

BUDGET WATCH 2010



www.psac-afpc.com

Putting the budget to work for all Canadians: Destroying public services

Five sneaky ways governments have been destroying public services

Since it was first elected in 2006, the Harper government has pursued an ideology that believes less government is better and little or no government is best of all. It has been conducting an ongoing program of cuts to federal public services by stealth to avoid public, media and opposition party scrutiny.

1. Never-ending expenditure and program reviews

It never sounds like a lot but cutting five per cent here and five percent there from departmental budgets adds up quickly. The cumulative cuts ultimately make services ineffective and give the government an excuse to cut them. Shifting priorities is another way of excusing budget cuts. Like the old shell game, the public never knows what's being lost until the service is gone.

2. Selling off public assets and government infrastructure

Whether selling off public assets (the government has already shed some of its prime real estate holdings), or contracting out of the work done by public sector workers, this practice doesn't save money. The government currently spends \$8 billion a year in contracts to the private sector for professional and special services. Lacking in transparency and accountability it defers the costs of infrastructure and services to future generations.

3. Privatizing public responsibilities

In the past the government has used what it calls regulatory reform to privatize every aspect of Canada's regulatory regime to the greatest extent that it can. Government policy now demands that all federal regulatory functions seriously consider moving towards more private sector self regulation. This has resulted in a decrease in the number of federal workers who enforce regulations across the board, making it harder or impossible for them to enforce the regulations they oversee. Recent PSAC/Component campaigns addressing food safety, transport safety, labour health and safety and grain safety are just a few indications of this trend.

4. Promoting public/private partnerships (P3s)

Over the past year the government has financed and created a new crown corporation dedicated to promoting P3s in the municipal, provincial and federal sectors. Yet, there is plenty of evidence to show that P3 arrangements just end up costing taxpayers more. Governments can borrow money more cheaply and don't have to build in a profit margin. They're also less susceptible to changes in the economy. In Britain, the financial market crisis forced the government to bail out its private sector partners.

Not only don't P3s make economic sense, taxpayers never know exactly what they're paying for. Neither the Auditor General, Parliament, nor the Canadian public has access to the P3's books. The public doesn't know if a P3 partner is going to go out of business in a week or if it's making exorbitant profits at their expense.

5. Signing trade agreements that attack the quality and integrity of public services

More and more trade deals are being negotiated in secret without consulting Canadians or their Parliament. The second round of negotiations has just concluded for a trade agreement between Canada and the European Union. Canada's public sector unions have highlighted major concerns with the proposed agreement:

- A full evaluation of the social, environmental and labour impacts of the proposed agreement has never been completed;
- The negotiations are taking place outside of public scrutiny and there is a need for greater transparency of the process;
- It doesn't protect the right of governments to regulate in the public interest, protect existing public services or create new public programs;
- The agreement includes a North American Free Trade Agreement (NAFTA)-like Chapter 11 provision for an investor or private company to challenge laws or regulations of a government that is a party to the trade agreement to receive financial compensation;
- It threatens to force governments to open public procurement to foreign companies.

This proposed agreement, the new trade deal that will allow Canadian a minimal amount of access to 'Buy American' stimulus package projects in the U.S. and the Canadian Agreement on Internal Trade all have the potential to hinder the ability of our governments to act in the best interests of all Canadians, from creating strong regulations to protect our health and safety to using purchasing policy to promote public service delivery and local economic development.