



Bill 55: Taking Deficits Seriously

Speaking Notes:

Standing Committee on Finance and Economic
Affairs

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Good afternoon. My name is Kim Jarvi and I am a Senior Economist at the Registered Nurses' Association of Ontario – (RNAO). With me is Rob Milling, Director, Health & Nursing Policy at RNAO. We are the professional association for registered nurses who practise in all roles and sectors in Ontario. Our mandate is to advocate for healthy public policy and for the role of registered nurses in enhancing the health of Ontarians.

Bill 55 is a major piece of legislation that not only implements Budget 2012 but also a series of related and unrelated measures. We have concerns about the health and nursing impacts of many elements of the Bill, and are pleased to have this opportunity to present our views on behalf of the province's registered nurses. This is the first opportunity we have had to formally present on Budget 2012, and accordingly, we will look at three broad areas: public consultation, provisions in Bill 55 itself, and the content of the budget.

Public consultation

In recent years, the government has consulted broadly on its legislative and regulatory agenda. Unfortunately, proper consultation has been largely absent from the entire budgetary process:

1. The budget exercise began in reality with the appointment of the Drummond Commission, and its mandate to eliminate the budget deficit in seven years without being able to raise tax rates. Although RNAO was consulted twice by Mr. Drummond and his commissioners, the public at large was not. And, with no public consultation – and a mandate to eliminate the deficit without increasing taxes – the only option left on the table was severe program cuts.
2. Budget 2012 also did not hold public consultations. Bill 55 exacerbates the lack of transparency and accountability by bundling many substantial and unrelated bills together in a way that yields less scrutiny than would normally take place. For example, environmental measures in Bill 55 are exempted from the normal posting and public consultation requirements under the Environmental Bill of Rights because this is a budget bill.¹ If the items in the omnibus Bill 55 were merely housekeeping measures, that would not be a concern, but as we will show, there are major controversial proposals in the Bill that should receive careful review as separate bills, if they should appear at all.

Speaking more broadly, RNs believe a full public consultation is essential to weigh changes as unprecedented and far-reaching as those proposed in the Drummond Report, and to consider other options. RNAO is on record asking for public consultations since the report was released in February.

Schedules in Bill 55

This omnibus bill introduces both substantial and controversial initiatives including: privatization of delivery of government services; delegation of authority; further regulation of collective bargaining; and weakening environmental legislation.

We cannot begin to cover the full breadth of the bill in the ten minutes we have been allotted. Thus, we will focus on two sets of schedules of particular concern to nurses: those related to privatization of health services, and those focused on environmental legislation.

Privatizing Government Services -- Schedule 28 -- is the first area where we wish to focus. RNAO and Ontario's nurses are **shocked** that the McGuinty government – a government that has time and again spoken in favour of Medicare and universal access -- now would come forward with a proposed act that gives Cabinet of this or any future government sweeping powers to privatize any government service by order or regulation.

As currently worded, there is apparently nothing that would prevent selling any government service to the highest for-profit bidder, including parts of our health-care system. Schedule 28 of Bill 55 also appears to give government the power to dispose of government assets with minimal oversight. The proposed act is constrained by no stated purpose, and provides for no Parliamentary oversight, no reporting requirements, or other limits on these massive new discretionary powers. This is utterly unacceptable to nurses and a serious blow to transparency and accountability.

We must also be mindful that any privatization could be irreversible due to trade agreements to which Canada is party, including the General Agreement on Trade in Services of the World Trade Organization and the Canada-European Comprehensive Economic and Trade Agreement best known as CETA.

RNAO urges, in the strongest terms, that Schedule 28 of Bill 55 be withdrawn in its entirety. Nurses are certain that the public too will reject both the idea of privatization and the new unchecked powers.

RNAO and Ontario's nurses say: there are better ways to bring the deficit under control than privatizing health and any other social services, or bringing deep cuts. Nurses are eager and ready to help!

A critical area to bring system improvements and savings is to fully utilize and expand the scope of practice of nurses and all other health professionals. Another area is to improve integration between social programs and health services, and within health services itself. For example, unnecessary duplication between Community Care Access Centres, hospital discharge coordinators, and home care agencies increases costs and diverts money that could be better spent on direct care for patients in primary care and at home by nurses working to full scope. Mr. Drummond himself recognized the necessity of nurses working to their full scope of practice. For example, there are over 4,300 primary care nurses ready and willing to play a greater role. Expanding access to primary care by investing in more nurse practitioners across the system, including NP-led clinics, community health centres, family health teams as well as home care, is a sound investment that will improve health and reduce unnecessary emergency room visits. Expanding access to NPs in long-term care homes will improve residents' health and reduce transfers to ERs. RNs know there are solutions and RNAO looks forward to working with all parties to improve health outcomes and save money.

Weakening environmental protection is the second area where we want to focus our attention.

RNAO and nurses are dismayed that Bill 55 weakens environmental legislation in the following schedules: 15, 19, 23, 34, 58, and 59. The inclusion of environmental amendments in the budget bill both skirts requirements for public participation under the Environmental Bill of Rights and, disturbingly, reinforces the destructive impact of its counterpart federal budget bill. Gutting of environmental regulation at the provincial and federal levels will seriously impair the ability of Canadians to protect their environment – a most basic determinant of health.

Bill 55 would expand regulatory discretion and thus erode “transparency, certainty and predictability.” There are risks of significant environmental harm that make the inclusion of environmental provisions in an omnibus bill like Bill 55 unjustifiable.

RNAO strongly endorses the call by 58 environmental, health, legal and other organizations to withdraw from Bill 55 the following Schedules: 15, 19, 23, 34, 58 and 59.²

The 2012 Budget

Ontarians face three major budgetary changes: sweeping changes recommended by the Drummond Commission, the 2012 Ontario Budget and 2012 Federal Budget.

As I mentioned a moment ago, the Drummond Report has many recommendations that nurses fully support such as expanded scopes of practice, full utilization of nurses and system integration. However, the Commission was limited to making recommendations to eliminate Ontario's large deficit **without raising tax rates** – a major limitation! Thus, Mr. Drummond had little option but to recommend massive real per capita spending cuts. Mr. Drummond correctly termed his cuts as “unprecedented”. Ontario Budget 2012 did implement significant cuts, although not as aggressive as recommended by Drummond. The federal budget would compound the effects of those cuts with cuts of its own. Unless fiscal capacity is seriously addressed, it will not be possible to maintain current levels of service or address the pressing needs in poverty reduction, housing, home care, long-term care, child care, and environmental protection.

Ontario's austerity budget puts further stresses on an economic recovery that has been comparatively weak and which has left far too many Ontarians out of work. RNAO was profoundly concerned when the Budget hit the most vulnerable with the double whammy of both freezing the minimum wage and social assistance rates. Asking those who can least afford it to live with less is unconscionable – and most disappointing for a government that in 2003 said would leave no one behind. Nurses say this

is not only morally wrong, it is also bad health and economic policy, as there is overwhelming evidence that links poverty with increased illness (thus higher costs) and premature death.

RNAO was encouraged to see that negotiations between the government and the NDP resulted in a step towards resolving the government's revenue problem and reducing the impact on vulnerable Ontarians. We wish to point out, however, that even with the negotiated one per cent rise in social assistance payments, those with low incomes will still face net income cuts due to cuts to other programs. We urge that the overall social assistance package be funded at a two per cent increase to reflect cost of living increases in Ontario.

RNAO more generally is seeking a balanced approach to economic and social policy.

This means taking all deficits seriously: fiscal deficits, social deficits **and** environmental deficits. When it comes to fiscal deficits, this means a full public discussion on timing, on fiscal capacity, and on the mix of services that will move Ontario forward. As this year's elections in France and Greece have shown, voters are very concerned about the effects of a single-minded focus on fiscal deficits. Rising unemployment and falling

access to public services are top concerns. Those concerns are mirrored in Ontario and Canada.

Thank you again for giving us the opportunity to present the views of the Registered Nurses' Association of Ontario.

¹ Environmental Commissioner of Ontario. (2012). *The Omni-Budget Surprise*. April 2, 2012. Retrieved May 21, 2012 from: <http://www.eco.on.ca/blog/2012/04/02/the-omni-budget-surprise/>.

² Cox, B., Schultz, C., Moola, F. Khan, F., McCleneghan, T., McDonnell, J. et al. (2012). Open letter to Premier Dalton McGuinty, May 10. Retrieved May 14, 2012 from: <http://www.cela.ca/sites/cela.ca/files/L-Bill-55-to-Premier.pdf>.