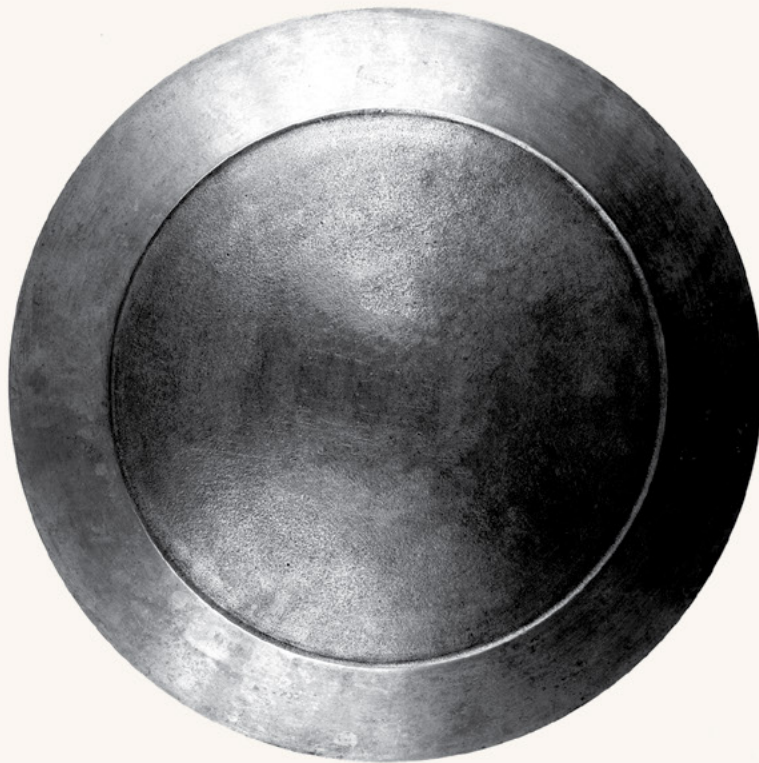


April 2025



Building a shield against austerity



APTS
ALERT

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Building a shield against austerity

A LOOK AT THE 2025–2026 BUDGET

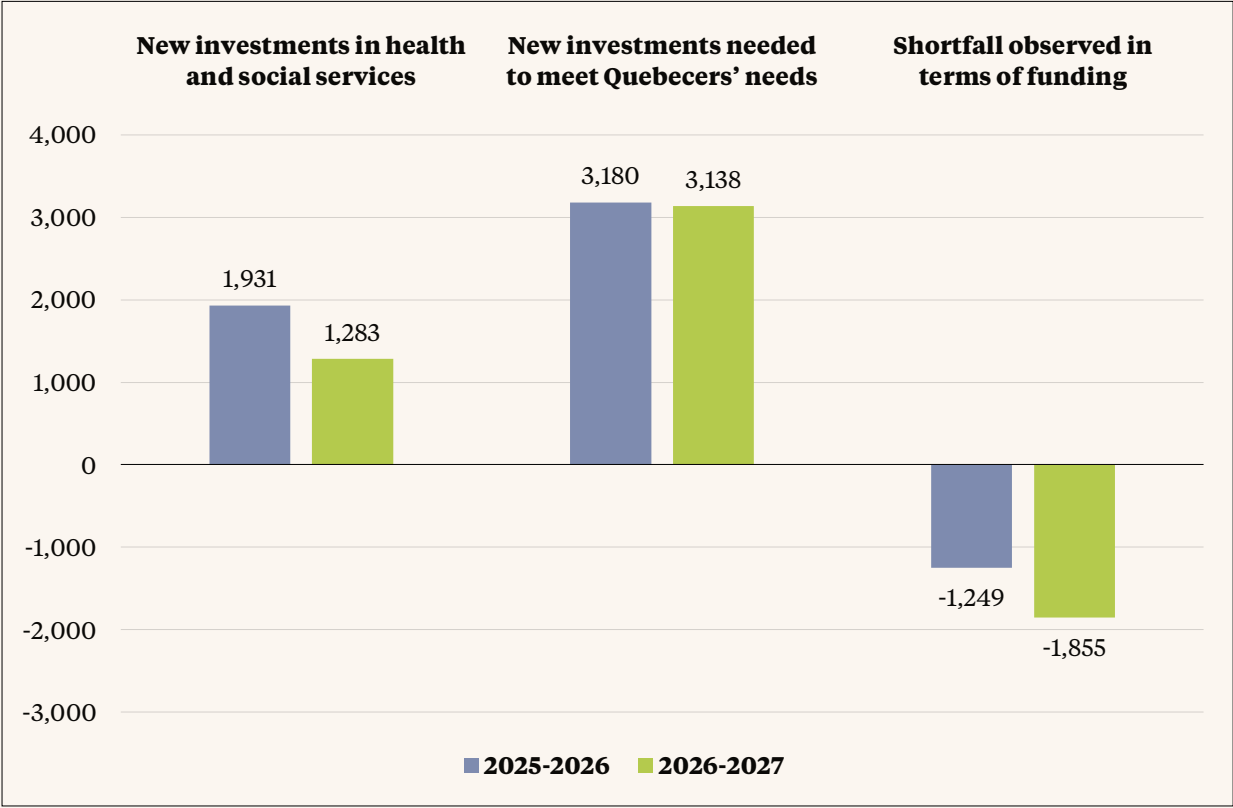
With the budget tabled in Quebec City a few weeks ago, the finance minister confirmed something that, unfortunately, we already knew: public services will be going through a period of austerity again. Over thirty years, this will be the third time our health and social services system is put through the wringer.

- The first time was in the late 1990s and early 2000s when the government wanted to achieve zero deficit and reorganize the system around CSSSs.
- The second occurrence took place between 2010 and 2016 as integrated centres (CISSSs and CIUSSSs) were established and austerity policies were put into practice.
- It is happening again today with Santé Québec and the announcement of a new plan for budget cuts.

A significant gap will appear over the next two years between the actual funding allocated to the health and social services system and the funding that is needed to answer Quebecers' evolving needs.

How did we reach this conclusion? We looked at two things: the amounts set out in the last budget, and the amounts that should have been in it.

Gap between new investments announced in health and social services and investments needed to meet Quebecers' needs (in millions of dollars)



THE BUDGETARY SHIELD IN TWO KEY STEPS

ASSESSMENT

Developing our proposal for a budgetary shield gave us an objective way of calculating the shortfall embodied in today's budget. But this shortfall is also something that we see every day on the ground as it produces work overload and causes suffering for service users. The budgetary shield, a concept that we've been working on for the past four years, enables us to make a connection between what we see on an everyday basis and a specific amount that we can demand from the government.

How is this amount calculated? Nothing could be simpler.

First, we need to define the financial impact of Quebecers' changing needs. This means creating an index for the growth of required spending. The index is based on three factors:

- changes in Quebec's demographic structure,
- changes in medical practice, and
- projected inflation.

Together, these three factors shape our budgetary shield. We can then compare the sums associated with the shield with those announced by the government (see the graph in the previous page).

Of course, an independent agency such as the Auditor General should be mandated to carry out this assessment every year and publish its findings before the budget is tabled.

LEGISLATION

The budgetary shield has to be more than an empty gesture. It needs to be enshrined in a law forcing the finance ministry to make the sums identified available to the public system. That would ensure that health and social services get a secure, fixed budget that meets Quebecers' needs.

FUNDING HEALTH AND SOCIAL SERVICES NEEDS TO BE TAKEN SERIOUSLY

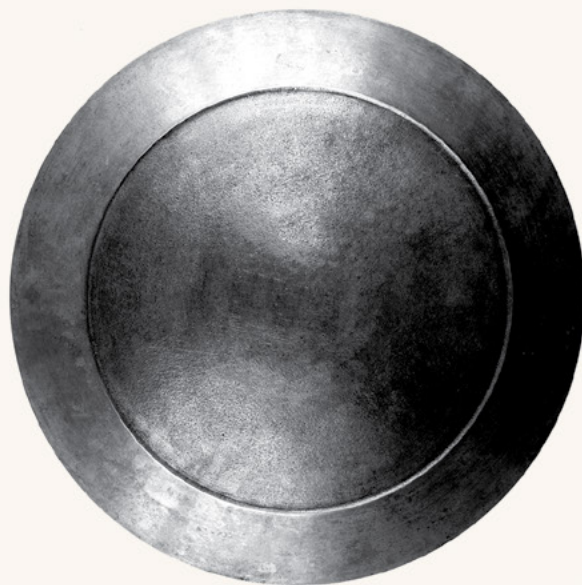
Some might think that's going a bit too far. Is it reasonable to try and constrain the finance minister in this way? Shouldn't ministers be free to do their work as they see fit?

But in fact, we're following an example set by the government itself. Since the late 1990s, Québec has been functioning within a very restrictive legal framework that actually forces us to keep on cycling back to budget cuts.

- First, there was the 1996 zero-deficit law forcing the government to table a plan to return to a balanced budget whenever there is a deficit. Given that such plans over the past thirty years have always included budget cuts but never any increase in revenue, this law has brought about the waves of budget austerity we have experienced over the past decades.
- Then there was the debt reduction law, adopted ten years later, forcing the government to cut spending in order to reach targets for reducing the public debt. The Generations Fund established by this law also takes tax revenue away from the government in order to put it into a speculative fund. The government is thus deprived of substantial amounts that could be used to provide services for Quebecers.

If it's acceptable to restrict the government's financial leeway in the name of the fiscal discipline that neoliberal thinkers love so much, why can't we do the same thing to pay for health care and social services?

The moment when we stop swinging back and forth between budget cuts and investment is the moment when we'll finally be able to improve Quebecers' overall health — and rise to the challenge of upholding equality in the face of illness.



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