



Federal Budget 2012 – No jobs, less services, and long-term prosperity for the 1%.

CFNU – First Impressions, 7:15 pm, March 29, 2012

“It is clear. No jobs for anybody. More nursing grads will leave the country as retirement dreams are pushed back and nurses will have to work even longer,” says Linda Silas, President, Canadian Federation of Nurses Unions (CFNU).

“Sadly, Minister Flaherty prescribes to Canadians less care, more hallway nursing and more bed cuts, eroding any gains made since the deep cuts of the 1990s” concludes Silas.

Introduction

The federal government is justifying spending cuts that will download costs to the provinces, make Canadians work longer to be eligible for retirement payments and reduce greatly needed services to Canadians in the name of deficit elimination. It is important to remember that the federal deficit, this year estimated at \$26 billion, would already have been wiped out had the Harper government not taken more than \$30 billion per year out of the federal tax base.

The Harper government reiterates that it sees health care as a provincial responsibility, carrying through with its decision to reduce the federal share of health care spending over time. Let’s remember that when medicare was introduced it was to be based on 50/50 cost sharing. This budget also will see Health Canada cut by 6.4%.

CFNU believes the federal government has an obvious role to play in coordinating health human resources on a pan Canadian front, in pharmaceutical management and in reducing inequities in services between provinces, yet there is no plan of action or vision. For example, instead of a national pharmacare program to address drug costs and safety issues and the only reference to pharmaceuticals is a measure to get them faster to market.

Implications for Nurses

We know that the reduction in the federal share of health spending will place more pressure on provincial governments to further cut health spending at a time when demand is increasing, nurses are working flat out, and patient care is already compromised.

The lack of federal leadership in health care means that it will be harder for provinces to make the changes that nurses and patients want to see better integration, more public investment and delivery across the continuum of care, and healthier workplaces.

Health and Health Care from CFNU

Declining federal share of health care:

The federal government made its health care funding intentions clear in its December 19, 2011 surprise announcement. This announcement mapped out a dramatic reduction in the federal share of health spending over several years. The budget implements this approach to federal health financing, and it is one based neither on need nor fiscal capacity. (p.191 <http://www.budget.gc.ca/2012/plan/pdf/Plan2012-eng.pdf>)

CFNU notes that the budget offers limited protection for provinces and territories negatively impacted by the move to exclusive per capita funding under the CHT. (p. 191) The measure merely guarantees funding at 2013-2014 levels without any provision for increases. It is therefore unlikely that more than a couple jurisdictions will be able to take advantage of the measure and, even then, the benefit would not last more than one year. CFNU will be watching this closely in terms of winners and losers.

Real cuts to federal health spending:

Yes, \$310 million reduction to Health Canada - a 6.4% cut (p. 213) this will be programs and services to all Canadians, including First Nations and Inuit. The devil will come in the details.

Assisted Human Reproduction Canada will close March 31, 2013 (p.219)

Yes, some spending...

- Loan forgiveness for doctors and nurses who work in rural and remote areas. This was announced last year and goes into effect this year. (p.176)
- \$17 million over two years to develop alternatives to existing isotope production technologies (p.76) and \$107 million over two years to ensure the supply of medical isotopes at Chalk River. (p.76) This is a late reaction to the isotope shortage of 2010.
- \$6.5 million over 3 years for a research project on cost-effective healthcare at McMaster University. (p.76) Is this about more deskilling or will it look at bending the cost curve for all Canadians by introducing a more interdisciplinary approach to health care with a focus on improving home care and primary health care?
- Some news for mental health, in CFNU's opinion, not enough, but a start. \$5.2 million in 2012-2013 to establish and integrate a network of mental health-related professionals. Focus on treating depression, suicide prevention and post-traumatic stress disorder. (p.75)
- \$60 million for Genome Canada research (p.74)
- Licensed Practical Nurses have been added to the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications. RNs were added in Budget 2009.
- Exemptions for pharmacists professional services from the GST/HST (Prescription drug dispensing services were already exempted) (p.167)
- Expanding the list of health care professionals who can order medical and assisted devices zero-rated under the GST/HST. (p. 168)

- Adding blood coagulation monitors to the list of GST/HST zero-rated devices and expanding the Medical Expense Tax Credit to cover them. (p. 168)

Pro-market health care, yes, more pro-market

- Increased use of Private-Public Partnerships, despite evidence that this approach does not work. This includes a move to cut publicly funded independent research under CIHR and replace it with increased funding for private partnerships.
- Faster access to market for prescription drugs. Removing the requirement for regulatory amendments to declare prescription status to new drugs. (p. 220)

No Job Growth and No Retirement Security - CLC Budget Watch

1) Job Cuts:

Federal public services: 6.9% average reduction.

Close to 20,000 federal public sector jobs to be cut with a possible further 30,000 jobs lost. Is this sensible in the context of a fragile economy that has already lost thousands of jobs?

2) Retirement:

Will increase the age of eligibility for GIS and OAS from 65 to 67 years of age between 2023 and 2029. Only workers born before April 1, 1958 will be unaffected. Nursing is physically demanding, with high incidences of on-the-job injuries. It is unrealistic to force nurses to work until they are 67.

Federal civil servants will see pensions go to 50-50 cost share. (Even MPs will see changes to their pension plans but only after the next election.)

New hires within the federal government will be eligible for retirement at 65 rather than 60.

Positive news: government will auto-enrol seniors for OAS and GIS.

3) EI:

Feds will apply closer scrutiny of claimants and job search based on employment history.

Very little on concrete investments in training.

↑\$50 million to youth employment, a drop in the bucket in light of youth unemployment at an all-time high of 19.7% and national unemployment at 7.4%.

↑\$6 million to training for older workers over three years.

4) Corporate Income Tax:

Corporate tax rates remain at low levels, ignoring CLC call to restore rate to 19.5% from current 15%. Government revenues as share of GDP remain at low level.

5) Modest investments in Aboriginal primary and secondary education but nothing to address the housing crisis and a cut to Aboriginal Affairs and Northern Development of 2.7%.

6) CBC cuts 10% or greater.

7) Deep cuts to overseas development assistance, with 14% cut to CIDA.