

Canadian Pensioners Concerned, Ontario Division

Canadian Pensioners Concerned, Ontario Division, was founded in 1969, part of a national voluntary organization of seniors committed to promoting issues such as pensions, health care, housing and transportation. We are concerned not only about those matters which involve older citizens but about all of the factors which make for a just, caring, compassionate, civil society for all age groups.

We have structured our advice based on the questions posed for this consultation. We note that many of our suggestions go beyond the immediate year of budget planning, however, we believe that governments have to think about the longer term as well as the immediate issues confronting the people of Ontario in 2010 and 2011.

Q 1. What processes should the government put in place to enable it to move out of deficit?

1. We need a five-year plan, at the very least, to tackle the deficit. We also need the government to recognize that when the economy improves government revenues will increase and that very fact should contribute to the deficit reduction plan. Establish expenditure goals and revenue goals for the coming five years.
2. We strongly urge the government not to focus on the deficit for 2010. The economy is not out of the woods and unemployment levels will remain high. Furthermore, investment in the manufacturing sector has not recovered. It is critical to continue government stimulus plans, creating jobs and economic activity, until the corporate sector begins to invest in a significant way in productivity improvements and employment. We need to focus on long term growth – not short term projects. We have experienced the devastation caused by previous provincial and federal governments racing to cut deficits by slashing programs across the board.
3. Avoid trying “quick fixes”. Do not sell off foundational activities that should remain in the public domain. However, there may be justification in privatizing some activities by selling shares in the particular activity. No matter what route is chosen, whether selling shares or selling the activity entirely, the government must keep ultimate public control in the public

interest (avoid the stupid mistake of losing control over the rate charges on Hwy. 407). We are thinking of such examples as physical infrastructure or hydro. Privatizing most public infrastructure is not in the long-term interest of the public. However, a critical look at all activities should be undertaken. Those activities that would continue to contribute to public revenues or public benefit through regulation even though sold to private corporations should be reviewed first. (One example might be the LCBO).

4. Face reality, be honest, and state that the government will have to increase taxes in order to rebuild our shabby infrastructure both social and physical while tackling the deficit. The downstream benefits will be reflected in economic growth and deficit reduction. The public may not like the need for tax increases but the truth must be told and if the government presents a sound economic plan for deficit reduction the public will ultimately accept it in its own economic interest. Our total tax rates are below those of our competitor Great Lakes States in the United States. Taxes are needed for public services and we will all lose if service cuts are chosen over tax increases.

5. The need to stimulate economic renewal and business competitiveness is

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insightful advice - they have to live with the bureaucratic nightmares created over the years. If a trusting environment can be created between the government and its civil servants, much can be accomplished. Smarter, more efficient **and effective** spending must be undertaken. The civil servants are in the best position to inform the ministers about what works and what wastes time, energy and dollars and doesn't produce results in the interest of the citizens who need to be served.

8. Pilot projects on service delivery – wherever they have occurred in Canada or abroad - that have proven themselves, should be quickly adopted as best/good practices. We have examples in all sectors of the public services from health care to energy conservation and new technologies that can be adapted to work in Ontario. Why do we have to retry everything here in Ontario when other provinces or countries have proven certain strategies work? It is a waste of time and money.
9. Focus on the services that will produce the results needed for the expansion of the economy and the improved health and well-being of the citizens.
10. Health care dollars can be more efficiently and effectively used by:
 - i) Building up the level of community based services,
 - ii) Ensuring the full implementation of integrated family health teams,
 - iii) Ensuring the full utilization of nurse practitioners as front line providers of primary care,
 - iv) Focusing on Healthy Aging and the Aging at Home Strategy. Older persons are significant consumers of health care expenditures and every effort must be taken to ensure healthy aging and disease prevention. We have “pilot practices” that have proven to work – implement them.

Q.3. Government priorities are job creation, health care, education, strong fiscal management and economic growth. How should the government balance this multitude of priorities? Given the considerable fiscal challenges, what should be the core priorities of the 2010 Budget?

11. Continue to focus on your poverty reduction strategy which includes the policy areas of education, training and life-long learning, and access to full-time employment. Poverty

reduction and job creation are inextricably linked. Poverty brings huge costs – both social and economic– and its elimination must be a priority for both social and economic reasons. Such a policy emphasis will have a significant impact on cost savings in the health care system.

12. The World Health Organization Report *Closing the Gap in a Generation* (The Commission on Social Determinants of Health ,WHO, Final Report 2008, p.39) reported the following study in Canada that showed (and I quote):

“That reducing health disparities has the potential for major economic benefits resulting from a reduction both in health-care needs and in the costs of lost productivity. Health-care spending in Canada is about 120 billion Canadian dollars per year (with the institutionalized population accounting for 26 billion Canadian dollars and the household population accounting for 94 billion Canadian dollars). The lowest income quintile of the household population accounts for approximately 31% of the 94 billion Canadian dollars, approximately double the utilization of the highest-income quintile. The study reported that if the health status and utilization patterns of those in the lower-income groups equalled those with middle income, significant savings on health-care costs could be possible.”

In addition, the study reported that better health enables more people to participate in the economy. Reducing the costs of lost productivity by only 10-20% could add billions of dollars to the economy.

We have the evidence about what we need to do. Now is the time to act.

13. The Minister of Finance has more influence over health equity than the Minister of Health and the closer we come to tackling the determinants of health through our budget and policy planning (see Joe Foweraker) the closer we come to achieving social equity and social inclusion. This in turn

- i) Affordable and supportive housing targets must be increased and realized. This will allow people to live and work in greater security.
- ii) Reduce the financial clawbacks on social benefits that drastically harm those moving from unemployment to part-time or full-time employment.
- iii) Expedite the complete roll-out of universal full-time all-day early childhood education based on a universal childcare program with built in subsidies for low and lower income families. The lack of access to full-time low cost but high quality early learning and childcare severely limits the capacity of families to gain full employment or to further their education and skills.
- iv) Special attention should to be given to the special needs of our Aboriginal peoples who have been excluded from the economic benefits that most Ontarians have received over the past decades. Their social and economic disadvantages must not be allowed to continue.
- v) Finally, focus must be brought to the growing poverty gap between our most recent immigrants (those arriving since 1981) and the Canadian born and earlier immigrant population. The growth in the economic gap between those who have and those who do not must be reversed.

15. The government needs to continue to focus on economic stimuli. Central to improving Ontario's fiscal position is the need to stimulate economic renewal and business competitiveness. Business and industry need to invest in productivity improvements so that they can compete in a highly competitive world economy. We need to have financial institutions ready to lend to small start-up industries and enterprises. Venture capital needs encouragement to improve the flow of funds to new enterprises, to encourage the development of new technologies, to foster support for new creativity in all sectors of society. We note in particular, the need to engage and support the skills of our recent immigrant communities. We cannot afford to lose their knowledge and skills by putting senseless barriers in their access to employment such as the requirement for "Canadian experience", or the obstacles professionals face in getting recognition for their educational and professional background.

16. Ensure that the implementation of the HST does not adversely affect those with fixed incomes and low incomes. Be quick to make changes where there are unintended consequences. The goal of harmonization is to improve the environment for business in Ontario and thus encourage economic growth and employment. The government needs to demand clear reporting from the corporate sector, on a yearly basis, on the savings in costs for their goods and services. The reports must require them to show how their cost savings have been passed on to consumers.

17. Continue with the programs already begun to increase the “green economy” and “green” jobs. Improvements in efficiency will improve productivity, reduce dependency on oil and gas, and move Ontario’s manufacturing into the 21st century.

18. “Man does not live on bread alone” and in this context, the government needs to continue its support for the Arts from the small local community to the provincial, national and international level. Richard Florida, recently named European Ambassador for Creativity and Innovation and an internationally known scholar, has shown how government encouragement and support for the “creative class” is revolutionizing economies worldwide. Ontario cannot afford to be left behind.

The economies that will succeed in the 21st century will be those that have maximized the opportunities for their people, utilizing their skills and creativity through the creation of a society of inclusion and opportunity. If the government focuses primarily on deficit reduction in the short term, incalculable harm will have been done to the province – harm that will take years to repair. We have the experience of the 1990s to teach us that this is the wrong policy focus to take in difficult economic times.