



RNAO

Registered Nurses' Association of Ontario
L'Association des infirmières et infirmiers
autorisés de l'Ontario

**Submission re. 2025 Pre-
Budget Consultations**

August 1, 2025

Recommendations

RNAO recommends that the government, in cooperation with the provinces and territories and consistent with its obligations under the *United Nations Declaration on the Rights of Indigenous Peoples Act*, undertake the following as projects of national interest:

1. repair and completion of a universal publicly-funded medicare system,
2. realization of housing as a human right, and
3. creation of a clean energy future focused on a clean electricity strategy as part of a science-based commitment to climate action.

RNAO further recommends that the government increase its fiscal capacity to implement these projects of national interest by adopting and restoring progressive tax and other revenue measures.

Introduction

President Trump’s economic threats have brought nearly a century of economic integration and security cooperation between Canada and the U.S. to a grinding halt. Notwithstanding our views of Bill C-5 and Ontario’s Bill 5, we support the government’s call for “projects of national interest.”

Opportunities in the non-traded economy exist presently that qualify as projects of national interest, meeting the terms set out in the preamble and s.5(6) of the *Building Canada Act*. Reinforcing RNAO’s federal election platform, nurses urge the government to commit to three priorities: health care, housing, and energy transition (1). These priorities will foster economic growth in the face of economic threats and improve population health in an era where age, acuity and chronic disease is trending upward, mental health is trending down, and climate change is taking lives.

As national projects, these priorities also have the benefit of maturity and readiness. Considerable study – even partial implementation – has been undertaken, with existing legislative progress and plans for more extensive implementation.

Fulfilling the promise of Canadian medicare

Research from the Centre for Future Work points to the economic benefits of medicare: the broader sector employs approximately 3 million Canadians and adds \$200B to Canada’s GDP (2). Despite the proven economic and health benefits of medicare, its promise remains unfulfilled. For decades, about 30 per cent of national health care expenditures have been paid through private insurance or out-of-pocket (3). To fully realize the economic benefits of medicare, Canada must undertake a national project to improve universal health coverage.

Address the primary care crisis

For over 25 years, starting with the 2000–2006 *Primary Health Care Transfer Fund* and on through to 2023’s *Working Together* funding, the government has recognized the need to bolster primary care. Yet nearly 6 million Canadians remain unattached to a primary care provider, and there’s limited access to care for those who are (4).

To ensure every Canadian can access primary care:

- develop a rolling 10-year health human resource plan via Health Workforce Canada,
- expand team-based primary care,
- increase the number of nurse practitioners, and
- expand specialty roles for primary care registered nurses – e.g. chronic care management and care coordination.

Complete the medicare vision

The Canada Health Act is more than 40 years old, yet Canada remains well-short of realizing the original vision of medicare to include pharmacare, dental care and home care (5).

Pharmacare: With the passage of Bill C-64, Canada has taken steps toward pharmacare. Yet, Canada remains the only country with “universal” health care that doesn’t provide coverage for prescription drugs outside hospital settings. The 2022 Hoskins report noted:

- Approximately 20 per cent of Canadians must pay out of pocket for prescription drugs.
- Almost 1 million Canadians had cut their household spending on food and heat to pay for medication.
- One in five households reported a family member who hadn’t taken a prescribed medicine due to its cost within the previous year.

The Hoskins report and a series of studies by the Parliamentary Budget Office identified significant savings associated with pharmacare (6).

Dental care: Oral disease and conditions are the world’s most prevalent non-communicable disease (7). Canada’s medicare scheme must treat dental care as a necessary health service, as recommended by the World Health Organization. The introduction of the Canadian Dental Care Plan (CDCP) is a promising start to making dental care more affordable for millions of Canadians. RNAO recommends removing means-testing for CDCP eligibility.

Home care: Home care has been historically underfunded: hospitals represent over 25% of national health-care expenditures; home and community care only ~4% (3). The number of home-care patients is rising, almost half of those who receive services have unmet needs, and many older adults cannot afford home-care services (8).

Problems caused by inadequate funding of home care include: hospital beds occupied by patients awaiting home care, excessive waitlists for long-term care, and a higher burden of care shifting to informal caregivers (9,10).

Realizing the right to housing

In 2017, Canada recognized housing as a human right through the 2017 *National Housing Strategy Act*. Yet today Canada’s shortfall of housing affordable to the lowest two income quintiles totals 3 million homes; we will need 4.3 million affordable homes by 2031 (11).

In addition to the right to housing, the National Housing Council (NHC) identifies the economy as a reason for addressing non-market housing. NHC concludes that increasing the share of non-market housing units from its current level to the OECD average of 7 per cent by 2030 will improve Canada’s productivity and boost GDP by between \$67B and \$136B (12). Multiple studies confirm the direct, indirect and induced economic benefits of constructing non-market housing.

The concept of foregone expenditures is central to economic arguments that support constructing non-market housing. Scotiabank points to the futility of targeted housing transfers, noting that they are largely trivial relative to the scale of the gaps; the cost of pursuing transfers will also continue to escalate as shelter costs rise and market income provides little offset (13). Many studies also point to the social returns of investment in non-market housing which provide real relief on government health, social and justice-related expenditures. These savings largely stem from the extraordinary costs associated with homelessness. The NHC concludes, “The question is not whether Canada can afford to invest in more non-market housing, but whether we can afford not to” (12).

RNAO recommends that the government implement NHC’s recommendations:

1. Build, acquire and preserve non-market housing through long-term federal funding and financing with the goal of attaining at minimum the OECD average.
2. Ensure permanent rent supports for the lowest-income households.
3. Enable non-market housing providers to build assets and scale up.

In an open letter from housing advocates, RNAO urged the Minister of Housing and Infrastructure to ensure that Build Canada Homes makes the construction of non-market, affordable housing its priority (14).

Meeting climate commitments through clean energy transition

In 2021, Canada enacted the *Canadian Net-Zero Emission Accountability Act*, setting emission targets needed to avoid the very worst impacts of climate change. The Act sits at the centre of government activity that collectively begins to decarbonize Canada’s economy in a meaningful way including a comprehensive clean energy strategy: *Powering Canada’s Future: A Clean Electricity Strategy* (15).

Canada, in the absence of a decarbonized electricity system, cannot meet its net-zero emissions target (15). Moreover, the strategy put forward by the (then) Ministers of Energy and Natural Resources and Environment and Climate in early 2025 is an economic plan. As expressed by the Ministers in the report’s foreword: “One thing we sometimes fail to see in our changing climate is opportunity to create a more sustainable natural environment and transform our national economy; to launch entire new industries and reimagine existing ones, all while creating good, highly-skilled, well-paying jobs in every sector of the economy and every region of the country” (15).

The economic highlights of this strategy are:

- Over the next five years, Canada’s clean energy gross domestic product is projected to reach \$107B – driven by \$58B in annual investments by 2030, and more than 600,000 jobs.
- A shift to a net-zero future will reduce total energy related costs by as much as \$15B.
- 84 per cent of households are projected to have lower overall energy expenses by 2035.
- Average household savings on total energy spending are expected to be 12% by 2050.

Inaction carries profound economic and societal costs: \$7B in costs from natural disasters in summer 2024 alone, declining values of carbon-based assets and investments, and climate-related health problems and deaths (15).

RNAO recommends that the government commit to a clean energy future, focused on a clean electricity strategy, as a project of national interest. Our recent letter to Prime Minister Carney reflects this statement by the Ministers of Environment and Climate Change and Energy and Natural Resources: “This Strategy is as much an industrial roadmap for the next decade of Canadian business as it is a plan to leave a healthy home to our children, and their children” (15).

Boosting fiscal capacity

The government needs to enhance its fiscal capacity to meet today’s unprecedented challenges. Cancelling the capital gains tax increase and eliminating the digital service tax is regressive and self-defeating absent other tax- and revenue-related initiatives. While escalating civil service cuts may yield savings, it will also compromise the capacity to undertake projects of national interest. Such cuts will also undermine the ability to catalyze private sector investment necessary to re-orient our economy.

Increasing the fiscal capacity of government needs to be sensitive to household income and, broadly, affordability. Statistics Canada reports that in 2024 nearly half of Canadians struggle to meet day-to-day expenses. Yet, wealth inequality in Canada reached a record high in 2025’s first quarter (16). RNAO recommends that the government increase its fiscal capacity to implement the above projects of national interest by adopting and restoring progressive tax and other revenue measures. Such measures should include:

- eliminating all subsidies and tax advantages to the fossil fuel industry,
- increasing the inclusion rate for capital gains taxes,
- restoring a digital services tax,
- increasing the corporate income tax rate,
- increasing personal income taxes for the wealthy and introducing taxes on large inheritances and net wealth, and
- closing tax loopholes and tackling systematic tax avoidance.

The Registered Nurses’ Association of Ontario (RNAO) represents more than 55,000 registered nurses (RN), nurse practitioners (NP) and nursing students across the province of Ontario. For a century, the association has advocated for changes that strengthen the nursing profession and improve people’s health.

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