



## DEPUTATION

### CITY OF TORONTO 2011 SERVICES REVIEW

The Toronto & York Region Labour Council represents 195,000 women and men who work in every sector of the Toronto economy. Our response to the Core Services Review and the recommendations from consultants KPMG is informed by a broad range of experience of our affiliated unions and their members – members of every income level, who live in every neighbourhood of this great city.

As the people who build the city, generate much of its wealth, deliver its services and contribute to every resident's quality of life, we understand the value of what we have created together. Past generations chose to invest in significant infrastructure, efficient transit and vital social programs – and they chose to pay taxes to do that. This generation of Torontonians should not shirk our responsibility to do the same.

Before addressing some of the specific issues raised in the report, it is important to put this entire process in context. The Mayor and his supporters has made it very clear that their objective is to dramatically shrink city government, cut its workforce, and outsource as many jobs as possible.

They are not the first to pursue this hard-line conservative political agenda. It is being played out south of the border with a vengeance, bringing the country to the brink of financial ruin. Here in Ontario, the Conservatives ushered in their *common sense revolution* when they last took control of Queen's Park. It was best illustrated by the famous quote of their Education Minister about "inventing a crisis" in order to fix it on his terms. We all know the result – unending turmoil in our schools, contempt for the work of teaching professionals, and a skyrocketing dropout rate.

### WE HAVE SEEN THIS MOVIE BEFORE – AND IT ENDS BADLY

The Harris Conservatives cut public revenue drastically and cost-cutting became the order of the day, even on "non-core" work like water purity. In that revolution there were also private consultants brought in to apply their expertise, and we should remember the names of Enron and Anderson Consulting as a caution against taking very expensive bad advice. We should also remember the financial cost to this city – massive downloading of services, gutted transit funding, increased poverty, and \$100 million wasted by cancelling the Eglinton subway and filling in the hole.

A lot of the cures offered about dealing with the budget pressures are far worse than the ailment. The Labour Council rejects the direction that the Mayor and his supporters are taking Toronto. We don't trust the motives, nor given recent public pronouncements, the competency to make change without doing harm.

Who would sell off a money-making operation like the Parking Authority, or Toronto Hydro? It only makes sense if you're one of the people wanting to buy it – because it's like getting a licence to print money.

Because there is a lot of money at stake and tremendous profit to be made, there is reason to be very sceptical about the well-rehearsed script being presented – sell off public assets, reduce public services, and contract out jobs. It's no surprise to hear that from representatives of the wealthiest firms on Bay Street. On one hand, they want services outsourced, wages checked and assets sold or "monetized". On the other hand, they demand that millions more in property taxes be shifted from business onto single family homeowners.

## **WINNERS AND LOSERS**

There has been a stunning list of potential cuts outlined to the different city services. While they may not affect every resident, all will hit some of our neighbours and should be a cause for alarm. The breadth of impact of today's KPMG proposals can be illustrated by four examples.

- Outsourcing cleaning – If the city outsources all of the cleaning work across the board, hundreds of jobs that someone can raise a family on will be turned into poverty wage jobs. For decades, people working in the contract cleaning industry have been trying to raise their living standards, but the dog-eat-dog tendering system keeps them in poverty. They know this reality first-hand, and don't want others brought down to poverty levels. The same is true for other occupations, as we have just witnessed with the disgraceful saga of the IQT call centre in Oshawa.
- Reducing Library Hours – Toronto has the most highly used public library system in North America, for good reason. It is a great equalizer, available to rich and poor, young and old, and particularly to newcomers. Libraries, like well-resourced schools, are vital elements of healthy neighbourhoods. Cutting access will hurt working families most of all.
- Reducing grants for AIDS prevention – With Canadian heroes like Stephen Lewis dedicate their lives to eradicating the scourge of AIDS across the world, this proposal is almost unthinkable. And yet it is there is black and white. Labour in Toronto has always advocated for robust public health programs, because people with low and modest incomes are vulnerable without them.
- Reducing community and arts grants – In a city of immigrants with growing income inequality, cutting social infrastructure in our communities is a recipe for long-term social problems. And arts and culture is one of Toronto's great attractions, and all experts agree that grass-roots initiatives feed the mainstream film and culture sectors worth hundreds of millions.

## **SAY NO TO THE DRIVE TO PRIVATIZE**

A key objective of business lobbyists is to open up the public sector to private operators. The motive is very simple. The return on investment translates into tens of millions in profit if a company can access public sector operations in long-term health, transit, utilities, data management or waste treatment. Fortunes have been

made on childcare in Australia and prisons in the U.S. For business interests, the only question is - why not in Canada's largest city?

But for the public, it's not a good deal. The P3 (public-private partnership) transit project in London England cost over \$1 billion just in fees for lawyers and accountants, then went bust leaving a huge liability to the public. **That's the real gravy train** – the consultants didn't have to pay back a penny. Hamilton's water system went through three private operators and a massive spill before it was finally brought back under public control. York Region has spearheaded the delivery of transit by private operators, but it needs a subsidy of \$4.55 per ride compared to only 59 cents for the TTC

Torontonians kept Hydro public through the great depression and a world war. Those were tough times, certainly more difficult than today. Why would we give up a crucial asset like that after the bitter experience of Highway 407?

### **A FAIR DEAL FOR OUR CITY**

Let's be clear. The funding crisis has existed since the province downloaded social service costs, transit, and other obligations onto cities without an equivalent source of revenue. Toronto gets only about seven cents of each tax dollar collected from its residents. With that, it needs to provide police, emergency services, roads, transit, and a myriad of other programs that are vital to our quality of life. The math is very simple – you can't have a great city for only seven cents on the dollar.

Cutting spaces in childcare centres, or raising fees on family recreation are wrong measures that do little to address the problem. Cutting city revenues only makes matter worse. Instead we need a city leadership that is determined to fight for and win a new deal for Toronto, and all cities in this country.

### **CHOICES WILL BE MADE**

We are Canada's largest city, with a huge leadership role to play in economic development, the environment, racial diversity and social cohesion. Yes, it takes money and effort to succeed in that role. These are the issues at stake in the debate over Toronto's finances. Public services and programs are the foundation of a decent quality of life for working Canadians. They are the legacy of wise investments by past generations. This City Council is charged with protecting that investment, not diminishing it. There are very few members of Council actually ran on a program of cutting or privatizing services.

The labour movement is committed to working with all people who care about the future of Toronto – on a principled basis of building a sustainable, equitable and healthy city for all.