

Ontario Government Is Bloated; Needs Urgent Shrinking

Complex, Wasteful Programs Are Being Dreamed Up By Politicians And Bureaucrats

By Christine Van Geyn

The Ontario government is too big and shrinking it must be a priority for the next provincial government.

There are many ways to measure just how mammoth the Ontario government has become. Whether you look at Ontario's deficits, debt, number of employees or they way they spend taxpayer money, it all points to the same conclusion that the government is too large.

In the last ten years, Ontario has more than doubled the province's debt, which is the largest sub-national debt in the world, and the government continues to spend more than it collects, to the tune of \$12 billion this year.

Between 2003 and 2017, the government increased program spending at an average annual rate of 4.9 per cent, and in the last two years this pace increased to 12.2 per cent. This is faster than economic growth, inflation and population growth.

As spending has increased, so too has this bloated government's wasteful spending.

Last week, the Financial Accountability Officer released a report that found the government spends \$1 billion a year on corporate welfare without even trying



Ontario Provincial Parliament. Pic: Charles Hoffman/Wiki

to find out if the money achieves anything. Four days later, Premier Wynne announced she was handing \$110 million to Toyota, a company that made a global profit of \$22 billion last year.

Increased government spending isn't just used on corporate welfare, it's also used to do literally nothing. For example, consider the \$70 million Ontario spent on a provincial pension plan that never happened, or the infamous \$1.1 billion gas plants that were never built. Doing nothing sure is expensive in Ontario.

There are also the programs funded by the \$2 billion cap-and-trade tax. For example, last year taxpayers paid \$47 million to subsidize electric vehicles, which until recently included cars like the \$150,000 Tesla, and the \$1.1

million Porsche 918 Spyder. The government even spent \$1 million on a shiny "Electric Vehicle Discovery Centre" – a storefront at Finch and Steeles, where people can test drive an electric BMW, grab a free coffee, and learn about taxpayer subsidies. But don't try to buy a car – they don't sell them there.

This is the tip of the iceberg though, because it's really the complex government programs that cost us the most; \$8 billion on eHealth, \$37 billion on above market rates for renewable power, or the \$93 billion Fair Hydro Plan designed to fix the high hydro rates caused by the Green Energy Act. These schemes are all dreamed up by politicians and the ever expanding Ontario bureaucracy.

Since 1997, the number of government employees has grown by 403,100, or 43.1 per cent. And while the government recently bragged of 10,600 jobs being added to the economy in March, the largest gains were by hiring government staff.

The cost of these government employees is significant. On average, government employees in Ontario earn 13.4 per cent more than non-government workers. And government staff in Canada have seen an average of over 26 per cent wage growth since 1997, making it the second fastest wage growth in Canada, second only to those in the mining and oil and gas sectors.

The province's Sunshine List of government employees earning over \$100,000, now has

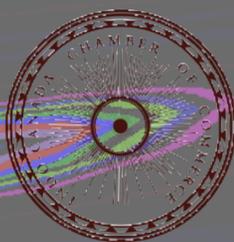
131,741 people on it, a nearly 7 per cent increase from last year. The List includes 518 TTC vehicle operators, 25 summer school teachers, two janitors, 14 Toronto parking enforcement officers, and 7,878 staff at Ontario Power Generation.

Some may argue that the province's per capita program spending is lower than other provinces. This is true, but it is not the result of any restraint on the part of government. Rather, Ontario is the most populous province in Canada, and benefits from economies of scale, a point acknowledged by the province's Financial Accountability Officer.

By way of example, a town could hire one bus driver to drive the town's half-empty bus. If the town grows larger and the bus fills up, cost of the driver's salary per rider goes down.

With bigger bureaucracies come bigger government plans, which means more government waste, paid for with higher taxes on the population. The first step in tackling waste and mismanagement is shrinking the size of government, and this must be a priority for the next premier.

Christine Van Geyn is the Ontario Director of The Canadian Taxpayer's Federation.



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