

# THE HKLB NEW DEMOCRAT

## Ontario budget projects a \$4.3 billion deficit



*Premier Kathleen Wynne and Treasurer Charles Sousa praising Ontario's 2016 budget in the provincial legislature.*

Finance Minister Charles Sousa claims his 2016 Ontario budget's \$4.3 billion deficit sets the Liberals up to potentially balance the budget for the 2017-18 budget.

While a balanced budget may be within sight, there will be a cost. The government's headline cap-and-trade program will help reduce the province's greenhouse gas emissions by raising the cost of natural gas and gasoline. By the 2017-18 fiscal year the cap-and-trade program is expected to raise \$1.9 billion. However, since all of this revenue is being earmarked for various spending measures, cap-and-trade won't be a big contributor to reducing the deficit.

It's not just energy that will cost more. The tax on cigarettes went up by about 1.5 cents per smoke. While the government projects this will raise \$100 million this year, it ex-

pects that number to go down in the future as smokers quit or cut back. For drinkers, the minimum cost of wine as well as the LCBO's markup will both increase. It is projected that the tobacco and alcohol measures will raise \$135 million for 2017-18.

The government is dismantling the current system of several different grant programs administered by OSAP and consolidating them into one Ontario Student Grant starting next school year. Students from a household with incomes of \$50,000 or under will get grants large enough to get them all the way to graduation without taking on huge student debt. This amounts to about 30 per cent of all students. Students from wealthier families will receive smaller amounts of assistance but could still see grants equal to their tuition costs—which

will just leave non-tuition costs such as textbooks for them to cover.

The government is increasing funding for hospitals by \$345 million, with another \$85 million for primary care clinics and \$130 million in increased cancer care spending. The government is also introducing free shingles vaccinations for people from 65 to 70. These increases are unlikely, however, to buy peace in the health care sector because health spending is growing at only 1.8 per cent, less than general program spending in the rest of the budget. (New Democrat Leader Andrea Horwath called the health spending "a pittance".)

As hospital spending increases slightly, the government is also raising the cost of the Ontario Drug Benefit, which provides cheaper drugs for low-income seniors. The threshold income for seniors to access the benefit will rise from \$16,018 to \$19,300, and the annual deductibles for seniors at or above that line will increase from \$100 to \$170.

After two budgets in 2014 and 2015 where new transit commitments made headlines, the government is playing it cool this year, largely re-announcing previous commitments. While Niagara Region has committed \$40 million to bring all-day GO Rail service to the peninsula, to date, Sousa hasn't committed to any expansion of GO service. Other projects that have been mentioned in prior budgets,

**See "Budget vulnerable..."  
Page 2.....**

# Ontario's new grant not 'free tuition'

The Ontario government claims average university tuition in Ontario costs \$6,160. Statistics Canada says it's \$7,868.

They have also claimed that most students from families making under \$50,000 will be able to attend college or university for free in 2017. However, their numbers don't add up.

The government's calculations are based on the idea that average undergraduate university tuition costs \$6,160. According to Statistics Canada, average undergraduate tuition in Ontario is currently \$7,868. That leaves a \$1,700 gap without even counting the tuition increase of roughly four per cent scheduled for 2017.

For low-income students, a \$1,700 gap can make a huge difference. and solely counting tuition fees doesn't reflect the real cost.

It's the same story for colleges. Ontario's math requires college tuition to be \$2,768. According to Colleges Ontario, while average tuition is \$2,400 for diploma programs, it's \$3,600 for graduate certificate pro-

grams, \$5,000 for collaborative programs and \$6,100 for bachelor's programs.

The government doesn't count more expensive programs when determining its average. For colleges the government only counts diploma programs. For universities the government only counts tuition fees in arts and science programs, leaving out the more costly tuition fees in professional programs. The tuition for undergraduate law at the University of Toronto is \$31,700. For engineering at Western, it's \$13,300. If you want to study architecture at Carleton it's \$10,300.

Also missed in all the celebration of the new grants is that the government is sticking to an existing requirement for students to contribute \$3,000 annually to access the grants. While the grants are indeed increasing, the \$3,000 contribution stays in every scenario the government uses to illustrate the increased effectiveness of the grant. Undergraduate students actually paid \$7,868 last year and graduate students paid \$8,971. This is an

amazing step forward and it will help a lot of students in need but \$6,160 is not the real cost of education."

None of these estimates include mandatory student fees, which are often over \$1,000. For example, students at Guelph University paid \$1,163.59 in mandatory fees this year. It's a similar story for college students, who can expect to pay about \$800 in mandatory fees.

It goes without saying that streamlining the complicated application process will certainly simplify things and reduce one more barrier for students from a low socio-economic background who are already facing so many struggles.

Overall, these changes are worth celebrating, but the way they count tuition and the way they don't include student fees creates this impression that there won't be any cost to low income families, and that's simply not true. If the government is right, it will still amount to an easier-to-use and more generous system for student aid in Ontario. It just won't be free.

## Budget vulnerable to many different assumptions

*Continued from Page 1.....*

such as Toronto's waterfront light rail transit, have been omitted from this year's budget.

The government has also slightly increased its total funding commitment to infrastructure spending, from an initial \$130 billion over 10 years in the 2014 budget to \$160 billion over 12 years.

The Ontario Community Infrastructure Fund, which funds projects in small rural and northern communities, will triple from \$100 million to \$300 million in 2018-19. The government repeated its commitment to spend \$1 billion on infrastructure to the Ring of Fire, an isolated but potentially very valuable mineral deposit in northwest Ontario. There

are however a few big question marks left on the budget. The government's revenue projections are \$4 billion higher than the best-case projections issued by the financial accountability officer last year. If the government's revenue projections turn out to be overly rosy, it could mean the goal of eliminating the deficit is slipping further away.

Any budget is vulnerable to many different assumptions—including things like the U.S. exchange rate, economic growth, or relations with Ottawa. But one item comes up a few times explaining in part why the province's revenues are higher than projected: the hot real estate market in the GTA. High real estate prices are credited with boosting

both HST revenues and provincial land transfer taxes. Meanwhile, development charges on new homes dedicated to schools brought in \$430 million. All told, the GTA's real estate market is cited as a major contributor in over \$1.2 billion in new money.

However a collapse in prices could add up quickly: the government loses \$20 million for each percentage point decrease in both the number and prices of housing resales across the province. So a 10 percentage point drop would cost Queen's Park \$200 million—a drop in the bucket of a \$137 billion budget, but with no margin for error it could mean the difference between slaying the deficit, or not.

# Ontario budget leaves Ontario's poorest children behind



*Ontario Finance Minister Charles Sousa.*

Rarely has a Liberal government in Ontario tabled a less child-friendly budget than *Jobs for Today and Tomorrow*. The highlights of the province's 2016 financial plan – a cap-and-trade carbon-pricing scheme and free college and university tuition for lower-income students – overshadowed the absence of help for children in need.

There was no money for affordable child care. Apart from a reminder that “full-day kindergarten helps families manage their time,” the province offered no hope to low-income parents waiting for subsidized child care. In Toronto alone there are 16,802 eligible children in the queue.

Investing in child care has a double payback. It improves the life chances of low-income kids and frees their mothers to work. Without out a strong start, many disadvantaged kids don't complete high school, let alone go on to college or university.

There was no money for Ontario's 47 children's aid societies. They care for the most vulnerable children in the province. Report after report has documented serious problems in the child protection system; kids being physically restrained, sedated and injured; kids being placed with abusive relatives or

foster families; kids under the province's care dropping out of school, running away and ending up on the streets. Ontario's Advocate for Children and Youth, Irwin Elman, keeps sounding the alarm to no avail.

Lack of funding is not the only problem, but it limits the ability of children's aid workers to resolve family disputes, work with parents trapped in a spiral of addiction and violence to come up with better alternatives than taking away their children permanently.

There was a miserable 1.5-per-cent increase in social assistance rates for Ontario's poorest families. To put that in perspective, food prices went up by 4 per cent in January. Transit fares (except for monthly Metro passes) went up by 8.3 per cent in November.

Under Ontario's new social assistance rates, which take effect next October, a single mother with a child will receive \$1,078 a month. The average rent for a one-bedroom apartment in Toronto is \$1,085 per month.

There was no funding to alleviate the massive backlog in the province's courts. This leaves thousands of young Ontarians, charged but not convicted, in pre-trial custody. Judges, lawyers and prison reform advocates have urged

the government to speed up the trial process. But without more courtrooms, that isn't likely to happen. The log jam takes its heaviest toll on young offenders from poor families who can't come up with the bail to get out jail until their court date.

“We're not going to leave anybody behind,” Finance Minister Charles Sousa assured Ontarians as he tabled his fourth budget. Kathleen Wynne promised when she became Ontario's 25th premier in 2013 to make social justice her top priority. Treasury Board President Deb Matthews, who presented the government's latest poverty reduction strategy in 2014, said: “We are recommitting to reducing poverty among children and youth through targeted investments and supports.” There was scant evidence to back up any of that in last week's budget.

It's true that most taxpayers care more about gasoline prices than welfare rates. It's easy to skimp on benefits to children who can't vote, seldom raise their voices and don't have much bargaining power. But it is hard to square Sousa's talk about “a more compassionate Ontario” with the fact that 550,000 children in this province live in poverty.



**Haliburton,  
Kawartha Lakes, Brock  
Provincial NDP  
Constituency Association**

**NOTICE OF  
FOUNDING MEETING**

**Saturday, April 16, 2016**

at the

**Community Care Village Housing  
65 Melbourne St. W., Lindsay Ontario**

*(Please use entrance at rear of Building)*

Eligible voters must register between 1 pm and 2 pm  
Meeting begins promptly at 2 pm

To be eligible to vote, you must be a member in good standing with the NDP and must live in the Provincial Constituency of Haliburton, Kawartha Lakes, Brock.



**Haliburton,  
Kawartha Lakes, Brock  
NDP Riding Association**

Email: [hklb.ndp@gmail.com](mailto:hklb.ndp@gmail.com)

Website: <http://hklbndp.weebly.com>

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## Bizarre election results produced by Canada's broken voting system

Do Canadian elections really produce the governments Canadians want?

Looking back at Canada's electoral history under the First-Past-the-Post (FPTP) voting system, it makes you wonder if that's the best possible system for a modern, multi-party democracy?

There have been 28 federal elections in Canada since 1921, the first year (other than 1867) when more than two parties participated in a federal election.

In only three elections has a party formed government with more than 50% support from voters, even though the party that wins a majority of the seats in the House of Commons wins 100% of the power.

Here are some examples of bizarre election results FPTP has produced in Canadian history:

### **1935 federal election**

During the last election before the outbreak of the Second World War, five parties participated in the 1935 federal election.

The Liberals won a 173-seat majority with 44.7% of the vote, while the four opposition parties split the remaining 72 seats in the 245-seat Parliament.

The PCs were reduced to 39 seats, despite getting 30% of the vote. The newly formed Social Credit Party won 17 seats with only 4% of the vote. And the Co-operative Commonwealth Federation got 7 seats with 9.3% of the vote.

The short-lived Reconstruction Party pulled in 400,000 votes (nearly 9% of the total vote) and was awarded a single seat.

### **1957 federal election**

Progressive Conservative leader John Diefenbaker faced off against Liberal Prime Minister Louis St. Laurent in the 1957 federal election.

The Liberals received 40.5% of the vote, compared to the PCs 38.5%, but won

fewer seats. Diefenbaker became Prime Minister in a minority government.

### **1974 New Brunswick provincial election**

In a province where only two parties were competitive, you'd think there'd be a clear cut winner.

However, the 1974 New Brunswick election resulted in Richard Hatfield's PCs winning a majority government even though they received fewer votes than the Liberals.

### **1979 federal election**

Even though Pierre Trudeau's Liberals received 40.1% of the votes in the 1979 federal election, Joe Clark's PCs, who took in 35.9% of the vote, formed a minority government with 136 seats to the Liberals' 114.

### **1996 and 2001 British Columbia provincial elections**

The provincial NDP formed a majority government after the 1996 B.C. election, despite winning fewer votes than the B.C. Liberals. But five years later, the NDP was reduced to 2 seats despite getting 21.6% of the vote.

### **1993 federal election**

Maybe the best case study showing what's wrong with FPTP, the 1993 federal election saw Jean Chretien's Liberals win a majority government with 41% of the vote and 177 seats. However, the governing PCs lost party status and was reduced to 2 seats with 16% of the vote while the separatist Bloc Quebecois became the Official Opposition with only 13.5% of the vote (and 54 seats), eclipsing Preston Manning's Reform Party, which received 18.7% of the vote and 52 seats.

So is everyone's voice given equal weight under our First-Past-the-Post voting system?

That's a question worth thinking about as Canada's debate on electoral reform continues.