



CANADIAN FEDERATION  
OF NURSES UNIONS  
LA FÉDÉRATION CANADIENNE  
DES SYNDICATS D'INFIRMIÈRES  
ET INFIRMIERS

**Submission  
for the Pre-Budget Consultations in advance  
of the upcoming 2026 Federal Budget**

**By: Canadian Federation of Nurses Unions**

**April 30, 2026**

## **RECOMMENDATIONS**

**Recommendation 1:** That the federal government urgently convene a First Ministers' Meeting on health care in 2026, with a specific focus on the renewal of the Working Together to Improve Health Care for Canadians Plan's agreements.

**Recommendation 2:** That the federal government maintain the Canada Health Transfer (CHT) escalator at a minimum of 5% annually and move toward restoring a 6% escalator to reflect actual health system costs and demographic pressures, recognizing that public health care investment is a key driver of economic growth and productivity.

**Recommendation 3:** That the federal government implement targeted Indigenous-specific investments to support the recruitment and retention of Indigenous nurses, including Indigenous-led education and training pathways, mentorship and career advancement supports, culturally safe and anti-racist workplaces, and the removal of systemic barriers to entry and retention, in alignment with the Truth and Reconciliation Commission's Calls to Action on health (18–24).

**Recommendation 4:** That the federal government invest in the health workforce through a federal tax credit for nurses and a \$1 billion Nurse Retention Fund to support provinces and territories in implementing the Chief Nursing Officer's *Nursing Retention Toolkit*, including safe staffing measures such as minimum nurse-patient ratios.

## **Background**

The Canadian Federation of Nurses Unions (CFNU) is Canada's largest nurses' organization, representing 250,000 frontline unionized nurses and nursing students in every sector of health care – from home care and LTC to community and acute care – and advocating on key priorities to strengthen public health care across the country.

As the Government of Canada seeks to make wise investments in a fiscally disciplined environment, it is imperative to recognize the nation-building nature of Canada's public health care system, which not only supports more labour force participation and higher productivity but also delivers significant economic benefits.

Recent economic analysis underscores this point. [Dr. Jim Stanford shows that health care is a major economic driver](#), employing 1.9 million workers along with hundreds of thousands of self-employed practitioners. The sector created nearly 450,000 jobs over the past decade (more than any other sector), accounts for approximately 8% of GDP and over 10% of total employment, and supports a \$51-billion supply chain largely made up of private businesses.

[Complementary modelling by economist Robin Somerville](#) finds that increased public health care investment drives economic growth. For example, a 1% increase in health spending, equivalent to 0.11% of GDP, raises GDP by 0.15% to 0.16% and employment by 0.09% in the first year. Over five years, this translates into \$15.5 to \$19.5 billion in real GDP growth and between 69,000 and 83,000 job-years. These results would rise proportionally with higher levels of health spending. [According to Statistics Canada data](#), the economic impacts of public sector health services are among the greatest of all sectors in Canada, with the highest induced multiplier effect and the third highest total multiplier effect among 32 major (NAICS 2-digit) industry sectors.

Public health care is therefore an economic asset, not a cost to be minimized. The federal government has a clear role in protecting and strengthening this system. This includes upholding and enforcing the *Canada Health Act*, particularly in response to [Alberta's Bill 11](#), which risks expanding for-profit delivery and moving Canada toward a two-tier system. It is time for the federal government to recognize, in both its communications and policy decisions, the economic value of public health care and to take concrete action to support the workforce that sustains it.

## **Recommendations**

- 1. That the federal government urgently convene a First Ministers' Meeting on health care in 2026, with a specific focus on the renewal of the Working Together to Improve Health Care for Canadians Plan's agreements.**

The current bilateral agreements under the Working Together to Improve Health Care for Canadians Plan framework are explicitly time-limited, covering the period from April 1, 2023,

to March 31, 2026. These agreements set out priority areas, funding allocations and detailed action plans, including commitments to improve health workforce sustainability, expand access to care, and strengthen health data and reporting. Continued access to targeted federal funding beyond 2026 is contingent on the negotiation of renewed bilateral agreements with provinces and territories.

A First Ministers' Meeting in 2026 focused on health care would provide the appropriate forum to assess progress under the initial agreements and to negotiate a renewed framework that reflects current system pressures. Since 2023, challenges related to health human resources, including retention, workload and workplace safety, have intensified. Ensuring that future agreements respond to these realities will be essential to stabilizing the system and improving patient outcomes.

Renewed agreements must strengthen accountability to ensure that federal investments translate into measurable improvements. While the current framework includes commitments to common indicators and annual public reporting, the next phase should incorporate clearer expectations tied to workforce outcomes based in [Health Canada's Nursing Retention Toolkit](#), including minimum nurse-patient ratios.

The federal government has the convening power and fiscal leadership to drive this process. By bringing premiers together in 2026, it can ensure timely renewal of bilateral agreements, avoid disruption in targeted funding, and establish a more coherent and outcome-driven framework for the future. Acting at this juncture will help secure a stronger, more sustainable public health care system that continues to deliver both health and economic benefits to Canadians.

- 2. That the federal government maintain the Canada Health Transfer (CHT) escalator at a minimum of 5% annually and move toward restoring a 6% escalator to reflect actual health system costs and demographic pressures, recognizing that public health care investment is a key driver of economic growth and productivity.**

Stable and predictable federal funding is essential to the sustainability of Canada's public health care system. The current 5% CHT escalator, in place until 2027–2028, has provided short-term certainty for provinces and territories. However, it does not fully reflect the underlying cost pressures facing the system, including an aging population, health workforce shortages and inflation in health care delivery.

Previously, the CHT escalator was set at 6% annually, a level that more closely aligned with the growth in health system costs. The shift away from this standard has contributed to ongoing fiscal strain at the provincial and territorial level, limiting the ability of governments to make long-term investments in workforce retention, infrastructure and system capacity.

Maintaining the escalator at a minimum of 5% beyond 2027–2028 is critical. Tying funding to nominal GDP growth, the current proposition can create a situation where annual funding increases fall below health care cost increases and introduce unnecessary volatility into health system planning. Moving toward restoring a 6% escalator would better reflect real cost drivers and provide the fiscal stability required to implement meaningful reforms, including improvements in staffing, access to care and patient outcomes.

Importantly, public health care spending should not be viewed solely as a cost but as a strategic economic investment. As discussed earlier in this submission, evidence shows that increased public health care spending drives economic growth, job creation and productivity. Ensuring adequate and predictable federal transfers will support not only stronger health outcomes but also broader economic resilience.

In the context of upcoming negotiations on the renewal of bilateral agreements, a strengthened CHT escalator would provide a solid foundation for long-term planning and reform. It would signal federal leadership and a clear commitment to sustaining a high-quality publicly delivered health care system that meets the needs of people in Canada.

- 3. That the federal government implement targeted Indigenous-specific investments to support the recruitment and retention of Indigenous nurses, including Indigenous-led education and training pathways, mentorship and career advancement supports, culturally safe and anti-racist workplaces, and the removal of systemic barriers to entry and retention, in alignment with the Truth and Reconciliation Commission’s Calls to Action on health (18–24).**

Addressing Indigenous health equity demands targeted distinctions-based investments that confront the specific and well-documented barriers Indigenous nurses face across the health system. [The CFNU’s 2025 report \*Beyond Equity: Taking Action to Address Indigenous-Specific Racism in Nursing\*](#) makes clear that Indigenous nurses continue to experience systemic racism, discrimination and exclusion in both educational institutions and workplaces, contributing to lower recruitment, higher attrition and unsafe working environments.

This reality is directly linked to Canada’s broader failure to fully implement the [Truth and Reconciliation Commission’s Calls to Action on health \(18–24\)](#), which call for increased representation of Indigenous health professionals, culturally safe care, and the integration of Indigenous knowledge and healing practices. Despite these clear directives, none of these Calls to Action have been completed.

Targeted federal investments are required to support Indigenous-led solutions across the full health care workforce. This includes expanding access to Indigenous-led nursing education programs, bridging and preparatory programs, and community-based training models, that enable students to remain connected to their communities while pursuing their education. Financial supports, including dedicated funding for tuition, living expenses and wraparound services are

essential to reduce barriers to entry. At the same time, retention strategies must focus on transforming workplace culture. Indigenous nurses must be able to work in environments that are culturally safe, free from racism, and supported by strong accountability mechanisms, mentorship networks and leadership opportunities.

These workforce investments must be paired with broader structural actions, including accelerating progress on the TRC Calls to Action on health, expanding access to Indigenous-led traditional healing and wellness services, and addressing ongoing inequities such as access to safe drinking water.

Addressing Indigenous-specific racism in nursing is not a peripheral issue. It is central to building a sustainable health workforce and improving access to care, particularly in rural, remote and Northern communities. Targeted federal investment, aligned with Indigenous leadership and the TRC framework, is essential to advancing reconciliation and strengthening Canada's public health care system for all.

**4. That the federal government invest in the health workforce through a federal tax credit for nurses and a \$1 billion Nurse Retention Fund to support provinces and territories in implementing the Chief Nursing Officer's *Nursing Retention Toolkit*, including safe staffing measures such as minimum nurse-patient ratios.**

At the front line, the pressures on nurses continue to intensify. The CFNU's 2026 [National Nurses Survey](#) shows that workplace violence remains widespread and underreported, chronic understaffing persists, and overtime, including mandatory overtime, has become a structural feature of the system. Labour market data reinforces this trend. According to [Statistics Canada](#), nursing vacancies have increased by 82.88% since before COVID-19, rising from 15,275 in the fourth quarter of 2019 to 27,935 in the fourth quarter of 2025. Retention is a critical challenge. More than one-third of nurses surveyed report that they are considering leaving their current job or the profession within the next year.

There are clear mechanisms to retain and recruit nurses. A lower tax burden would “definitely keep me in my job”, [say nearly half of nurses surveyed](#), which is why [we are calling on the government to create a refundable federal tax credit for nurses](#), including registered nurses, licensed practical nurses (registered practical nurses in Ontario), registered psychiatric nurses and nurse practitioners, modelled on the personal support worker tax credit introduced in the 2025 budget.

Further, the government recently developed a comprehensive report outlining strategies to retain nurses, but it requires meaningful investment to be effective. We recommend establishing a \$1 billion fund that provinces, territories, local health authorities and NGOs can access to implement the recommendations from the *Nursing Retention Toolkit*, launched by Canada's Chief Nursing Officer Dr. Leigh Chapman and developed in consultation with health stakeholders from across the country.