House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(●) **an organization** **Organization name:** Canadian Cancer Society

or

( ) **an individual** **Name:** _____

Topic: Health

*Recommendation 1: Please provide a short summary of your recommendation.

We recommend increased federal investments in cancer and chronic disease prevention:

To increase investments in the prevention of cancer and other chronic diseases with a focus on research, knowledge translation and programs with measurable impacts that encourage Canadians to adopt healthy behaviours. It has been shown that about half of all cancers can be prevented through healthy living and policies that help protect the health of Canadians. The federal government is critical to facilitating and funding for cross-sector collaboration to tackle prevention of major risk factors.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

While current levels of healthcare spending are critical to ensuring patients have the support and services they need while they go through a diagnosis, small investments in effective prevention initiatives will produce significant cost savings for the Federal Government in the medium to long term through:
- increased productivity and reduced absenteeism
- reduced healthcare costs (e.g. admission to hospitals, medical treatment, etc)

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

1) Canadians of all ages and background
2) Workforce as a whole that relies on healthy and productive employees
3) Federal government
4) Provincial/Territorial Governments
5) Healthcare sector
   - Hospitals
   - Health providers
   - Drug costs

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Health Impact:
An estimated 187,600 new cases of cancer and 75,500 deaths will occur in Canada in 2013. It has been shown that about half of all cancers can be prevented through healthy living and policies that help protect the health of Canadians.

Economic impact:
Cancer is the most costly illness, with a total economic burden of more than $17.1 billion that can be attributed to cancer.
- Total direct health care spending of more than $4.2 billion a year due to cancer (physician, hospital, drug costs, etc).
- Productivity losses cost the economy an additional $12.9 billion a year

Topic: Health

Recommendation 2: Please provide a short summary of your recommendation.

The Canadian Cancer Society recommends that the federal government to help families who provide care for a loved one by improving the Compassionate Care Benefit under the Employment Insurance (EI) program by:

1) Increasing the benefit period from 6 to 26 weeks within a 52 week period.

2) Building more flexibility by allowing partial weeks over a longer period.

3) Softening the eligibility criteria by changing the terminology from “significant risk of death” to “significant need of caregiving due to a life threatening illness”.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal government should fund the recommendation through the existing Employment Insurance program.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Employed and self-employed family caregivers who have to take time off work to provide care and support for a loved one with a life-threatening illness.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The improvement to the Compassionate Care Benefit will allow Canadian workers to take time off to provide care and support to a loved one with a life-threatening illness without having to worry about losing their job.

Topic: Health

Recommendation 3: Please provide a short summary of your recommendation.

The Canadian Cancer Society recommends closing tobacco tax loopholes by:

1) Extending to importers the surtax paid by tobacco manufacturers on income tax (estimated incremental revenue: $40 million annually).
2) Reducing the travellers' duty-free import limit to 25 cigarettes, OR 25g of roll-your-own, OR 25 tobacco sticks, OR 10-15 cigars (estimated incremental revenue: $15 million annually federally, more for provinces).
3) Setting the minimum age to import tobacco duty-free at 18 or the age of province/territory of entry, whichever is higher (incremental revenue: under $1 million annually).

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

There will not be a cost to the federal government. In fact, closing the tobacco tax loopholes will increase federal tax revenue by approximately $55 million per year, with additional incremental revenue for provincial governments.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The following will benefit:

1) The health of Canadians will benefit. Higher tobacco taxes reduce tobacco use. Tobacco tax loopholes that allow lower prices undermine the health benefits of tobacco taxation.

2) The federal government and provincial governments will benefit through increased tax revenue.

3) There will be a level playing field for foreign and Canadian tobacco manufacturing. At present, tobacco companies that shift production outside of Canada are given preferential tax treatment compared to Canadian tobacco manufacturers.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Tobacco products are the leading preventable cause of disease and death in Canada, killing 37,000 Canadians each year. Tobacco products are responsible for about 30% of all cancer deaths in Canada.

Reducing tobacco use will improve the health of Canadians.

Please use this page if you wish to provide more explanation about your recommendation(s).

Prevention

In 2011, the Canada signed the UN Political Declaration on the Prevention and Control of Non-Communicable Diseases, making a commitment to take concrete action to tackle cancer and other chronic disease. About half of all cancers can be prevented through healthy living and policies that protect the health of Canadians. Primary cancer prevention includes avoiding risk factors (such as smoking, being overweight or obese, physical inactivity and radiation exposure) and increasing protective factors (healthy diet, maintaining a healthy body weight, being physically active, being a non-smoker).

Many of these risk factors are common to other chronic diseases, therefore prevention interventions designed to reduce the risk of cancer may also reduce the risk of other chronic diseases. Secondary prevention is the early detection of a disease so that it can be controlled and effectively treated and is targeted towards specific groups (e.g. breast cancer screening for women).

Reducing risk factors is cost-saving in the simplest sense because it reduces the occurrence of disease (and associated costs).

Compassionate Care Benefit

Based on a study of evaluation of the CCB program (HRSDC, Formative Evaluation of EI Compassionate Care Benefits: Final report, October 2006) and after more than 5 years of experience, the estimated maximum participation would be 21,000 claimants.

Using this estimate and the weekly average benefit for 2012 ($376 per per claimant, per week), the cost of the CCB's improvement would be $205 million per year.

As the Canadian population ages, the number of cancer cases increases and the number of workers decreases, our family caregivers need better job protection and income security to enable them to provide care and support for their loved ones with a life-threatening illness, without worries to lose their job and income.

The federal government has done important work to improve the lives of family caregivers by creating and improving key tax measures, such as the medical expenses tax credit, and the new family caregiver tax credit. It is time to take the next step to support families taking on caregiving responsibilities.

Closing Tobacco Tax Loopholes

The tobacco manufacturer income surtax has applied since 1994. Imperial Tobacco, Canada's largest tobacco company, stopped paying the surtax in 2006 when manufacturing was shifted from Canada to Mexico. There is no reason why Imperial Tobacco or other importers should be exempt.

Canada has one of the world's highest duty-free tobacco import allowances. While many countries allow 200 cigarettes OR equivalent, Canada currently allows 200 cigarettes AND 200 tobacco sticks AND 200g of roll-your-own AND 50 cigars. Countries are reducing allowances, eg to 50 cigarettes in Australia, 40 in several EU countries (depending on travel mode) and 19 in Hong Kong.

At present, an18 year-old can import tobacco duty-free even with a higher provincial minimum tobacco age, eg 19.

*Please note that at least one recommendation must be provided