

## 2012 Federal Budget Highlights and Summary



# Highlights

- 5.2 billion in cuts
- 6.4% reduction in Health Canada spending
- Public Health Agency of Canada Health Promotion decrease of 774 thousand dollars
- Supplementary Health Benefits for First Nations and Inuit increase of 22,979
- First Nations and Inuit Primary Health Care, which includes oral health promotion and disease prevention, decrease of 48,210
- In 5 years, growth in health transfers to provinces will decrease
- Slashing Old Age Security
- 4.8% of federal jobs eliminated
- 2 Billion new investments in infrastructure in educational institutions
- Travelers' Exemptions increased

#### Summary

#### **Overall Budget**

#### Reduced spending moves the budget from a deficit to a surplus

2012 — 24.9 Billion deficit ......2015—3 Billion surplus

# **Federal Government Departmental Reductions**

# Health Canada (HC) Planned R

2012-2013 —74.2 M ......2015-2016 —200.6 M

# HC First Nations and Inuit Health details for 2012

Supplementary Health Benefits for First Nations and Inuit increase of 22,979 (thousands) \*\* may be promising for the expansion of the <u>Alberta NIHB</u> <u>dental hygiene pilot project</u> across Canada to reimburse independent practice dental hygienists for their services.

First Nations and Inuit Primary Health Care, which includes oral health promotion and disease prevention, decrease of 48,210 (thousands)

# Public Health Agency of Canada (PHAC) Planned Reductions

2012-2013 —13.7 M......2015-2016 — 68.0 M

HC/PHAC shared services model eliminates duplication saving \$68 million.

# PHAC Details for 2012

Health promotion decrease of 774 (thousands of dollars)

# Canadian Institutes of Health Research Planned Reductions

2012-2013—15.0 M......2015-2016— 30.0 M (Some of these savings will come from the new CIHR design for applications and reviews.)

# Canada Health transfer (CHT)



#### In 5 years, growth in health transfers to provinces will decrease

 Current 6-per-cent annual escalator for the Canada Health Transfer (CHT) will continue for five years. Starting in 2017–18, growth calculated with GDP, with funding guaranteed to increase by at least 3 per cent per year.

2 Billion new investments in infrastructure in educational

2014–15 CHT equal per capita cash allocations to provinces will begin.

# Education

institutions



Extending the hiring credit for Small Business for one Small businesses year to help small businesses to defray the costs of hiring new workers.

#### Populations at high risk for oral diseases

#### Persons with Disabilities

- \$30 million over three years to the Opportunities Fund to improve labour market participation.
- Improving the Registered Disability Savings Plan.



- Introduce a First Nation Education Act.
- Improve the incentives of the on-reserve Income Assistance Program.
- Renew the Urban Aboriginal Strategy to improve economic opportunities.
- Providing \$275 million over three years to support First Nations education and build and renovate schools on reserve.
- Providing \$27 million over two years to renew the Urban Aboriginal Strategy.

#### Seniors

#### Slashing Old Age Security

Starting in 2023, seniors have to work an extra 2 years-increasing the age of eligibility for Old Age Security (OAS) and Guaranteed Income Supplement (GIS) benefits from 65 to 67. Will not affect anyone who is 54 years of age or older as of March 31, 2012. However, the average age of retirement is now 62. People can defer their OAS payments for 5 years which will increase payments at a future date. GIS payments were not boosted.

# New Pooled Registered Pension Plans

Support for the retirement income system with Pooled Registered Pension Plans that provide an accessible, large-scale and low-cost pension option to employers, employees and the self-employed.

#### Low Income Individuals

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# Work while on EI

\$74 million over two years to introduce a new national Working While on Claim EI pilot project and proposes \$387 million over two years to align the calculation of EI benefit amounts with local labour market conditions. How it works...

Jennifer is a dental hygienist who has been laid off and is receiving EI benefits of \$450 per week. She has found part-time work in a dental clinic that pays a total of \$600 per week. Under the current Working While on Claim pilot project, Jennifer can earn up to 40 per cent of her weekly benefits, \$180, with no reduction in her EI benefit payment. Earnings above this level reduce her benefit payment dollar-for-dollar. Jennifer's combined earnings and EI benefit would be \$630. Under the new pilot project, Jennifer's EI benefit will only be reduced by 50 per cent of her earnings from working while she is on claim. Her combined weekly income would be \$750, an increase of \$120 per week.

# Research



- \$30-million annually cut from Canadian Institutes of Health Research (CIHR).
- \$37 million annually starting in 2012–13 to the granting councils to enhance their support for industry-academic research partnerships.
  \$6.5 million over three years for a research project at McMaster University to evaluate team-based approaches to health care delivery.
- \$45 million over five years to establish the Banting Postdoctoral Fellowships to attract top-level research talent to Canada.
- \$100 million over five years to create the Vanier Canada Graduate Scholarships to draw top doctoral students to Canada.
- \$15 million per year to CIHR for its Strategy for Patient-Oriented Research. However, there will be a 5.4 million dollar decrease in main estimates for this year.
- \$7 million per year to the Social Sciences and Humanities Research Council for its industry-academic partnership initiatives.

# **Knowledge Translation**



• \$440 million over six years to establish the Centres of Excellence for Commercialization and Research, to help translate knowledge into significant commercial advantage for Canadian businesses.

• \$78 million over four years to support linkages between businesses and colleges through the College and Community Innovation Program.

#### **Federal Government Jobs**

# 4.8% of federal jobs eliminated

- 19,200 federal government positions eliminated (12,000 people laid off)
- New hires will have to retire at age 65

#### Women

Economic Action Plan 2012 announces the creation of an advisory council of leaders from the private and public sectors to promote the participation of women on corporate boards.

#### **Foreign Credential Recognition**



# Dentists added to thirteen other target occupations

Support to foreign credential recognition under the Pan- Canadian Framework for the Assessment and Recognition of Foreign Qualifications to ensure that foreign credentials are quickly and fairly assessed in Canada. This may improve access to care for Canadians; however, depending on the numbers that enter Canada, it may result in an imbalance between supply and demand.

#### Traveler's Exemptions Increased



- Out of the country for 24 hours, bring back \$200 in goods (formerly \$50).
- Out of the country for 48 hours or more, bring back \$800 (formerly \$400).