

## Downloading to municipalities

### What They Promised

To improve service, end duplication, rationalize delivery, and enhance accountability for local services that were jointly funded by the province and municipalities.

### What They Delivered

A thinly veiled attempt to cut provincial funding in order to free up money for the tax cut. The government's so-called "Who-Does-What" initiative was billed as a cost-neutral exchange of responsibilities between the two levels of government. In the end, **the provincial government downloaded over \$800 million more in costs than it assumed.**

### What We Propose

The massive, unplanned, and idiosyncratic consequences of the Harris government actions have resulted in a more confusing and disruptive tangle of responsibilities. Provincial and municipal relationships must evolve through partnerships.

**As a first step, our plan will respond to the immediate crisis by**

- making the downloading closer to being cost-neutral by **returning responsibility for social housing to the province, at a cost of \$807 million.**
- lifting the smoke screen of the attack on the standard of living of public sector workers caught in the downloading process. **We will restore pension, successor, termination, and severance rights to workers who deliver public services.**

The task of fully restoring local democracy, sound municipal financing, and a natural division of responsibilities must await a fuller analysis of the "Who-Does-What" impact.

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*For a budget summary,*  
*turn this page over.*   
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# What does the Ontario Alternative Budget do?

Our Budget does three things:

- One: It discredits the Harris government's claim that its tax cuts and fiscal policies have produced substantial gains for middle-income earners;
- Two: It documents the devastating impact of the Harris government policies on Ontarians; and
- Three: It proposes an alternative budget that would restore public services to their real per-capita 1995-96 level while eliminating the deficit by 2001-2002.

## Problems

Contrary to government claims,

- the reductions in income taxes of \$738 for the average family **will have no positive impact**, because provincial cuts in funding have led to increased user fees and property taxes, and other costs of at least \$766. These new costs **entirely wipe out the tax cut** for three-quarters of Ontario's families.
- if there had never been a Harris government (no public spending cuts; no tax cuts), **the budget would have been balanced in the 1998-99 fiscal year** anyway, through increased revenues. We would be discussing instead how to spend the surplus, not what to do about damaged public services.
- **nearly \$2 billion has been cut from health care** since Harris was elected, when inflation and population growth are taken into account.
- **Harris government policies actually have held back job growth in Ontario.** Ontario's job performance is entirely attributable to the lower Canadian dollar and growth in the U.S. economy.
- on a comparable per-capita basis, **\$570 per child has been removed from the public school system**, totalling \$1.2 billion.

## Solutions

The Ontario Alternative Budget proposes to

- **increase revenues in order to restore public services and balance the budget by 2000-2001.** We can do this by restoring the tax cut that was given to the highest-income 20% of taxpayers, returning tobacco taxes to pre-1994 levels, and eliminating pointless tax breaks for business.

## The Choice

The Ontario Alternative Budget shows that

- **Ontario's deficit and public service crisis is not inevitable** but the result of political choices made by a government that is not interested in the greater public good.
- **it is possible to reverse the damage caused by the Harris government and repair our public services** within a responsible taxation and fiscal framework.

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## Need more information? Contact us:

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