

# The 2019 Ontario Budget: Does it really protect what matters most?

According to Ontario's Minister of Finance, Vic Fedeli, his provincial budget protects "what matters most to Ontario individuals, families and businesses."<sup>1</sup> But is this really true?

As Table 1 reveals, the Government of Ontario is proposing to reduce spending on public health, education, social, environmental and energy conservation programs by approximately \$1.8 billion per year.

**Table 1: Ontario Budget Cuts**

Program	Annual reduction
 Elimination of 50 Million Tree Program	\$4.7 million <sup>2</sup>
 Increasing average class sizes by one student in Grades 4 to 8 and high school class sizes from 22 to 28 students, thereby eliminating 3,475 teaching positions	\$250 million <sup>3</sup>
 Payments to Conservation Authorities for flood management reduced by 50%	\$3.7 million <sup>4</sup>
 50% funding cut for Southern Ontario Library Service	\$1.5 million <sup>5</sup>
 Cuts to legal aid funding	\$164 million <sup>6</sup>
 Cuts to tuition revenues for universities and colleges	\$440 million <sup>7</sup>
 Elimination of funding for special programs for at-risk teens	\$25 million <sup>8</sup>
 Cut to Ontario Arts Council	\$5 million <sup>9</sup>
 Cut to Indigenous Culture Fund	\$2.25 million <sup>10</sup>
 Elimination of funding for Ontario College of Midwives	\$0.75 million <sup>11</sup>
 Cancellation of Basic Income Pilot Project	\$50 million <sup>12</sup>
 Cancelled Green Ontario Fund, which provided financial incentives for energy savings investments	\$377 million <sup>13</sup>
 Cancelled funding for school repairs	\$100 million <sup>14</sup>
 Reduced funding for electricity conservation programs	\$147 million <sup>15</sup>
 Reduced funding for Ontario's Public Health agencies	\$200 million <sup>16</sup>
 Cutting funding for Ontario Music Fund by more than 50%	\$8 million <sup>17</sup>
 Cut to licensed child care funding	\$80 million <sup>26</sup>

Total **\$1.8 billion**

Does it make sense to cut public health spending by \$200 million per year when the opioid crisis has killed 1,031 Ontarians during the first nine months of 2018?<sup>18</sup>

Does it make sense to increase class sizes when our children will be looking for jobs in an increasingly knowledge-based economy?

Does it make sense to cut funding for flood control when rising water levels are causing states of emergency in Muskoka, Haliburton and Ottawa?<sup>19</sup>

Does it make sense to reduce spending on energy efficiency programs that can keep our lights on at 1/8<sup>th</sup> the cost of re-building the Darlington Nuclear Station?<sup>20</sup>

In particular, **do these spending cuts make sense in light of the fact that the Government of Ontario is planning to borrow \$4.3 billion per year to continue the previous government's artificial 25% rate cut for electricity consumers?**<sup>21</sup> Is subsidizing electricity prices really more important to the people of Ontario than protecting public health or investing in our children's future?

## A Better Alternative

Ontario can avoid the need to cut spending on public health, education and social programs by \$1.8 billion by:

1. Reducing the electricity rate reduction subsidy by \$1.8 billion per year; or by
2. Reducing electricity costs by \$1.8 billion per year by doing a deal with Quebec for low-cost water power.

Quebec is the fourth largest producer of water power in the world; it has the lowest electricity rates in North America; and a large and growing electricity surplus available for export.

By closing the high-cost Pickering Nuclear Station and importing Quebec power, **Ontario can reduce its electricity costs by \$1.1 to \$1.4 billion per year.**<sup>22</sup>

By cancelling the re-build of three of the Darlington Nuclear Station's four reactors and importing Quebec power, **Ontario can reduce its electricity costs by as much as an additional \$2.3 billion per year.**<sup>23</sup>

Combined, these savings would far outstrip the savings the government is anticipating from its spending cuts.

According to Minister Fedeli, cleaning up "the hydro mess" is one of the Ford Government's five core commitments.<sup>24</sup> By doing a deal with Quebec, the Government of Ontario can reduce electricity costs and protect "what matters most to Ontario individuals, families and businesses."<sup>25</sup>

## Notes

- 1 *Ontario Budget 2019*, page viii.
- 2 Allison Jones, "Ontario cancels program that aimed to plant 50 million trees", *The Canadian Press*, (April 25, 2019).
- 3 Star Editorial Board, "The Ford Government is fooling no one with its cuts to education", *Toronto Star*, (March 20, 2019); and Caroline Alphonso, "Mississauga high school cuts electives for senior students", *Globe and Mail*, (April 26, 2019).
- 4 Conservation Ontario, *Media Release*, "Provincial Transfer Payments to Conservation Authorities for Flood Management Reduced by Half", (April 12, 2019).
- 5 Shawn Jeffords, "Funding for library services slashed by half in Ontario budget", *Global News*, (April 22, 2019).
- 6 *2019 Ontario Budget: Protecting What Matters Most*, page 279.
- 7 [www.chatelaine.com/living/politics/doug-ford-cuts/](http://www.chatelaine.com/living/politics/doug-ford-cuts/)
- 8 [www.chatelaine.com/living/politics/doug-ford-cuts/](http://www.chatelaine.com/living/politics/doug-ford-cuts/)
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- 11 [www.chatelaine.com/living/politics/doug-ford-cuts/](http://www.chatelaine.com/living/politics/doug-ford-cuts/)
- 12 Emma Paling, "Ontario Basic Income Pilot Cancelled by Minister Lisa McLeod", *HuffPost Canada*, (August 2, 2018).
- 13 Rob Ferguson and Kristin Rushowy, "Incoming Premier Doug Ford quietly axes Green Ontario Fund", *Toronto Star*, (June 19, 2018).
- 14 [www.chatelaine.com/living/politics/doug-ford-cuts/](http://www.chatelaine.com/living/politics/doug-ford-cuts/)
- 15 Ontario Ministry of Energy, Northern Development and Mines, *Backgrounder*, "Ontario Reducing Costs by Centralizing and Refocusing Conservation Programs", (March 21, 2019).
- 16 CBC News, "Public health spending cut in Ontario called 'huge step backwards'", (April 16, 2019); and *Ontario Budget 2019*, page 277.
- 17 Allison Jones, "Ford slashes Ontario Music Fund by more than half, prompting concerns in arts community", *Globe and Mail*, (April 29, 2019).
- 18 <https://infobase.phac-aspc.gc.ca/datalab/national-surveillance-opioid-mortality.html>
- 19 "Floods hit Muskoka towns" and "Ottawa declares state of emergency", *Toronto Star*, (April 26, 2019).
- 20 <http://www.cleanairalliance.org/wp-content/uploads/2019/01/options-2019-1.pdf>
- 21 *2019 Ontario Budget*, page 299.
- 22 <http://www.cleanairalliance.org/wp-content/uploads/2018/09/Pickering-Report-Sept-12-2018.pdf>
- 23 <http://www.cleanairalliance.org/wp-content/uploads/2018/07/30OPTIONS.pdf>
- 24 *2019 Ontario Budget*, page vii.
- 25 *2019 Ontario Budget*, page viii.
- 26 Laurie Monsebraaten and Kristin Rushowy, "PCs cancel \$50M fund that kept child-care costs down", *Toronto Star*, (May 2, 2019).



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