

March 2025



Québec budget for 2025–2026

Quiet austerity



APTS
ALERT

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SECTION 1

PUBLIC FINANCES, AUSTERITY AND A RETURN TO A BALANCED BUDGET

Québec’s finance minister tabled his 7th budget on March 25. In a context where inflation is easing but the tariff war launched by the US government is a source of uncertainty, Québec does not expect a recession in the short term. A rising GDP — 1.1% this year, 1.6% next year — can chiefly be attributed to the strength of household purchasing power (+6.6% between 2018 and 2023).

However, this has not prevented Québec from posting a \$13.6B deficit for the current year. The return to a balanced budget is expected to play out as follows:

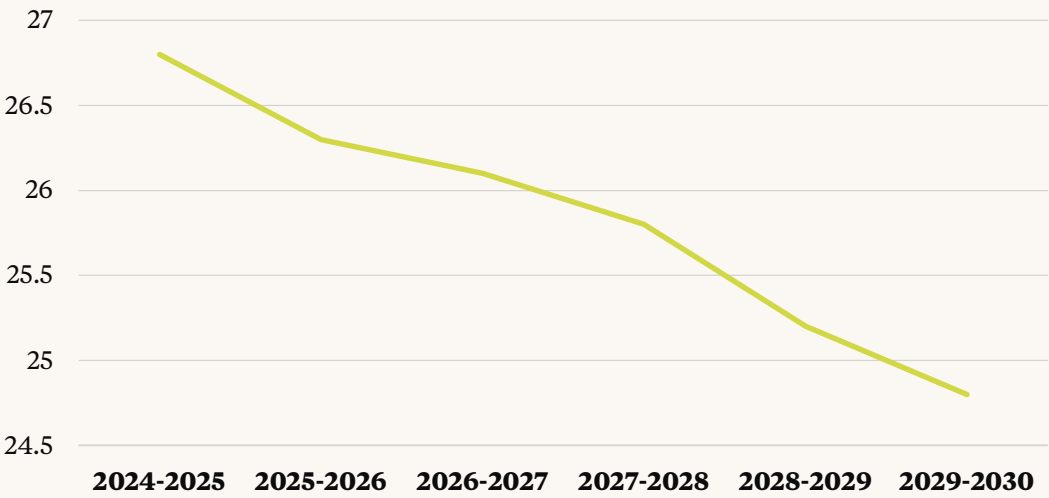
	2024– 2025	2025– 2026	2026– 2027	2027– 2028	2028– 2029	2029– 2030
Budgetary balance	-\$10.4B	-\$13.6B	-\$9.5B	-\$5.7B	-\$1.5B	+\$101M
Gap to be bridged	–	–	–	\$1B	\$2.5B	\$2.5B

To reach these deficit reduction targets, the government is planning to limit the growth of overall portfolio spending to 1.8% this year and 2.4% next year. These percentages are lower than inflation and demographic growth, and, as the above table indicates, there is still a \$2.5B gap in terms of identified spending cuts to actually rebalance the budget. The government’s strategy is essentially based on

continuing the work undertaken by the Treasury Board last year to optimize public services.

To get a clearer view of Québec’s move towards budgetary restraint, it helps to take a look at projections regarding government spending as a share of GDP.

Share of total government spending in the economy (as a percentage of GDP)



The decline appearing in the graph shows that in the future, a smaller proportion of our collective wealth will be used to pay for services to Quebecers.

In concrete terms, what we’re seeing is an austerity plan, even if the government refuses to recognize it as such.

SECTION 2

FUNDING HEALTH CARE AND SOCIAL SERVICES

Health care and social services are no exception to the rule. In 2025-2026 and 2026-2027, portfolio spending in this sector is set to go up by 3% and 2%. But let’s be clear about one thing: these are not real increases. In fact, they conceal drastic cuts. That’s what the APTS’s proposed budgetary shield¹ reveals: allocating funding that fails to meet the identified evolution in Quebecers’ needs has to be made illegal. According to our projections, with the proposed budgetary shield, funding would have to increase by 5% in 2025-2026 and 4.7% in 2026-2027 to minimally address these needs. The shortfall is \$1.2B for this year and \$3.1B next year. This is a very significant gap.

¹ An upcoming issue of APTS Alert will provide full details about this proposal.

Gap between portfolio expenditure in health and social services and spending required to meet Quebecers’ needs

	Actual expenditure	Required expenditure	Gap
2025	\$65.5B	\$66.8B	\$1.3B
2026	\$66.8B	\$69.9B	\$3.1B

Beyond the billions of dollars, what are the effects of these cuts in practice? A restrictive budget framework is the reason why Santé Québec has been issuing directives since the beginning of the year to reduce overtime across institutions or to freeze the reimbursement of travel expenses.

And to reach the finance minister’s deficit reduction objectives, institutions throughout the health and social services system now have to:

- abandon pilot projects
- cancel celebrations for people living in continuous assistance residences
- eliminate positions that were filled or vacant as well as assignments to handle temporary extra workloads
- implement hiring freezes
- implement freezes on purchasing or repairing equipment
- implement freezes on job postings

Austerity is not just a theory or an abstract idea without real consequences. Having access to health and social service is a basic, essential right. When the government makes decisions about funding our public system on the basis of financial targets rather than the needs expressed on the ground, this right is being trampled.

SECTION 3

OTHER ANNOUNCEMENTS

The CAQ does have one talent: it's good at slashing budgets while making it seem as if it's reinvesting. Again this year, by scattering funds in all directions, it can claim that \$772M will be spent on health and social services:

- \$417M to provide better access to care and services. The lion's share of this sum (\$300M) is allocated to funding the supply of pharmaceutical treatments in hospitals — in other words, it will be used to pay for the rising cost of prescription drugs.
- \$206M to strengthen social services for vulnerable people, including \$145M for youth protection with a specific focus on housing resources.
- \$61M to ensure quality living environments for seniors, including \$51M to continue the harmonization of public and private long-term care facilities.
- \$88M for prevention, including \$71M to provide vulnerable people with better access to vaccination.

But some announcements are missing:

- Despite the housing crisis, soaring rents, and the increasing cost of buying a first home, this budget does nothing to restrict real estate speculation or accelerate the construction of rental units.
- As the climate crisis continues, Québec's provision is a miserable \$17.2M. This ludicrous sum does nothing to support the energy transition or encourage low-carbon production; it merely offers a slight increase in support for people who are victims of climate-related disasters.
- The government will hardly want to draw attention to the 10.3% spike in the cost of coordinating the health and social services system as Santé Québec takes flight, nor will it be emphasizing a sharp 28% rise in administrative costs for institutions.

CONCLUSION

We launched our campaign "[A strong public system: What if we dared to do it?](#)" because we want to counteract this climate of austerity. We need to rely on our collective strength to make our voice heard. We can make the government change its mind if we mobilize against austerity. We hope you'll join in the actions organized by the [Coalition solidarité santé](#), starting next week. After that, our next meeting will be on May 1 for a provincial mobilization against austerity on [International Workers' Day](#).



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