



## **Withdraw Schedule 28 in Budget Bill 55**

The Social Planning Network of Ontario (SPNO) is made up of 25 local social and community development councils across the province providing social research, policy analysis and community education to improve the social and economic well-being of community members.

SPNO joins with the Ontario Health Coalition and the Council of Canadians to seek the removal of Schedule 28 of the Budget Bill 55 which gives authority to a designated Minister to make agreements with any person or entity to provide government services.

SPNO has three major concerns with respect to the provisions of Schedule 28:

- 1) Schedule 28 is a major policy initiative in itself sliding into effect under the cover of the Budget Bill, and thus avoiding the serious public consultation and debate that good democratic practice demands for measures of such significance.
- 2) Schedule 28 opens the door to heavy privatization of public services.
- 3) Schedule 28 sets up the infrastructure for major Government divestment of its public responsibilities strictly in service to a short-term and seriously flawed deficit-reduction strategy.

### **Undemocratic Process**

At 21 pages, Schedule 28 is the second largest of the almost 70 schedules in Bill 55. It is a detailed and complex piece of legislation in itself authorizing the executive level of government to take action that will seriously transform the delivery of essential public services.

Change of this scope and magnitude merits separate and serious public consultation and debate. Incorporating such measures within the Budget Bill shows a disturbing disregard for

good democratic practice. Unfortunately, the Ontario Government seems to have caught the “omnibus flu” from its counterpart in Ottawa.

Sound public policymaking demands a more transparent process, allowing thorough study on the implications of the proposed changes and adequate input from the public and all stakeholders in the service fields affected.

### **Promoting Privatization**

Schedule 28 enables a non-government service provider to enter into agreements for service delivery currently provided by public authorities such as municipalities and municipal boards and commissions, boards of education and post-secondary institutions, hospitals and other areas as determined by regulations. The Schedule allows the contracted party the power to collect fees for services provided and specifies that regulations will determine the compensation to be paid to the provider for the services delivered.

Essentially, this opens the door to heavy privatization in the human services area. Certain areas of human service delivery may offer profit-making opportunities for commercial operators, such as senior care, both institutional and in-home service delivery. Profits to proprietors and shareholders in commercial service operations are generated both from user fees in addition to government subsidies and also cost savings, the latter primarily produced from exploiting a low wage workforce, which only compromises the quality of care provided.

The SPNO was a founding member of the Ontario Non-Profit Network (ONN), and I was the former ONN Co-chair. While I cannot speak directly for the ONN on this platform, I will point out that one of four key principles that ONN advocated in its pre-budget submission was that there be “no privatization of either public benefit programs and/or publicly held assets.”

For the essential human services, the ONN recommended, and the SPNO supports, a joint Government and non-profit sector task force to develop a service development and delivery relationship based on an investment strategy, which is much different than empowering a Minister to make bilateral contractual agreements with commercial operators or non-profit organizations to offload government services primarily for cost savings.

## **Divestment of Public Responsibilities**

The provisions of Schedule 28 would establish the authority and mechanism to divest public services in aid of a flawed and relatively short-term deficit-fighting strategy. Again, similar to the federal approach, the Ontario Government insists on fighting the deficit with one-arm tied behind its back.

The only path to economic recovery under consideration is cutting spending, reducing the public service, and off-loading service delivery onto third parties for cost savings. The tax revenue side is all but ignored with only minimal gestures reluctantly conceded as a result of the current minority status of the Government in the provincial parliament

Unfortunately, the withdrawal of government from its public responsibilities through divestment for a five year deficit reduction program will have a far-reaching, long-term impact on the role and capacity of government to build and maintain the health, education and social infrastructure that Ontarians expect and need.

Schedule 28 is in service to this short-sighted divestment strategy. For this alone it should be withdrawn from the budget bill, and if brought back on its own merits as a separate and distinct bill, it should be debated openly and clearly as the public divestment strategy that it is.

**Peter Clutterbuck**  
**Community Planning Consultant**  
**Social Planning Network of Ontario**  
**June 11, 2012**