

Ontario Health Coalition

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*Ontario's broadest public interest group on health care
More than 400 member organizations and thousands
of individuals united to preserve public health care
under the principles of the Canada Health Act.*

Council of Canadians

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Backgrounder on Schedule 28 of the Budget Bill (Bill 55)

The Budget Bill (Bill 55) contains a dangerous section that, if implemented, could facilitate the largest privatization of public assets and services in Ontario's history.

Schedule 28 of the Budget Bill Creates an über "Minister of Privatization". This Schedule sets up new powers for cabinet and a new Minister to override existing legislation and regulations to order the privatization of public services, including health care, water, school boards, education, social services, hydro, and more.

New Extraordinary Powers to Privatize any Ministry, Agency, Board & Commission

Section 2 of Schedule 28 says "The Lieutenant Governor in Council (cabinet) may, by order, authorize the Minister to enter into one or more agreements with any person or entity for the provision of Ontario government services under this Act..."

Section 3 of Schedule 28 defines what services the new Minister of Privatization and Cabinet can privatize to for-profit or non-profit corporations. This section enables the Minister and cabinet to supersede existing legislation and regulations that restrict such privatizations. Included in the list of services and entities that can be privatized is virtually every part of government, including:

- The Crown
- The government
- A ministry
- A government official
- A crown agency
- Or any other board, commission, authority or unincorporated body of the crown.

(Section 3, subsections 1 & 2.)

"Under [Schedule 28] virtually all public services provided by the provincial government, its agencies or tribunals may be contracted out or privatized....Thus, the public health care insurance plan of the province could be contracted to a US based HMO; the electricity system of the province placed under the management of EDF Energy (the U.K. equivalent of the now defunct Enron Corporation); or provincial highways, together with the right to collect tolls, could be assigned to the consortium that now controls Highway 407."

Legal Opinion on Schedule 28 from law firm Sack, Goldblatt, Mitchell

Thus Schedule 28 covers every part of the government and public service. It is hard to imagine what could *not* be privatized under this section of the Budget Bill.

Far More than Service Ontario

Claims by the Finance Minister and some media that Schedule 28 is limited to the privatization of Service Ontario (and that is bad enough) are not true. In fact, Section 10 of the legislation specifically states that for- and non-profit companies could be contracted to privatize services in:

- Municipalities & local boards under the Municipal Act
- Any other authority, board, commission, corporation, office or organization under the authority of a municipality
- Universities, colleges, or other post-secondary institutions
- School boards
- Hospitals

Thus, Schedule 28 clearly applies to hospitals, school boards, municipalities, social services, municipal water systems, and all government services; and it overrides all government ministries as well as existing legislation and regulations.

International Trade and Investment Treaties Would Make Privatization Irreparable

If Ontario government services were to be privatized under this Schedule, any attempt to restore these services to the public sector could be

subject to a trade challenge under the WTO GATS and the proposed Canadian-European trade agreement, CETA. Schedule 28 has been written without any recognition of this danger.

Other Issues

Schedule 28 also enables private companies taking over public services to collect and disclose personal information, raising concerns that U.S. companies may be compelled to share Ontarians' personal information with U.S. authorities under the U.S. Patriot Act.

The Ontario Ombudsman is warning that privatized services are not subject to Ombudsman oversight.

Schedule 28 also enables private companies to charge fees for public services (potentially highways or health care) and retain these fees for their own profit. It enables companies to change the licensing period for provincial licenses (like OHIP cards or drivers' licenses).

The government has not given any reason for introducing such sweeping new powers to privatize, hidden in the Budget Bill. In fact, McGuinty has run repeated elections on an anti-privatization platform. The people of Ontario have never been given any democratic input on this legislation with its far-reaching implications for the quality, democracy and cost of privatized public services.

We Are Calling for Schedule 28 to be Withdrawn

The Budget Bill is an omnibus bill, 327 pages long, that amends and creates a vast body of legislation. This practice of creating far-reaching legislation hidden in omnibus budget bills is undemocratic and must stop. The public and opposition parties do not have proper opportunity to scrutinize the vast range of measures included in the Bill. Measures such as Schedule 28 – which gives new powers to facilitate the largest privatization in Ontario's history – can easily be slipped into omnibus bills that are hundreds of pages of dense legal text, thereby escaping proper scrutiny and democratic debate.

Schedule 28 of the Budget Bill has nothing to do with the budget. It has no place in a budget bill. It has dangerous and implications for social policy and the public interest. It is biased towards privatization, including for-profit privatization, and contains almost no requirements for transparency, democracy and no principles to guide government decisions.