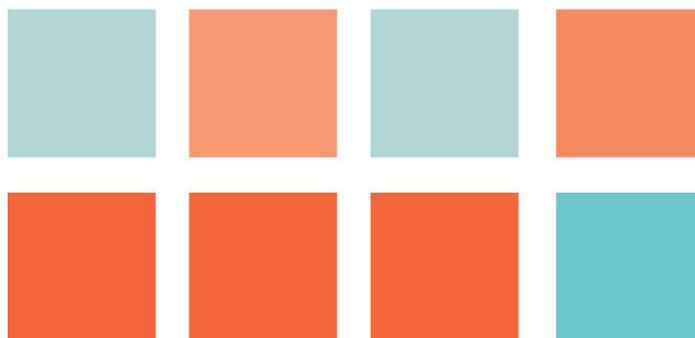


**Ontario Budget Bill 91: Ontario's Other Deficits:
Social, Health, Environment and Infrastructure**

Speaking Notes

Standing Committee on Finance and Economic Affairs

May 21, 2015



Good afternoon, my name is Doris Grinspun and I am the Chief Executive Officer of the Registered Nurses' Association of Ontario (RNAO). With me is Kim Jarvi, RNAO's senior economist. RNAO is the professional association representing registered nurses, nurse practitioners and nursing students working in all settings and roles across Ontario. We understand the budget's importance when it comes to the health of Ontarians and its effect on nursing services. We appreciate this opportunity to respond to Bill 91, the Budget Measures Act.

RNAO was pleased that the government is enhancing access to care by removing barriers to nurse practitioners making direct referrals to specialists. RNAO now urges the government to deliver on its promise to create 75 new nurse practitioner positions in long-term care homes by specifying a long overdue implementation plan. Moving forward on these positions will deliver a new level of timely care and will reduce unnecessary emergency department transfers.

We are gravely concerned with the continuation of austerity budgeting. It puts access to care and patient safety at risk by opening the door to damaging practices. For example, some hospitals used shortfalls in government funding as a rationale for engaging in Medical Tourism. We applaud Minister Eric Hoskins for sending a directive to stop marketing abroad, and urge him and Premier Wynne to proceed with a legislative ban.

Budget cuts in the hospital sector have also led some hospital executives to engage in yet another cycle of misguided replacement of RNs with lower cost providers. We urge government to immediately call on hospital executives to stop the replacement of RNs, as the evidence shows in no uncertain terms that it results in worse health outcomes and higher costs.

From time to time our Premier has commented that RN layoffs are the result of moving care to the community. We beg to disagree. First, the more you move care into the community the higher the acuity of both - our hospitals and community care - thus, you need a higher "RN dose." Second, while RNAO agrees with the government's intention to shift care into the community, we cannot put the cart before the horse; we need to ensure that the capacity of the community sector is expanded and resources are appropriately shifted first. In part, this means new investments in home care. It also means realignment of resources, where appropriate. We want to reiterate RNAO's recommendation - issued first in 2012 - to engage in a three year devolution of CCAC functions to primary care and to the Local Health Integration Networks (LHINs). The government should transfer care coordination and health system navigation to primary care where truly belongs. And, it should bring primary care, home health care and public health under the LHIN umbrella to enable whole system planning, funding allocation, and accountability. Such realignment would lead to better health system integration, and reduce costly and remove ineffective duplication. The administrative savings of CCAC devolution would amount to over 200 million dollars that could be better spent in direct home care hours for

Ontarians. Add to such realignment the expansion of RN scope of practice, including RN prescribing - which both the Premier and Minister Hoskins committed to move forward with this year - and we could unlock the system and truly put Ontarians access to timely and quality care first.

Nurses know that good health outcomes depend not only on access to health care, but also healthy physical and social environments. When it comes to social determinants of health, the budget was disappointing. Social assistance rates, already woefully inadequate, failed to keep pace with inflation. As part of its poverty reduction strategy, the government must adopt ambitious targets, timelines and investments, including funding social assistance at levels that reflect the real cost of living in health and dignity.

The budget bill itself sets the stage for the sale of Hydro One, a move designed to address the government's revenue problem. However, this is not an approach we can support. It is not sustainable or logical to sell off revenue-generating assets to fill an on-going revenue shortfall. We find it incomprehensible that the government would entertain selling off a steady revenue stream for up-front cash.

First, there is the concern that Hydro One could end up with management that seeks to maximize its net profit at the expense of the public and the environment. Government assurances notwithstanding, the sale of 60 per cent of Hydro One does risk the loss of control of the asset.

Second, the sale is almost certain to be a long-term net loss to government. If buyers are indeed only able to purchase minority shares with no control, then they are just getting a revenue stream that will come with many risks, which they cannot control: future regulatory requirements; price controls; uncertain input costs; and uncertain demand. They will have to discount the price they are willing to pay below the fair value of the asset, just to cover their risk. The government, on the other hand, has some control or knowledge of these risks and is better able to manage them. And, of course, the proceeds of the sale will be split between government and any bodies charging commissions to facilitate the sale.

Third, Bill 91 lays bare the huge loss in accountability: Hydro One would be exempt from virtually all the normal scrutiny of public sector organizations: the Auditor General; the Ombudsman; the Financial Accountability Officer; the Information and Privacy Commissioner; the Integrity Commissioner; the sunshine list; and lobbyist restrictions and wage restrictions under the Broader Public Sector Accountability Act. This led eight independent legislative officers, several of whom were just mentioned, to write a letter calling on the government to reverse its plan to remove independent oversight from Hydro One.

RNAO is in full agreement and calls on the government to maintain full independent oversight of Hydro One. RNAO also wants to see a halt to the sale of assets, including the sale of any shares of Hydro One.

Before closing, nurses want to urge the Wynne government to abandon the austerity agenda. Sadly, austerity has been a persistent theme of recent budgets; Ontario has cut program expenditures from 17.9 per cent of GDP in 2009-10 to a projected 16.0 per cent for this fiscal year. That would put Ontario at the second lowest level of all provinces in Canada, after Alberta. To be clear, RNAO understands the importance of balancing the budget over the business cycle. The question is when and how. An examination of the budget figures shows that the bulk of the reduction in the deficit comes at the expense of program spending. Ontario could restore fiscal capacity and has taken a very important step by pricing carbon. It should follow that with other environmental user fees that make polluters pay. And it should make its tax structure more equitable by relying on progressive income taxes.

In closing, we thank the standing committee for this opportunity. Our recommendations today cover a wide spectrum and we urge you to consider them.

RNAO looks forward to continue our strong partnership to advance health public policy in the year ahead.