



**ONTARIO
FEDERATION OF
LABOUR**

2024 PREBUDGET SUBMISSION

Standing Committee on Finance and Economic Affairs

**Ontario Federation of Labour
February 2024**

Ontario's program spending per person has consistently ranked at or near the lowest among the provinces since 2008.

In fact, based on the latest data from Statistics Canada, Ontario's 2022 program spending per capita was \$3,863 less than the average of the other provinces. In other words, for every dollar per person spent on programs in other provinces, the Ford government only spent 75 cents – and that was not a result of efficiency.ⁱ

The latest report from the FAO shows that overall spending by the government was below projections during the first half of 2023, withholding \$2 billion from public services across the province. Specifically, spending was \$129 million lower than planned in education and \$127 million below projections in post-secondary education. Further, children, community, and social services posted spending of \$209 million less than budgeted. In the meantime, the government's contingency fund sits at nearly \$3 billion.ⁱⁱ

The Ford government has enough money to cover the shortfalls in public services — it just needs to act.

Not only is the government starving our public services, but they are also not raising enough money to fund them. For instance, cutting the provincial gasoline tax by 5.7 cents a litre gives money to those who need it, but also those who don't. Similarly, drivers of an economy car aren't paying licence fees, but neither are luxury car drivers. Together, free licence stickers and the gas tax cut will cost the province \$2.4 billion this year. Overall, since 2018, the Ministry of Finance has made close to 30 policy changes that have cut taxes, cut fees, and paid out large sums in the form of tax credits, resulting in at least a \$7.7 billion loss from the provincial treasury in 2023-24. That's at least \$7.7 billion that's unavailable to fund the services 15 million Ontarians need.ⁱⁱⁱ

Ontarians know that our public services are crumbling. They only have to visit an emergency department or a doctor's office to see that our health care system and its workers are collapsing. They only have to send their kids to school to see education workers and students bear the brunt of underfunding. They only have to see the stack of ever-escalating bills to know that the high cost of living continues to force more and more people to choose between paying for food, medication, or keeping the lights on.

Meanwhile, developers, political donors, and Ford's friends are enjoying record wins. The most recent example is the closure of at least 11 ServiceOntario locations that are going to be replaced with kiosks inside some Staples stores – of which the company received a sole-sourced deal that was not put to tender. Unsurprisingly, the Executive Chairman of Staples donated money to Ford's Leadership Campaign and to the PC party. It's also been reported that the Ford government is planning to use an unknown amount of taxpayer dollars to retrofit the US-owned Staples stores – as well as two Walmart stores – that are getting ServiceOntario kiosks. Further, Staples is already hiring someone to 'monetize' the traffic they're expecting to receive from ServiceOntario users. And

unsurprisingly, workers are being muzzled about this secret deal. Some will be unemployed at the end of the month with very little notice and no severance.^{iv} This is only one example of the Ford government starving public systems of the funding they need, waiting for them to crumble, and then championing privatization as the only solution. Privatization is the theft of the public good for private profit. We won't let our public services be sold off for profit, nor will we allow them to be shortchanged.

And it must be mentioned that the Ford government remains under criminal investigation by the RCMP for the Greenbelt scandal. In 2022, they announced their intention to open the Greenbelt up for development, removing protections from 7,400 acres – breaking their often-repeated promise that the land would remain intact. Unsurprisingly, however, at least four developers have either donated to the PC party, hired conservative lobbyists, or both. As a result, the Greenbelt controversy has spawned three investigations and four resignations. Amid mounting and continuing public pressure, Ford reversed course – although the new legislation to do this includes blanket immunity for Ford and all members of the Ontario government. This was never about building affordable housing. It was always about the rich getting richer.

This is about priorities. And the Ford government has the wrong ones.

We need universal, accessible, and well-funded public services. That means:

- Ensuring that big corporations and the rich pay their fair share of taxes, including taxes that remain unpaid, undeclared, or hidden revenue
- Establishing, investing in, and improving access to publicly delivered universal services and programs — such as health care, mental health care, pharma care, dental care, eye and vision care, child care, long-term care, housing, elementary and secondary education, post-secondary education, social and community services, and public pensions — for all residents of Ontario
- Providing public services in an inclusive and equitable manner and centering equity concerns in the design, delivery, and expansion of services
- Stopping the privatization of our public services and assets, including Crown corporations, as well as our health care, education, child care, infrastructure systems, and any other service or program
- Guaranteeing professional-level wages for all public sector workers

Health Care

Ontario public hospitals have been stretched beyond the breaking point.

Paramedics are repeatedly reporting Code Zero events as all available ambulances are busy and unavailable for emergency calls. Pediatric ICUs in Ontario are forced to operate above capacity, jeopardizing treatment outcomes for sick children. Nearly 12,000 children are on a waitlist for surgeries across Ontario – about half of which are waiting beyond

recommended wait times. Almost half of the patients on Ontario’s surgical waitlist were forced to delay longer than doctors would recommend — a 123 per cent increase compared to pre-pandemic levels. And an estimated 11,000 Ontarians have died waiting for surgeries and scans in the past year.

In 2023, emergency departments across Ontario were forced to close 158 times, resulting in the equivalent of 184 days where local urgent care needs were left unmet. For those emergency rooms that manage to keep their doors open, significantly high wait times have seen Ontarians leave before they receive any care or line the hallways for hours or even days before they move to the appropriate in-patient care area. Canadians are waiting in emergency departments with serious illnesses from 10 to upwards of 32 hours.^v In early 2024, ER doctors said this season is the worst they’ve ever seen. In fact, the number of hallway health care patients has hit its highest level – with one in every 10 patients admitted to a hospital in Ontario from an emergency department forced to wait at least two days before they get a bed.^{vi}

Ontario’s Auditor General found that the number of emergency department closures and the crisis in health care staffing has largely driven by the government’s inability to properly staff hospitals -- with as many as one in four jobs left unfilled. Multiple reasons have led to significant staff turnover at emergency departments – especially among nurses – such as higher pay and flexibility offered by private staffing agencies, as well as the 2019 introduction of Bill 124. A recent poll of health care workers shows that 41 per cent of Ontario hospital workers “dread going into work,” with 43 per cent saying they are considering a new career path.

Hospitals are filling staffing gaps by hiring agency nurses at significantly higher hourly rates than they pay the nurses they directly employ. In fact, some agencies charge hospitals as much as \$160 per hour for a registered nurse. As a result, some hospitals have tripled their spending on agency nurses in just one year alone, while hospitals in northern Ontario saw a 25-fold increase in their use of agency nurses over a four-year period.^{vii} Unsurprisingly, the Ontario Hospital Association warned that some hospitals have reached the “full limit” of their financial capabilities, with a large majority of the 140 hospitals across the province projecting budget deficits for 2024. As a result, some Ontario hospitals are being forced to take out high-interest loans from banks to continue operating.^{viii}

Instead of resourcing and supporting local public hospitals and stopping the price gouging of private for-profit staffing agencies, the Ford government is funnelling monies and resources to private for-profit clinics and hospitals. With the passage of Bill 60, the Ford government permanently moved OHIP-funded procedures out of public hospitals and into private independent health facilities – 97 per cent of which are for-profit facilities. Last year, the fastest growing area of health care spending was private, for-profit delivery as independent health facility spending went up by 106 per cent in one year. And in 2022, Ford quietly increased funding by 60 per cent to private hospitals run by his donors –

compared to the funding they received every year between 2011 and 2019. As recently as January 2024, the Ford government announced that in Spring 2024, the number of private surgical and diagnosed centres will be expanded.

In Ford's Ontario, it is not about patients and health care workers; it is about the financialization of our health care services.

Ontario's working class will not stand for this. We demand health care for all and that means:

- Increasing annual hospital funding to protect and expand service levels and rebuild capacity, including a greater availability of beds in regular care and intensive care units
- Ending staff shortages among front-line workers in health care and long-term care and developing a long-term strategy to train, recruit, and retain front-line workers
- Ensuring that all work in health care and long-term care is decent work, with full-time employment, job security, and access to paid sick days, benefits, pensions, and a livable wage
- Declaring the opioid crisis a public health emergency
- Ensuring universal access to mental health, addiction, treatment consumption, and overdose prevention services and infrastructure as well as investing in harm reduction strategies
- Strengthening the Canada Health Act by requiring that federal health transfers and provincial access to new public health care investments be contingent on those funds being invested in public healthcare and not used to fund for-profit delivery through private facilities or services
- Enforcing the ban on user fees and extra billing of patients
- Amending the Canada Health Act to include mental health care in addition to physical care
- Restoring and applying additional appropriate funding and supports that ensure essential gender affirming trans health care and social services are available across Ontario

Education

Ontario has a world-renowned publicly funded public education system. Instead of investing in our kids when they need it most, the Ford government continues to cut funding to public schools. In 2023, there was \$1,200 less in funding for every child. That translates to fewer educators and support staff in schools; more crowded classrooms and less one-on-one time; delayed school repairs, forcing school boards to sell buildings to make up for funding gaps; and missing supports for children who need them.

In 2023, government documents showed that most of the children in Ontario waiting for publicly funded core autism therapy would not receive it any time soon. In fact, current funding will only serve about 20,000 children in core clinical therapies. Meanwhile, there are about 60,000 children languishing on the waitlist and about 7,000 more are added to the list each year.

Furthermore, the Ford government is paving a pathway towards privatization with our education system. As part of their “Plan to Catch Up”, the government provided millions of dollars in direct payments to parents “to help their kids catch up”. Not only is the amount per child – up to \$250 to pay for tutoring, supplies, or equipment – vastly insufficient to improve learning outcomes, but there were also no strings attached to the money. On an individual basis, these direct payments are exacerbating inequities between students. Collectively, these public funds can be spent towards lowering class sizes and increasing in-school supports, where all students can benefit from improved conditions within the classroom on an ongoing basis.

In late 2023, Ontario’s ombudsman launched a systemic investigation into the Ministry of Education’s direct payments (e.g., Support for Parents, the Ontario COVID-19 Child Benefit, and Catch-Up Payments) to parents – because of concerns about a lack of fairness and transparency.

This continued underfunding and underspending in the education sector jeopardizes student outcomes and negatively impacts Ontario’s future. We know that for every \$1.00 increase in public education spending, \$1.30 is generated in positive economic impacts for the province – in addition to a range of private, social, and fiscal benefits.

The current education funding model, which was developed nearly 25 years ago, created disparities in funding that have only been exacerbated over the years. Investments in education funding must be made so there is adequate funding for boards to address inequalities that arise because of differences in income levels, gender, race, special education identification, newness to Canada, and Indigenous status. Improving learning conditions for everyone is about recognizing and meeting the unique needs of learners.

Publicly funded universities are vital to the economic, social, and political wellbeing of our province. And in a shifting economy, a strong commitment to funding is more important than ever. But Ontario universities continue to have the lowest per-student funding the country – the effects of which can be felt across the sector. Since 2010, Ontario’s undergraduate fees have increased by 25 per cent. Even more egregious are Ontario’s graduate and international tuition fees, which are currently, and respectively, 61 per cent and 62 per cent higher than the average for the rest of the country.

Even when revenue from rising tuition fees is accounted for, Ontario still ranks low in per-student funding figures. The current funding model is both ineffective and, importantly, unsustainable. As a result, nearly half of the province’s publicly funded universities are

heading for the red, as 10 of 23 institutions are set to post deficits this year, adding up to roughly \$175 million.^{ix}

It is critical that the government close the per-student funding gap so the quality of university education and research in Ontario does not continue to lag other Canadian provinces.

Every child deserves a great education, at every stage in life. Ontario's future depends on it. Stop shortchanging education.

In Ford's Ontario, it is not about students and education workers; it is about the financialization of our education services.

Ontario's working class will not stand for this. We demand education for all and that means:

- Providing enhanced and sufficient ventilation, including government-mandated and funded assessments and upgrades, for primary and secondary schools and all essential public institutions
- Reducing class sizes, while maintaining adequate levels of staffing and educational support in schools
- Increasing supports for students with special education needs in primary and secondary schools
- Launching an anti-hate strategy that works to protect students and staff in public schools and spaces from open hate and further encourages education on compassion, belonging, and respect
- Updating the Ontario curriculum to include Canadian Black history in Ontario's K-12 curriculum

Child Care

Within months of committing to making child care more affordable in Ontario, the Ford government made concessions to for-profit daycares. The province stripped a series of checks and balances from Ontario's funding rules for daycares that join the national program – including a restriction on “undue profits” and the removal of “ineligible expenditures,” which would have prevented operators from using public money to finance their mortgages or pay executive bonuses.

These changes threaten a program that is supposed to transform the current market-based system — plagued by deregulation, long waitlists, and exorbitant fees — into one that is universally accessible and affordable.

Furthermore, since the rollout of nation-wide early learning and child care agreements in 2022, the pressures on the child care sector have increased dramatically. Families are being promised \$10 per day child care, but that promise will remain broken if they cannot access a space. When the Ford government signed onto the program, they committed to creating 86,000 spots. By 2026, however, the FAO estimates that approximately 227,000 children could be left without spaces based on the government's current plans.

Creating more spaces also requires more staffing and greater funding from the province. The government must address chronic working conditions, including low wages and inadequate sick leave, which are leading to a mass exodus of trained and experienced workers. An additional dollar per hour for early childhood educators (ECE)s is woefully inadequate. Furthermore, the current approach to revenue replacement funding is insufficient – as the Ford government solely relies on its share of federal funding to replace the revenue once supplied by parents – leaving many non-profit operators with deficits and in precarious positions as they negotiate with each municipality for pressure funding. Ontario's largest operator of non-profit child care is warning that child care centres are at risk of shuttering down across the province if it fails to update how it compensates them under the national \$10-a-day program.^x Without sufficient investment in physical spaces, workers, funding models, increases in demand will continue to far outpace increases in supply.

In Ford's Ontario, it is not about closing gaps in opportunities and outcomes for children and child care workers; it is about the financialization of our child care services.

Ontario's working class will not stand for this. We demand publicly funded child care with enough spaces for everyone and that means:

- Creating non-profit, affordable, and accessible child care spaces as well as ending the licensing of new for-profit child care centres
- Removing barriers to child care subsidies for low-income families
- Instituting a proper salary scale starting at \$30 per hour for registered ECEs and \$25 per hour for non-registered ECEs

Social Assistance

As the cost-of-living skyrockets, Ontarians who were already among the poorest and most vulnerable prior to the global pandemic are now worse off than they were before.

Since 2008, both Ontario Works (OW) and Ontario's Disability Support Program (ODSP) rates have been below the deep poverty line, leaving at nearly 900,000 Ontarians behind. In 2023, ODSP rates increased a paltry 6.5 per cent in 2023 – a negligible additional \$80 per month per recipient. Meanwhile, OW recipients have had their rates fixed at \$733 per month for five years. This means that they must survive on just 37 per cent of the funds

required for them to have a roof over their heads, food on the table, and enough money to maintain a very basic standard of living. In other words, these recipients would need another \$17,000 a year just to reach the poverty line.

Ontario's broken social assistance system has left almost all recipients at risk of being unhoused, in poor health, and in deep hunger. In fact, between April 1, 2022 and March 31, 2023, the number of people who used Ontario food banks increased by nearly 40 per cent — the largest single-year increase on record – as more than 800,000 people turned to emergency food support. Further, the total number of visits to food banks also rose at a similar pace, totalling more than 5.9 million. Namely, first-time visitors accounted for two out of five people who used food banks – a 41 per cent increase from the previous year.^{xi} For women, racialized people, new immigrants, Indigenous persons, 2SLGBTQIA+ people, and people requiring accommodations, their reality is much starker.

On the other hand, the wealthiest are enjoying runaway corporate salaries and bonuses. The average CEO salary is 246 times the earnings of the average worker. In other words, by the morning of January 2nd, CEOs earned as much as one of their workers does in a year. Furthermore, CEOs broke records – once again – with an average annual pay of \$14.9 million in 2022, amounting to an increase of \$600,000 relative to the previous year.

Comparatively, workers only saw a three per cent pay boost, translating to \$1,800 for the year. When accounting for inflation, this means a significant pay cut, compromising their ability to meet basic needs such as food, housing, and transportation.^{xii} In fact, over the last decade, Statistics Canada data shows that public sector workers, education workers, and health care workers have been bearing the brunt of higher costs more than other professionals in the country. After adjusting for inflation, education workers saw the largest decline in average real wages since 2013 at five per cent. Public sector workers landed in second place, with wages declining 2.5 per cent over the same period. This was followed shortly thereafter by health care and social assistance workers, which saw average real wages fall by 1.5 per cent.^{xiii}

In Ford's Ontario, it is not about increasing Ontarians' quality of life or raising the bar for decent work; it is about engaging in a race to the bottom for vulnerable people and workers and uplifting the rich.

Ontario's working class will not stand for this. We demand a solution for the cost-of-living crisis and justice for workers and that means:

- Doubling social assistance rates and Ontario Disability Support Payment (ODSP) to sit well above the poverty line
- Implementing a comprehensive poverty reduction strategy that ensures food and housing security, access to education and job training, employment opportunities, and other supports

- Expanding access to social assistance for all persons regardless of their immigration status and providing supports with dignity, care, and respect

Public Housing

There is an alarming housing affordability crisis across Ontario.

The number of Ontario households in core housing need – living in an unsuitable, inadequate, or unaffordable dwelling and not able to afford alternative housing in their community – has increased. At the same time, the number of households receiving housing support from provincial programs has decreased. Together, these two troubling trends have led to a significant rise in the waitlist for social housing – with many households waiting over ten years.

Meanwhile, the Ford government has acknowledged that they will fall well short of their commitment to build 1.5 million homes by 2031. In fact, they failed to meet their target in 2023: according to the latest data from the Canada Mortgage and Housing Corporation, there were a total of 85,770 housing starts in the province in 2023 – a seven-per cent drop from 91,885 the year before.^{xiv} In 2022, the net out-migration from Ontario was at its highest level this *century*, as unaffordable housing prices and rents continue to force people to leave their communities.

The present crisis has been driven by the financialization of housing. That's why we're seeing the skyrocketing cost of housing; the increasing inaccessibility of home ownership; the mounting pressure to move to other cities to find housing; a system that massively favours and rewards private landlords and developers; the precarity of renters and tenants; rising personal evictions; the homelessness crisis; and the emergence of tent cities in parks. Public housing offers the straightest line to removing investment speculation from the housing market.

In Ford's Ontario, it is not about treating housing as a human right; it is about seeing it as a commodity to be bought and sold.

Ontario's working class will not stand for this. We demand a solution to the housing crisis and that means:

- Creating a comprehensive provincial social housing program that treats housing as a public utility
- Legislating rent rollbacks and controls for all renters in Ontario
- Implementing a comprehensive housing strategy that provides housing for unhoused people – without policing them – and secures housing for people in precarious accommodations – without threatening the environment

- Passing real rent control and a Tenants' Bill of Rights, capping mortgage payments as inflation rates rise, as well as stopping evictions and foreclosures

We will not stand for the scandals and scarcity any longer. Ontarians demand a leader that champions and acts on issues that have the greatest potential to improve the lives of the working class – moving us towards a long-term vision of stable working conditions, strong public services, affordable homes, and healthy communities for all.

The Ontario Federation of Labour is hopeful that the preceding recommendations help inform the development of the 2023 budget as well as the upcoming legislative agenda.

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- ⁱ Randy Robinson. Ontario is dead last in program spending—again.
- ⁱⁱ Isaac Callan & Colin D'Mello. Ford government leaning on contingency funds to pay for extra health, justice costs.
- ⁱⁱⁱ Randy Robinson. Bleeding the patient: tracking five years of Ontario revenue reductions.
- ^{iv} Meredith Bond and Richard Southern. Ford says move of 11 ServiceOntario locations to Staples, Walmart kiosks due to 'convenience'.
- ^v Naomi Barghiel. Canada's health care crunch has become 'horrific and inhumane,' doctors warn.
- ^{vi} Jessica Smith Cross. Ontario government document shows historically bad emergency department wait times.
- ^{vii} Mike Crawley. How nursing staffing agencies are costing Ontario hospitals untold millions.
- ^{viii} Elizabeth Payne. Most Ontario hospitals are facing deficits, some have reached their financial limit: Ontario Hospital Association.
- ^{ix} Kristin Rushowy. Almost half of Ontario universities are running deficits, putting student services at risk, council says.
- ^x Allison Jones. Ontario child-care operators warn of closures if province doesn't soon revise funding.
- ^{xi} The Canadian Press. Number of people using Ontario food banks rose nearly 40% last year: report.
- ^{xii} David Macdonald. Canadian CEO pay breaks all records, reflecting a new Gilded Age for Canada's rich: report.
- ^{xiii} Ana Pereira. Feel like you're making less money? Star analysis finds workers with these jobs are making less than they were a decade ago.
- ^{xiv} Isaac Callan & Colin D'Mello. Ford government failed to meet its own housing targets in 2023.