate increased funding for those services.

Hugh Segal’s discussion paper on BI indicates that the scope of the pilot will be incredibly limited. Segal’s recommendation to run a pilot in three saturation sites and one Randomized Control Trial (RCT) site¹³ effectively means that the majority of social assistance recipients will be denied real increases to their incomes for up to four years (4 months for the design of the project after the consultation process, 3 years for the trial, and then an indeterminate time for evaluation of the pilot).

Based on the design that Segal has recommended, there does not need to be a trial. It is axiomatic that increasing people’s incomes will help them afford more of life’s necessities. And the government has always had the capacity to make it easier to access social assistance, and to remove barriers to employment for those on social assistance. Those measures can be done immediately.

But increasing social assistance income alone will not be enough. The services provided by Ontario Works (OW) and Ontario Disability Support Plan (ODSP) employees are invaluable to improving the lives of assistance recipients. The Segal discussion paper argues that for the pilot

¹² Ontario Budget 2016-17

¹³ Hugh D. Segal, *Finding A Better Way: A Basic Income Pilot Project for Ontario*, August 2016.

project there should be no reduction in staff in OW and ODSP offices, and that the workloads of staff in those offices be altered to include the provision of a number of different services for clients. Augmenting services will add material benefits to clients, and contribute to improving the anti-poverty strategy.

It must also be recognized that there are many other services that must be provided to fight against poverty. There must be a strategy to provide affordable housing for all, perhaps based on a rent-g geared-to-income basis. Leaving housing up to the private market makes it impossible to ensure that there is sufficient affordable housing available. Merely transferring money to individuals will not protect them from a market that continues to price housing out of their reach. We do support increases to social assistance payments, but it must be recognized that an active role for government in creating affordable housing is also required.

Additionally, people need access to affordable public transit to have full access to their communities. Increases to fares and reductions to services hurt lower income individuals and families. Access to affordable child care is a necessary component to fighting poverty, especially for poverty experienced by women. Access to education and training needs to be made more affordable to give people living in poverty access to skill development that will improve their ability to compete in the labour market. It is more effective to provide funding to service providers to make education and training affordable than to expect that cash transfers can effectively cover the cost.

All told, public services provide a more effective strategy for combatting poverty than direct cash transfers to individuals. They provide access to what people need, based on their own circumstances, in a cost-effective way. Assuming that people can pay for everything they need based on an income that still falls below the poverty line (based on Segal's recommendation that BI be set at 75% of the Low Income Measure) is misguided and foolish.

It also needs to be noted that BI, or enhanced OW/ODSP payments, should not come at the expense of government action on improving employment and labour relations standards, or on job creation programs. One of the goals of the BI initiative is to incent social assistance recipients to find paid employment. In the absence of a full employment strategy, these workers will be seeking jobs in a climate of 6.5% unemployment and high rates of underemployment. Adding more people to the labour market will have a wage suppressing effect. The consequence of this model of BI could be to make it more difficult for all working class families to earn a living wage.

In the absence of strong employment and labour standards, and in light of the wage suppressing effects of adding additional workers to the labour market, BI (or enhanced OW/ODSP) will likely act as a subsidy to low wage employers. That is to say, the pressure to increase wages in much of the economy will be lessened by cash transfers from government. In order to eliminate the risk of subsidizing low wage employers, the government should also increase the minimum wage to \$15/hour, index it to inflation, and review it on a regular basis with the goal of ensuring its adequacy. Furthermore, the government should fully implement our recommendations on the Changing Workplaces Review to improve employment and labour

standards. These measures will ensure that workers can earn a living wage, and benefit from increased security at work, which are necessary to a comprehensive anti-poverty strategy.

Municipal Social Services:

As discussed in the section on the Basic Income pilot, Ontario Works staff provide quality services to social assistance recipients beyond just providing access to cash transfers. Time spent with clients provides necessary support. Funding for municipal social services must include increased funding to municipalities, Consolidated Municipal Service Managers and District Social Service Administration Boards for more one-on-one case planning time with social assistance recipients. Additionally, the government should dedicate additional resources to vital Ontario Works employment services so that unemployed Ontarians have access to quality, accessible and individualized services that will support their re-entry into the workforce.

As part of a comprehensive anti-poverty plan, the government should commit to an immediate 55% increase to Ontario Works and Ontario Disability Support Program rates to bring them back up to the same purchasing power had in 1994 prior to the massive rate cuts. We also encourage the government to make social assistance more accessible by eliminating the restrictive eligibility requirements.

Developmental Services:

Operating budgets for community living agencies in Ontario have been frozen for over five years. A funding freeze is in reality a budgetary cut as costs increase yearly with inflation. The government made a \$810M investment in developmental services over three years in the 2014 budget. However, over half of this money went into individualized funding and project-based funding for innovation and employment. None of this investment went to increase the operating budgets of agencies. Funding for agencies must be increased to meet client need for quality services.

This freeze has put pressure on developmental service programs and services and made it difficult for direct support staff to foster the inclusion of people supported in their communities. It has resulted in reductions in staffing and more part-time work resulting in reduced quality and continuity of services. We encourage Ontario's 2017 budget to increase base funding to developmental services agencies by 5% per year over the next three years to address the funding crisis. In addition, we urge the government to establish a dedicated pay equity fund for the broader public sector in order to foster compliance with pay equity legislation. Years of government austerity has made it extremely difficult for employers to meet their obligations without cuts to services and staffing.

The lack of investment has also resulted in the continuation of a shocking 12,000-person waitlist for residential services. One of the guiding principles of the final report by the Select Committee on Developmental Services was: No more waitlists. Unfortunately, barely a dent has been made in the residential waitlist since the release of this report in July 2014. The cost of

eliminating the waitlist for residential support is estimated at up to \$1.2 billion per year. We urge the government to put in place a concrete plan with yearly increases in budget to eliminate the residential waitlist.

Community Agencies:

Precarious employment practices have expanded throughout the community agency sector due to declining transfers from many provincial ministries including the Ministry of Community and Social Services, Ministry of Health and Long Term Care, Ministry of Advanced Education and Skills Development, Ministry of Children and Youth Services and the Ministry of Community Safety and Correctional Services. Front line workers have experienced increasing vulnerability as a result. This affects the continuity and quality of the important social services that are provided to the public. It also runs contrary to the stated goals of the Changing Workplaces Review to remedy the problems of increasing precarity in employment.

The government of Ontario has a critical role in ensuring decent work for social service workers and quality programs and services as the primary funder. The government needs to immediately increase provincial allocations to social service agencies by 5 per cent each year to help offset the years of underfunding and losses incurred by inflation. It will also be necessary to provide core funding to Ontario's social service agencies, and provide social service agencies with funding sustainability through long-term contracts.

Children's Aid Societies:

Accountability Agreements with mandatory balanced budgets make it difficult for many Children's Aid Societies to meet their child welfare mandate. The 2015 Auditor General's Report stated that almost half of Ontario CAS received an average of 4.5% less funding in 2013/14 than in 2012/13. In fact, CAS budgets have only increased 1% since 2010 despite inflation increasing costs of transportation, electricity and water every year.

The province needs to increase CAS funding and revisit its funding model to ensure a solid network of support for children and families in the province. Ontario families need an end to the layoffs, case load increases and cuts to the very programs designed to keep families together. The province needs to reinvest in Child Welfare with a particular view to prevention as well as protection services, to reverse cuts and temporary closures. Specifically, we ask the government to provide an additional \$100 M in funding to Children's Aid Societies.

Health Care:

Underfunding in health care has created problems in hospitals, long-term care and homecare. The 2016 Auditor General's report identified long wait times in emergency rooms, as well as for surgeries.¹⁴ Despite the government's recent increases to hospital funding, damage has been

¹⁴ Auditor General's Report, 2016.

done to the system by years of real cuts that resulted in the failure to increase budgets sufficiently to keep pace with higher rates of inflation in the health care sector.

There must be at least a 6% increase in all health care funding in this budget to account for increasing costs. Additional funding will be needed to make up for years of underfunding to help undo the damage of years of austerity. It will also be necessary to fund Long-Term Care sufficiently to provide a minimum of 4 hours of care for each resident. A large body of literature has been written to support the case that a minimum of four hours of care is necessary to provide adequate health and other services to residents.¹⁵ Special attention will also need to be paid to home care, as the downloads from hospital and LTC have meant that the existing (above average) funding increases have actually resulted in cuts to care, with lower acuity patients losing care. This has to stop.

School Boards:

Transfers to school boards continue to be based on a flawed funding formula, the origins of which date back to the Mike Harris era. This funding model has failed to deliver adequate resources to schools across the province. Hugh Mackenzie identifies several significant problems with the funding formula. It is based on an antiquated notion of what should be funded, focusing on reading, writing and math but not properly funding everything else needed for a 21st century education system (e.g. arts, libraries, field trips, etc.). Although funding has increased by 20%, in real terms, since 2003 the government has failed to fully fund new mandates, including full-day kindergarten and smaller class sizes, which has put a strain on the system as a whole. Moreover, the funding formula is insensitive to real differences between boards, and ultimately provides inadequate funding as a result.¹⁶

Underfunding of K-12 education has led to inadequate support for special education, leaving vulnerable students without the resources they need.¹⁷ It is widely recognized that boards are not funded for the full cost of special education. Schools are facing a massive deferred maintenance problem, requiring \$15 billion just to fix what is currently in need of repair.¹⁸ Deferred maintenance on buildings, heating and cooling systems, and other requirements, create inhospitable environments for learning, and put undue strain on students.

¹⁵ Donna Bains and Pat Armstrong (ed.), *Promising Practices in Long Term Care: Ideas Worth Sharing*, Canadian Centre for Policy Alternatives, 2015/16, <https://www.policyalternatives.ca/publications/reports/promising-practices-long-term-care>; Pat Armstrong and Tamara Daly, "There Are Not Enough Hands: Conditions in Ontario Long Term Care Facilities", July 21, 2004; *Re-Imagining Long Term Care: An International Study of Promising Practices*, <http://reltc.apps01.yorku.ca/>

¹⁶ Hugh Mackenzie, *Harris Era Hangovers: Toronto School Trustees Inherited Funding Shortfall*, CCPA, February 2015.

¹⁷ People for Education, "Special Education (excerpt from the 2015 annual report)", <http://www.peopleforeducation.ca/wp-content/uploads/2015/07/special-education-2015.pdf>

¹⁸ Fix Our Schools, "If you believe your child's school is in good shape ... you may be surprised", November 9, 2015, <http://fixourschools.ca/2015/11/09/if-you-believe-your-childs-school-is-in-good-shape-you-may-be-surprised/>

Lack of funds has put pressure on boards to close schools as a cost savings measure. The end to top-up funding for schools with less than full enrolment has put additional strain on school boards, and is driving trustees to close schools at the expense of children. Closing schools has negative consequences for students, including the loss of relationships with peers and staff, and long commutes to their new schools. Long bus rides rob students of time (often resulting in an hour commute in the morning and again in the afternoon), denying them the ability to participate in extra-curricular activities at school or to enjoy their own off-school time. The government must end the practice of underfunding to force school closures.

Post-Secondary Education:

Current funding for universities is almost entirely driven by enrolment. Universities receive transfers based on the number of students enrolled. While this model has received criticisms from many interested parties, those criticisms would be substantially diminished if per student funding was increased across the board. There is not necessarily a need for a total overhaul of the model of PSE funding, but more direct transfers from the government to universities are needed. Any review of the funding model must be done with full participation of unions and students to find improvements that will enhance services, ensure quality working and learning environments, and ensure that good jobs are provided in the PSE sector.

It is clear that the government's current review of university funding is motivated by a desire to further marketize access to universities, and further corporatize the institutions. The proposal for the new funding formula focuses on metrics and outcome-based policy, which is simply to facilitate provincial control over the internal university funding mechanisms through aligning the funding grant to the Strategic Mandate Agreements. Marketization of Post-Secondary Education will prove to be a barrier to access for many, and undermines the integrity of higher education and research. PSE should be used for the public good, not private profit. When marketized, education and research will be geared towards what is profitable, not what serves the public interest.

The government does need to address the issue of funding in universities. The goal, however, should be to increase funding significantly to reduce fees across the board. Ultimately this should result in PSE without any user fees (i.e. tuition fees). Funding must also be sufficient to maintain high quality services, including teaching, support services, and maintenance. Funding must be geared towards maintaining the in-house provision of all services. Universities should be prohibited from contracting out and outsourcing. Public money should not be used to drive down wages of the most vulnerable workers on campuses.

Funding for a fully public energy plan:

There is currently another review of the province's Long-term Energy Plan (LTEP). CUPE Ontario will make a submission on that consultation, providing a comprehensive response to the discussion paper, but there are issues that need to be addressed here. First and foremost, the government must cease plans to privatize any more of Hydro One, and must use its legislative and tax power to disincentivize the sale of Local Distribution Companies. Public electricity has

been a central component to the affordability of the system, and to Ontario's economic development plans. That was the case for more than 100 years. Keeping Hydro public is a necessary component to addressing rising costs.

Investments in green and alternative energy sources must be kept public as well. Privatization of energy generation, transmission and distribution, at any level, make it impossible to have a coherent and coordinated approach to all aspects of the energy file. Moreover, privatization will hinder conservation goals, as well as the goal of keeping rates low. Private providers have no incentive to conserve, as their profits depend on high levels of consumption.¹⁹ Public ownership is the only means by which conservation goals can be achieved, while providing a just transition to green and renewable energy.

Recommendations

Revenue and Public Assets

- Increase corporate income taxes to pre-2010 rates.
- Increase taxes on incomes of \$250,000 or greater.
- Introduce a financial activities tax of 5% on finance sector profits and compensation.
- Restore Ontario's Corporate Capital Tax for medium and large businesses to 0.3% for general corporations and 0.9% for financial corporations.
- Eliminate the lower rate on tax of capital gains for individuals and corporations
- Improve corporate tax compliance measures.
- End all privatization of public assets, including full or partial sell-offs, and the use of P3s.
- Stop the practices of contracting out of public services and work in the public sector.

Investments in Public Services

- Immediately invest \$500 million for the creation of new, publicly operated, not-for-profit and affordable child care spaces.
- Commit to making all of the 100,000 new child care spaces public, not-for-profit and affordable.
- Commit \$300 million to address the underfunding of existing child care spaces.
- Fully fund all pay equity obligations.
- Abandon plans for a Basic Income pilot. Instead increase social assistance rates by at least 55%, and make access to social assistance (OW and ODSP) easier. Eliminate barriers to employment that exist in the current OW and ODSP systems.
- As part of an anti-poverty strategy, fully develop a housing strategy that provides quality and affordable housing (on a rent-geared-to-income basis) to all low income residents.

¹⁹ Sheila Block, *Selling Off Toronto Hydro: Private Sector Gain, Consumer Pain*, Canadian Centre for Policy Alternatives, November 2016.

- As part of an anti-poverty strategy, increase funding for public transit, public child care, education and training, employment services and health care. High quality and accessible public services are necessary to meet the diverse needs of people living in poverty, including social assistance recipients and the working poor.
- Ensure that any action on an anti-poverty strategy (or BI pilot if it goes ahead) is not used as an excuse to shelve labour's recommendations on the Changing Workplaces Review, including raising the minimum wage to \$15/hour.
- Increase funding to municipalities, Consolidated Municipal Service Managers and District Social Service Administration Boards for more one-on-one case planning time with social assistance recipients.
- Dedicate additional resources to vital Ontario Works employment services so that unemployed Ontarians have access to quality, accessible and individualized services.
- Funding for Developmental Services agencies must be increased to meet client need for quality services.
- Increase base funding to Developmental Services agencies by 5% per year over the next 3 years.
- Eliminate waitlists for Developmental Services residential services. This will require an immediate investment of \$1.2 billion, and a plan for regular increases to meet client needs.
- Increase provincial allocations to social service Community Agencies by 5% each year to help offset the years of underfunding and losses incurred by inflation.
- Provide core funding to social service Community Agencies, and provide agencies with funding stability through long-term contracts.
- Increase Children's Aid Societies funding and revisit the funding model to ensure a solid network of support for children and families.
- End layoffs, caseload increases and cuts to programs in CAS.
- Provide an additional \$100 million in funding to CAS.
- Increase all health care funding by 6% per year, including hospitals, long-term care, and home care.
- Fund long-term care sufficiently to provide a minimum of 4 hours of direct care to all residents.
- Update the funding formula for School Boards. Include dedicated and sufficient funding for all mandated programs, staff for each school to perform all teaching and support functions (including office staff, maintenance and custodial staff, special education, library staff, and early childhood education).
- Increase maintenance budgets for school boards, and dedicate funding to address deferred maintenance in all schools.
- End the policy of school closures.
- Increase per-student funding for post-secondary education.
- Reject the practice of funding Post Secondary Education based on performance measures and marketizing/privatizing teaching and research in PSE.
- Fund PSE sufficiently to decrease fees for all students, with the eventual goal of eliminating all tuition fees.

- Provide sufficient funding to address deferred maintenance in PSE, and require all PSE institutions to perform all work in-house. Eliminate practices of contracting out and outsourcing work.
- Stop the privatization of Hydro One.
- Use legislative and tax policy to prevent the selloff of Local Distribution Companies.
- Ensure that investments in new energy technologies, including green, renewable, and alternative sources of energy are accomplished through public ownership of assets. End all privatization in the energy sector.