

*Quebec Budget 2011:*

**why**  
( should? )

~~+~~ **YOU**

\$ education ↑ hydro ↑ sales tax ↑ healthcare ↑\$

**CARE?**

# Quebec 2011 Budget Overview & Updates

The last Liberal budget cut \$ 5.2 billion in public services, and raised fares, hitting us with a double whammy: it decreased both the quality of services and access to them. This can not be our way forward at a time when the economic crisis has increased the needs of our population.

## **No choice? Really?**

Despite public anger over its budget, the Charest government has not withdrawn any of its proposed hikes except for the per-visit healthcare user-fee. For the rest, it claims it has "no choice" given the weakened state of public finances as a result of the economic crisis. But should the majority of the population have to pay for the crisis, when it was caused by individuals and companies seeking unrestricted profits?

Furthermore, deficits in the current budget can be explained in large part by the choices of the PQ and Liberal governments. They have, over the last decade, bankrupted the state of significant resources by introducing tax cuts which have mainly benefited wealthier households and large businesses.

The repeated tax cuts since 2001 have created a loss of at least \$5 billion a year in the state budget. The Charest government maintains privileges that only benefit a tiny minority: from 2002 to 2008, mining companies only paid the Quebec government \$259 million in taxes and fees, when their profits totalled \$17 billion. It only amounts to 1.5%... meanwhile, lower income taxpayers are taxed at a rate that's ten times higher.

The government has made the choice to undermine the accessibility and quality of our public services, making them even more vulnerable to privatization. The user-fee logic it is creeping toward defines public services as a product, so that their availability depends on the size of our wallets.

## **Toward the next budget**

The next budget, scheduled to be announced in March 2011, is an opportunity to withdraw the unjust measures and adopt different orientations: to adequately finance high quality public services; to redistribute wealth fairly. Concrete alternatives have been already been proposed to this end – check out [http://www.iris-recherche.qc.ca/publications/la\\_revolu-](http://www.iris-recherche.qc.ca/publications/la_revolu-)

WHAT???

### **Lowlights of the 2010 Budget**

- A “health contribution” was introduced in 2010. Every adult will pay \$200 per year by 2012, whether you earn \$15,000 or \$1,500,000 per year!
- January 1st, 2011: Quebec sales tax was increased by 1%. It will increase a further 1% on January 1st, 2012.
- University tuition, which has increased every session since 2007, will be subject to an even more brutal increase after 2012.
- Major increases in electricity rates scheduled to begin in 2014.
- Budget cuts will affect all government departments and agencies. They will come to \$6.6 billion between 2013-2014.

## **Our access to health care and quality social services is in grave danger.**

In June 2010, the National Assembly passed Act 100 through an “exceptional legislative procedure”. The goal: to achieve a balanced budget by 2013-2014 by cutting state spending, particularly in healthcare. But why further erode a system that’s already in a weakened state? The better to privatize?

### **Three reasons why reducing public spending on health care is a sick idea:**

1) Administrative spending of institutions will be reduced by 10% by 2014 through attrition. Advertising costs, training and travel will decrease by 25%. The government’s desire to improve the state of public finances seems admirable. Except that these cuts will dramatically reduce the quality and accessibility of health care and social services. Especially since 75% of the cuts are slated for 2010-2011.

2) In addition to slashing a mostly female-dominated job sector, the cuts will increase the workload of the employees who are not laid off. They will also reduce the amount of time health care workers can devote to actual care and services, by forcing them to take on more administrative tasks to compensate for the job cuts. The reduction in training budgets is also worrisome; updating of skills is crucial in this era of growing health needs, which are increasingly complex.

3) These cuts will devastate health care institutions. For example, a Health and Social Service Centre like CSSS Jeanne-Mance Montreal must already absorb a recurring deficit of \$ 7.5 million, due to the reorganization plan imposed by the Agency for Health and Social Services. Staff reductions have reached 40% in some of its units and millions of dollars have been cut from its programs and services.

What will happen to organizations like this one if the cuts announced in Bill 100 are added? This is an example that demonstrates the threat posed by the underfunding of an already weakened public health care system.

The government has retracted its proposed per-visit user fees, a powerful result of the protests that were waged against last year's budget announcements. But the "health contribution" remains: \$ 200 per year by 2012 - not to mention the other unjust measures of the budget. Despite this initial victory, the fight is far from over!

The fee of \$25 in 2010, \$100 in 2011 and \$ 200 in 2012, will be imposed on all adults earning more than \$ 14 400 per year. Not proportional to income, it places a higher burden on the majority of (middle and low-income) families, as compared with those who fall into the highest income brackets.

The income tax remains the only contribution to public services that is fair and equitable - as long as there is a reform of tax brackets so that the rich and wealthy, are contributing more!

**Under the pretext of "bringing order to public finances", the government is putting the ax to our public services and paving the way for privatisation. We must condemn these cuts...**

**Our health is at risk!**

*healthcare cuts/hikes:*

A BACKGROUNDER

# \$16,000.

That's what it could cost you to get an undergraduate degree, if the student fee were to be doubled in order to reach the Canadian average. That's the scenario presented by the last Liberal budget, which announced a new tuition hike for 2012. The student bill will then have increased by 30% since 2007. But the attack could be even more violent, with the Liberal Party proposing a variety of different fees based on discipline of study.

In this way, the government is planning to further push the burden of financing a university education onto students, who who on average earn less than \$ 12,200 per year. According to the government, the increased costs will have little impact on access to education, as elsewhere in Canada several increases have taken place since 1990 without any major drops in enrollment. However, it is the social origin of students which has been transformed. **In 1995, the participation rate of young students from families with annual incomes of \$ 25,000 and less was 30%. In 2001, after many increases, the rate was only 20%.** Clearly, increased registration does not guarantee the right to education.

Introducing different fees according to programme of study would be even more disastrous. For example, in the rest of Canada, the fee for one year in medicine went from \$2,976 in 1993-1994 to \$10,318 in 2005-2006. Consequently, from 2001 to 2007, the proportion of students from families earning less than \$60,000 per year declined by nearly 9% in favour of young people from wealthier families.

But are universities lacking funding at this point? It seems doubtful, when you consider that between 1997 and 2005,

their revenues increased four times faster than the growth of the student population. Only these funds are diverted to “useful” research in economic development, at the expense of teaching and the critical role of universities.

So a choice is made. Just as a choice is made the government to replace funding provided by the overall collective with fees or charges incurred by individuals, and the goal of this choice is not to fund public services, but to “marketize” them. In fact, it seems that the government’s real objective is to pave the way for the privatization of education.

From primary school to university, the public network is crumbling. Every year, more than \$500 million in funding is directed to private schools while more and more parents whose children are attending public schools are required to seek out social support for their children. Little by little, the state is doling out the responsibility for education to foundations or private organizations, as if they knew better than teachers how to fight against the drop-out rate.

**It’s very clear: the government’s budgetary choices translate to political and ideological choices. But they’re not our choices. Because education is not a choice:**

**Education is a right!**

*education cuts/hikes:*

A BACKGROUNDER

# you can make a difference.

Universal and accessible healthcare, equal access  
to quality education, a decent income and a good  
job, equality between women and men, protecting  
the environment...

**Come out and stand up for your rights.**

*March 12th, 2011  
12pm @ Place du Canada  
metro Peel/Bonaventure*

Translated and produced by COCo Centre for Community  
Organizations.

[www.coco-net.org](http://www.coco-net.org)

Content drawn from *Journal La Main Rouge*, Coalition opposée  
à la tarification et la privatisation des services publics

<http://www.nonauxhausses.org>