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For Immediate Release

## Health Coalition Quick Analysis of Ford Gov't Economic Statement Today



Hon. Vic Fedeli, Minister of Finance, released the Ford government's fall economic statement in the Ontario Legislature. On the news this morning it was reported that Mr. Fedeli warned Ontarians that we all must make sacrifices to deal with the deficit. This is not entirely true. The "mini-budget" as it has been termed contains lots of goodies for corporations while putting public services at risk. For corporations there are an array of tax cuts and exemptions, reduced employment standards, and plans for deregulation (which the Ford government calls "red tape" but which covers public interest protections and all regulations for all industries including long-term care). For health care so far there are the cuts that have already happened, though they are not transparently reported and no details on what to expect going forward except for more tax cuts that will reduce revenues available to fund health care and reviews of all government regulations and all public agencies (including regulations and agencies in health care described below).

In broad thrust, the Ford government continues to try to dominate the public message with the rhetoric of its self-proclaimed fiscal (budget) crisis which is being used to set the groundwork for cuts to and privatization of public services. In reality, the Ford government is planning major tax cuts that will benefit the wealthy and corporations while resulting in cuts to and privatization of public services and health care for all Ontarians.

The Ford government has proclaimed the provincial deficit to be \$15 billion. A significant portion of the report is devoted to this "fiscal crisis". This is vastly overstated. It includes the new spending from the 2018 Budget without discounting the cuts that have already been made. (The Ford government just spent all summer and fall systematically cutting and

rolling back billion of dollars in gains in public service and program funding from the 2018 budget.) It includes billions in pension assets that are jointly managed including the portion (amounting to several billion) that will almost certainly end up being counted on the plus side of the provinces ledger when the dispute with the Auditor General is settled (thereby taking billions off this "deficit"). It is based on projections of economic growth that are lower than other forecasters in order to increase the so-called deficit. Having overstated the deficit, the Ford government is able to use it to push through cuts to and privatization of public services, and then a few years from now, proclaim themselves to be prudent financial managers as most of that "deficit" disappears.

Here's what is notable from today's Economic Statement:

Already, through an array of tax measures and the elimination of cap-and-trade, the Ford government is projecting that it will cut provincial revenues this year alone by \$2.7 billion (page 120). That is \$2.7 billion less to fund health care, education, transportation and all our needed public services. According to the Economic Statement, the government says it has already cut \$3.2 billion in expenditures. This includes the cuts to the improved funding that the Wynne government finally gave in the 2018 budget.

Over the next 3-4 years the Ford government has proposed tax cuts (primarily benefiting the wealthy) and corporate tax cuts and other measures that will reduce provincial revenues by \$22 billion (see economic analysis of the Ford election promises by Mike Moffatt, Western University) -- which will result in the biggest cuts to public services in our history unless we stop them.

The cuts to health care have already started, though they are mostly obscured by double-speak. Throughout the summer, the Ford government systematically rolled back and cut many of the gains that we made in health care and others made in social programs and services that create equity. In health care, Ford made the following cuts:

- Cut the expansion of OHIP+ so that those with private plans will no longer be covered and will face deductibles and co-payments that can cost hundreds of dollars a month (for a family with a child with cancer, for example).
- Announced their mental health funding package but neglected to note that it amounts to a more than \$330 million cut from what the Liberals had passed in the 2018 budget. (Note: the Ford mental health funding is exactly the amount that the federal government is transferring to Ontario for mental health so there is no actual increase in Ontario's investment in mental health despite all election rhetoric.)
- May have cut the surge/extra beds dealing with overcrowding for hospitals but we cannot get straight information on this yet.
- Cancelled all new safe injection sites, despite the fact that opioid deaths in Ontario and Canada have reached record levels. In our province alone, they have increased by 245 percent from 2003 - 2017. In 2017 4,000 Canadians died from overdose, 1,200 of them in Ontario.

In today's Fall Economic Statement the health announcements include:

- Reannouncements of the OHIP+ and mental health cuts (without saying that they are cuts).
- Reannouncement of 6,000 new long-term care beds. (Note: 5,000 of the 6,000 were already started under the Liberals last year.) While this is positive, we are concerned because the Conservatives have represented the interests of the for-profit long-term care sector in government and in opposition and we expect that they will try to privatize the vast majority of any new long-term care capacity rather than building it in the public non-profit sectors which operate in the public interest. Already, it is reported that the deadlines given for applying for the new beds have been set so that it is impossible for municipalities and very difficult for non-profits to meet them, a de facto rigging of the bidding process to benefit the for-profit chain and corporate long-term care homes and ensuring that the new beds will not be public and non-profit.
- Reannouncement of the hospital surge beds that we are looking into to determine whether it is a halving of the number of beds that we won funding for last year, or whether it is an addition to existing stock. We will release this information as soon as we can confirm it.
- Reannouncement of the renaming and redirection of the approach to addictions and the opioid crisis (without explicit admission that the new and planned safe injection sites are all cancelled).
- Reannouncement that they have axed the Self-directed Personal Support Worker agency.
- New information on an expansion of the exemption for the Employer Health Tax and cancellation of the Liberals' proposal in the 2018 budget to target the exemption more carefully (we called for eliminating the exemption which would generate billions of dollars per year and make the tax fairer). This direction of the Ford government is a gift to corporations at the expense of funding for public health care.
- Announcement of a review of all government agencies. In Health Care this includes: LHINs, Boards of Management, the Health Services Review and Appeal Board, Health Unit Boards, Cancer Care Ontario, Health Quality Ontario and others.