

“Trust and Balance”

Citizens’ Dialogue on the Ontario Budget Strategy 2004 – 2008

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Executive Summary

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Executive Summary

“As a new government, I think that the Liberals need to work hard to earn the trust of the people of Ontario.”

This view, expressed by a participant at the Ottawa Citizens’ Dialogue session, was echoed by citizens in Dialogue sessions across the province.

Declining trust in government has been documented in many jurisdictions over recent decades. This group of Ontario citizens was more vehement than others we have met in Canada in recent years. Their passion seemed to reflect several factors: the hard times in Ontario since the 1990-91 recession, the sense that the public services they value so highly are not meeting required standards of access and quality, and their indignation about breaches of trust by governments.

Looking to the future, they want the government to take a balanced, holistic approach, one that respects what Ontarians hold dear. They want their government to show leadership and set an example by cleaning house, streamlining services, eliminating waste/duplication and demonstrating more transparent and accountable governance. They also want true citizen engagement where advice of citizens is really listened to and used.

Ontarians want to trust their government to use their money wisely. Most are prepared to pay more in service fees for public goods and services in future on two conditions. The first is evidence that public services are being well managed and that those responsible are held to account for their actions; and second, they do not want higher fees to place a greater burden on vulnerable people.

However, there is no green light to raise income or retail taxes at this time. Ontarians first need to see the evidence of good management -- increased accountability, efficiency and transparency.

Who Participated in the Citizens’ Dialogue

Over 250 randomly selected Ontarians came together to participate in a unique consensus-building process in six cities around the province from January to March 2004. An additional 52 people participated in a pilot session. This consultation deliberately engaged unaffiliated citizens who participated as individuals – not as representatives of stakeholder or advocacy groups. They were recruited by a professional polling firm to reflect a cross-section of voting aged adults.

Participants were young, old and middle-aged men and women. They were people who had lived their whole lives in Ontario and those who had recently arrived from other parts of Canada and the world. They were single, married and divorced and included people with disabilities. They were first generation Ontarians and First Nation Ontarians. They were professionals, students, homemakers, retail workers, trades people and artists. They had varying education and income levels. But participants all shared a common interest in learning more about

Ontario's fiscal situation and having their say about the development of Ontario's budget strategy over the next four years.

The Citizens' Dialogue was part of a multi-pronged consultation on the Ontario Budget Strategy which included discussions with the public in Town Hall meetings and on the web; and with experts, stakeholders and the Ontario Public Service.

The Dialogue Process

Guided by professional facilitators, citizens worked together for nine hours in large and small groups to formulate advice to the government on:

- the values and principles that Ontarians believe should guide budgetary decisions during the course of its mandate,
- how the government should achieve the best possible outcomes from the money it collects and spends, and
- how and when the government should eliminate the deficit.

Participants committed to a journey when they signed on for the Citizens' Dialogue. They received advance background information on the provincial budget, the government's five priorities and key results and the dialogue process. At registration on the morning of the session, they received a participant workbook and worksheets (including a pre and post questionnaire). More information on the methodology is included in the report.

After an orientation to the budget, participants considered the four complementary approaches to developing a budget featured in their workbook:

1. *Raise Additional Revenues*
2. *Streamline Government Operations*
3. *Foster Conservation & Sustainability of Natural Resources*
4. *Change the Way Government Delivers Services.*

They rated their support for these approaches twice: in the morning before they deliberated in small groups and at the end of the day, at which time they could attach written conditions to their support. Their learning during the dialogue and the opportunity to think through their conditions increased the support for all four approaches:

Approach	Pre-Dialogue Rating % in favour	Post-Dialogue Rating % in favour
Raise Additional Revenues	42	76
Streamline Government Operations	45	74
Foster Conservation	55	78
Change Government Service Delivery	51	72

(Citizens rated each approach on a scale of 1 to 7. Positive scores include ratings of 5, 6 and 7.)

Source: Participant Questionnaire Results, Citizens' Dialogue on the Ontario Budget Strategy, 2004-2008, Strategic Counsel, 2004

As they made these choices, six core values with respect to Ontario's budget strategy Ontario emerged.

- **Accountability:** Government should be accountable, ethical and transparent.
- **Efficiency:** Government should manage public funds wisely.
- **Shared Responsibility:** If government uses public funds wisely, Ontarians are prepared to pay their share.
- **Fairness:** All changes must protect vulnerable people.
- **Conservation:** Government should promote conservation of natural resources by charging the full cost of services and providing penalties or incentives to conserve.
- **Balance:** Budgets should take a long-term, holistic approach.

Citizens' Advice to Government

Using the principles and values they had agreed to, participants were able to reach consensus on key steps that should be taken to help meet their priorities while living within their means. In doing so, they made two overall tradeoffs:

- **The budget should be balanced over the course of the mandate.** In exchange for not cutting the core programs and services that they most value, Ontarians would be prepared to pay more in interest on the debt for the short term.
- **Ontarians should pay more of the real cost of the natural resources that they use in order to ensure a basic level of service for all.** To encourage conservation, Ontarians would be prepared to pay more of the real cost of services such as water.

Citizens' advice to government on its budgetary strategy is presented below.

1. Raise Additional Revenue

Citizens advised government to increase discretionary taxes for items such as alcohol, tobacco, gambling/large lottery winnings and luxury goods (e.g. recreational boats/large cars). They also recommended increasing fees, user fees and fines to reflect the real cost of providing discretionary services such as hunting and fishing licences, and vehicle licence plates for personal use (licences for professional use are a separate issue). They want any increases to be done incrementally, fairly and progressively.

2. Streamline Government Operations

Citizens advised government to eliminate waste and find efficiencies in the following ways:

- Cut duplication in services and programs
- Enhance auditing of government programs/expenditures
- Reward managers for surpluses (end March Madness)

- Control expenses of senior management
- Manage grants to business and non-profits better
- Reduce number of officials on government boards

Government was urged to weigh public policy goals as well as fiscal implications when it assesses whether to sell public assets. Citizens did not advocate the sale of the LCBO or TVO.

3. Foster Conservation and Sustainability of Natural Resources

Citizens advised the government to increase fees and prices of natural resources to better reflect the real cost of providing service. However, in doing so, it must provide a basic amount to all consumers at a reasonable rate to protect the vulnerable. Overall, there should be a user pay principle, whereby the more you use the more you pay (with consideration of unit costs for number of users per household). In addition, there should be penalties for over users and incentives to encourage conservation by individuals and industry. Government should also educate the public about why and how to conserve and on the true costs of providing services. They advocated that water meters be used to determine usage. And lastly they want government to develop alternative energy sources so that Ontario will be less dependent on non renewable sources.

4. Change the Way Government Delivers Service

Citizens advised government to reform health care delivery to focus on community-based, coordinated delivery, and prevention and wellness. They want more home care to reduce unnecessary hospital stays, shortened waiting lists, improved access to specialists, accreditation for foreign professionals, greater use of nurse practitioners, personal support workers and telehealth, incentives for health professionals to stay in communities and an integrated health ID Card.

They recommended that government increase efforts to support training and workforce preparation. They want government to invest in training and retraining, increase the number of apprenticeships, provide subsidies for recent graduates entering the workforce and create a bridging program to support social assistance recipients to return to work.

Turning their attention to education, they expect the government to reduce class size, improve conditions for teachers and in classrooms (e.g. textbooks), find less expensive ways to test students, provide more services for special needs students and maintain access to education.

5. Deficit Reduction

At the end of the day, citizens were asked to advise the government on how quickly to reduce the current budget deficit, which in the Dialogue workbook was projected to average \$4.5 billion over the next three fiscal years. The majority of citizens advised the government to:

Balance the Budget within the mandate of the government

- Within two to four years
- With protection for the vulnerable
- Find progressive alternatives to deficit-obsessed approach
- Report on the state of the deficit before the end of mandate – no surprises

Conclusion

What citizens have provided in this dialogue is the value structure or the architecture for the Ontario budget strategy. This input is remarkably consistent with the messages from the less formal Town Hall consultations. The dialogue reveals much more about why citizens were saying what they did, and shows their underlying logic framework. This input from a cross section of Ontarians is designed to be a valuable complement to the more technical advice from experts and stakeholders.

Ontarians have a coherent and consistent vision of how they want their government to function. They made it clear that they believe there is a lot of room for improvement. Still they took the task seriously. They established their common views based on what is best for our communities, our children and all the people of Ontario.

They are now looking for proof that the government has heard their views. They gave three markers they would watch for:

- This report - whether it truly reflects what was heard in the dialogues,
- The 2004-2005 budget – whether it incorporates any advice given by citizens, and
- The size of the deficit – whether it is reduced during the mandate.