
OHA 2007 NATIONAL BUDGET SUMMARY AND ANALYSIS

General:

- Total spending for 2007-08 is projected to be \$233.4 billion (\$199.6 billion in program spending, \$33.8 billion in public debt charges). Total spending is expected to rise to \$240.5 billion in 2008-09 (\$206.8 billion in program spending, \$33.7 billion in public debt charges)
- For 2006–07, the Government is planning to reduce the federal debt by \$9.2 billion. Combined with last year's \$13.2-billion surplus, federal debt will have been reduced by \$22.4 billion over two years.
- Canada's national debt is projected to be \$469.3 billion in 2007-08, falling to \$466.3 in 2008-09. The Government remains on target to lower the federal debt-to-GDP (gross domestic product) ratio to 25 per cent by 2012–13.
- Revenues as a share of GDP are projected to decline from 16.2 per cent in 2005–06 to 15.5 per cent in 2008–09. This reflects a growing economy and the impact of tax measures legislated with Budget 2007, including the October 2006 Tax Fairness Plan, and Budget 2006.
- The Government plans to limit growth in program spending, on average, to below the rate of growth in the economy.

Health Care:

The 2007 Budget proposes to:

- Invest an additional \$400 million for Canada Health Infoway to support early movement towards patient wait times guarantees through the development of health information systems and electronic health records.
- Establish the Canadian Mental Health Commission, with \$10 million over the next two years and \$15 million per year starting in 2009–10. This commission will lead the development of a national mental health strategy, and will be led by former Senator Michael Kirby.
- Provide up to \$612 million to support jurisdictions that have made commitments to implement patient wait times guarantees.

- Provide \$30 million over three years for patient wait times guarantees pilot projects.
- Provide \$300 million for a vaccine program to protect women and girls against cancer of the cervix.
- Provide \$2 million to the Canadian MedicAlert Foundation to help the *No Child Without* program provide free MedicAlert bracelets to children.
- Provide an additional \$22 million per year to help the Canadian Institute for Health Information build on its reputation as a world leader in providing timely, accurate and comparable health information.
- Fully implement the *10-year Plan to Strengthen Health Care*, providing \$1.2 billion more to provinces and territories in 2007-08.
- Legislate an equal per capital cash allocation for both major transfers, the Canada Social Transfer (CST) and the Canada Health transfer (CHT) as they are renewed.
 - The move to an equal per capita cash allocation for the CHT will be legislated to take effect in 2014-15, when the current *10-year Plan to Strengthen Health Care* expires.

OHA Commentary: The OHA welcomed additional movement on establishing electronic health records and on addressing wait times, as well as the creation of a Canadian Mental Health Commission. The OHA had called for the creation of a national mental health commission, and fundamental e-health initiatives, such as the creation of electronic health records, remain advocacy priorities for the OHA. Otherwise, the 2007 Budget mostly reaffirmed or built on the health care promises made by the Conservative Party of Canada (CPC) during the 2006 Federal Election related to the *10 Year Plan to Strengthen Health Care*, the establishment of a Patient Wait Times Guarantee, and the implementation of the Canadian Strategy for Cancer Control.

For more information about the budget's health care initiatives, please visit:

<http://www.budget.gc.ca/2007/bp/bpc3e.html>

Knowledge and Research:

The 2007 Budget proposes to:

- Increase the annual budget of the CIHR \$37 million in 2007 to \$748 million.
- Invest an additional \$800 million per year, beginning in 2008–09, for provinces and territories to strengthen the quality and competitiveness of Canada’s post-secondary education system. Federal support will grow by 3 per cent every year thereafter.
- Help graduate students cover the cost of their education with \$35 million over two years and \$27 million per year thereafter to support an additional 1,000 students through the Canada Graduate Scholarships.
 - In health-related studies, through the Canadian Institutes of Health Research.
 - Providing \$510 million to the Canada Foundation for Innovation to undertake another major competition before 2010. This will support the modernization of research infrastructure at Canadian universities, colleges, research hospitals and other non-profit research institutions.
- Provide \$120 million in 2006–07 to CANARIE Inc., a not-for-profit corporation that manages CA*net, a sophisticated research broadband network that links Canadian universities, research hospitals as well as other science facilities in other countries. This money will allow CANARIE to maintain the CA*net network for the next five years and to develop the next generation CA*net5.
- Invest \$85 million per year through the federal granting councils for research targeted on key priorities: health sciences, energy, the environment, information and communications technologies and management, business and finance.
- Provide \$10 million over the next two years to the Canadian Institute for Advanced Research to help Canadian students and researchers participate in and lead groundbreaking research on the international stage.
- Provide an additional \$15 million per year to cover the indirect costs of research, including the operating and maintenance of research facilities.
- Provide \$500 million per year starting in 2008–09 to provide labour market training to help people who are not eligible for employment-insurance-related training get the skills they need and employers want.

- Supporting lead Centres of Excellence in Commercialization and Research with an investment of \$350 million over 2006–07 and the next two years.
- Provide Genome Canada with an additional \$100 million in 2006–07 to extend promising research projects and sustain funding for regional genome centres and related technology platforms.
- Invest \$30 million in The Rick Hansen Man in Motion Foundation in 2006–07 to translate research into practical benefits for Canadians living with spinal cord injuries.
- Dedicate \$34 million over the next two years to help Canadian-educated foreign students and skilled foreign workers stay in Canada as permanent residents.
- Create the Foreign Credential Referral Office with a \$13-million investment over two years.
- Provide \$2 million over the next two years to launch a new international education marketing campaign to attract talented students to Canada.

OHA Commentary: The OHA welcomes the initiatives which support the creation of research infrastructure, such as the \$510 million allocated to the Canada Foundation for Innovation (CFI). It should be noted that the Association of Canadian Academic Healthcare Organizations (ACAHO) has expressed its concern that the annual funding increase provided to the CIHR did not match its pre-Budget recommendation of \$1.0 billion in annual funding (to begin in 2007).

For more information about the research and innovation, please visit:

<http://www.budget.gc.ca/2007/bp/bpc5de.html>

Federal Fiscal Imbalance:

The 2007 Budget proposes to:

- Increase the Canada Health Transfer received by Ontario by approximately \$73 million, for a total of \$8.1 billion in 2007-08.
- Fully implement the *10-year Plan to Strengthen Health Care*, providing \$1.2 billion more to provinces and territories in 2007-08.

- Legislate an equal per capital cash allocation for both major transfers, the Canada Social Transfer (CST) and the CHT as they are renewed.
 - The move to an equal per capita cash allocation for the CHT will be legislated to take effect in 2014-15, when the current *10-year Plan to Strengthen Health Care* expires.

OHA Commentary: The OHA has been encouraged by the Government of Canada's willingness to work with the Government of Ontario to address the federal-provincial fiscal imbalance. We believe that there is a great opportunity for both levels of government to narrow the existing gap and ensure that Ontario's health care system can better meet the needs of patients into the future.

For more information about the fiscal imbalance, please visit:

<http://www.budget.gc.ca/2007/bp/bpa4e.html>