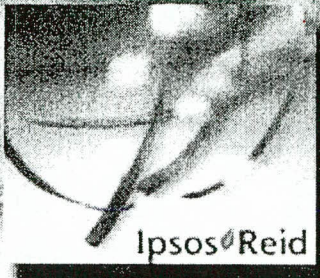


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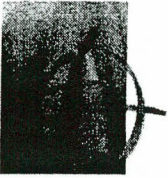
Pre-Budget Public Environment

December 17, 2002

Confidential

Presented to Finance Canada

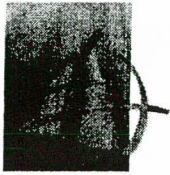
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Outline

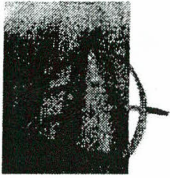
- Methodology
- Overview of the Public Environment
- The Economy
- Priorities for the Federal Government
- Healthcare/Medicare
- Post-Romanow
- Conclusions





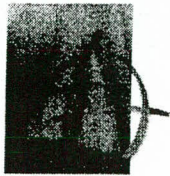
Methodology

- Twenty-five minute survey of 1800 Canadians from across the country.
- November 29 to December 10th.
- Margin of error is $\pm 2.3\%$ 19 times out of 20.
- Other data taken from Ipsos-Reid Express (N=1,000) with a margin of error of $\pm 3.2\%$ 19 times out of 20.



Overview

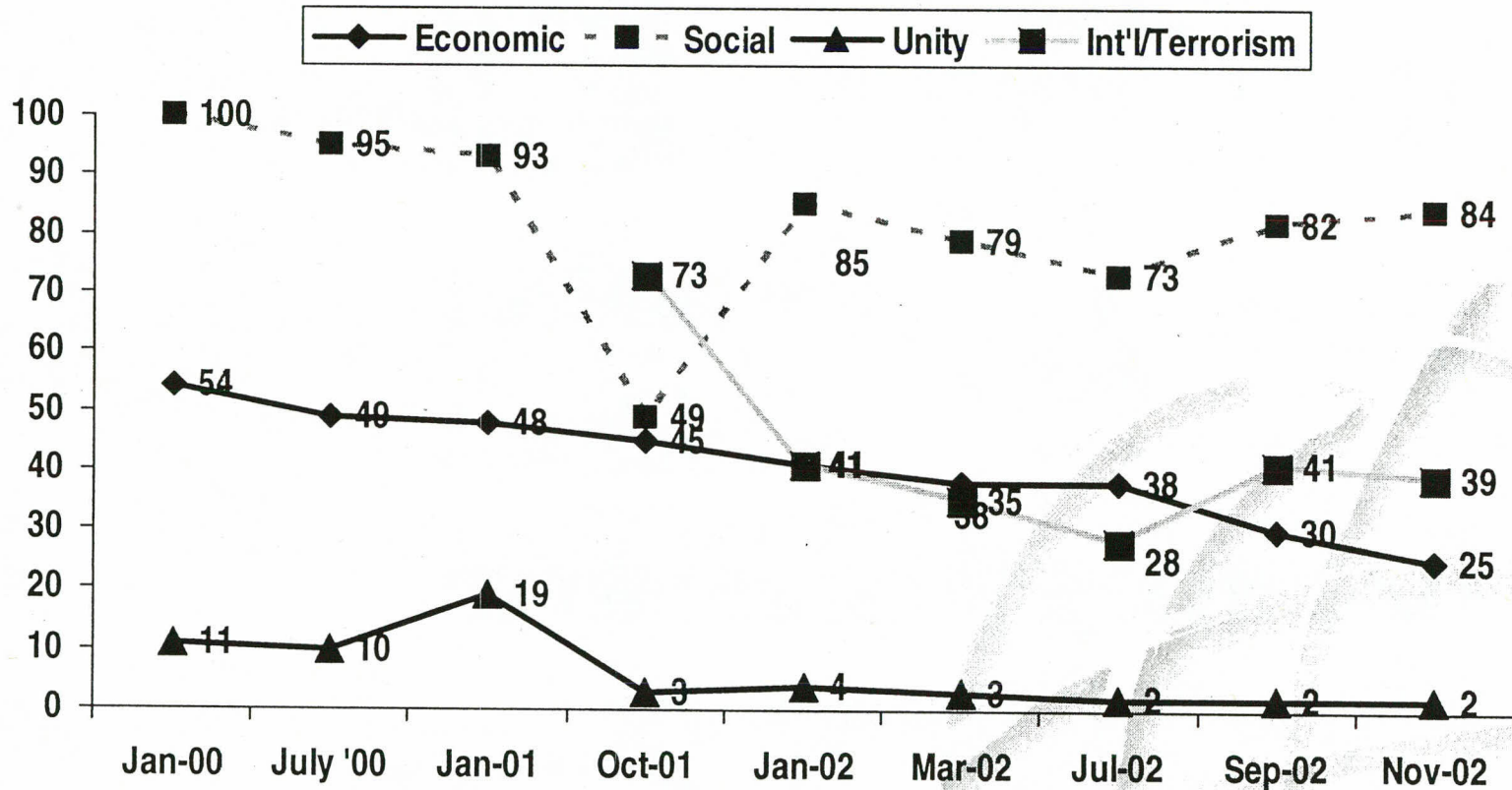
- **Social issues (health and education) remain at the top of the public agenda.**
- **Views on the state of the economy have remained stable since September 2002. General positive feelings regarding the direction of the country and future performance of the economy.**
- **Continued optimism that their personal financial situation will remain the same or improve.**
- **Government's overall satisfaction level is split: 32% positive vs. 30% negative. This is down from 38% in September.**
- **Perception of Government's fiscal performance (surplus vs. deficit) is stable since September and remains split.**



Social Issues at the top of the Public Agenda



"Net total responses to the question "What issues should receive the greatest attention from Canada's leaders?"



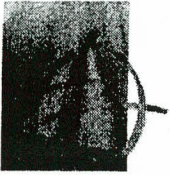
November '02 (n=1,000, data collected on the Ipsos-Reid Express)

Economic = Taxes 3%, Jobs 5%, Economy 12%, Debt&Deficit 5%

Social = Health 50%, Education 15%, Poverty 5%, Environment 11%, Crime 3%

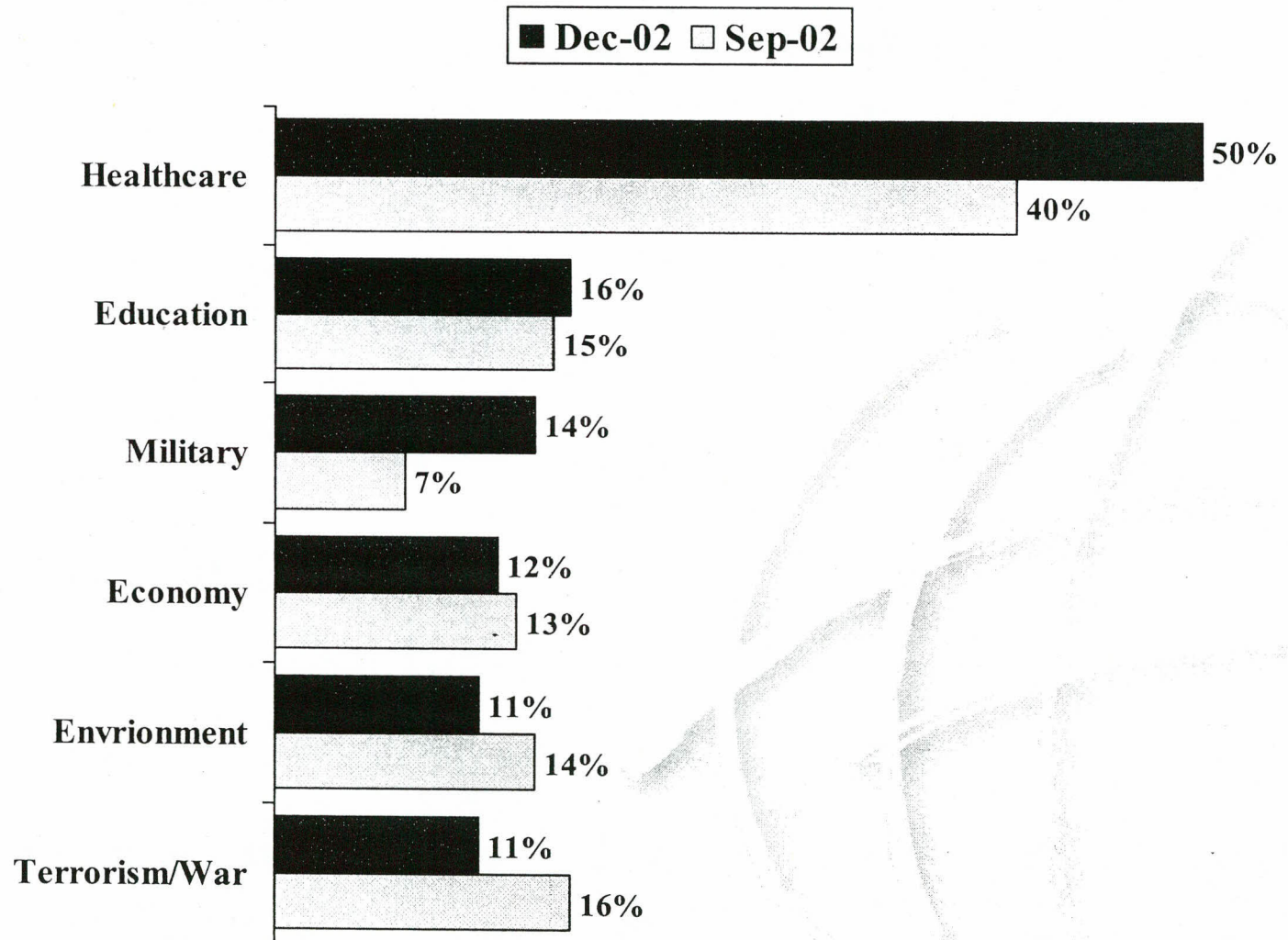
Unity = National Unity & Quebec 2%

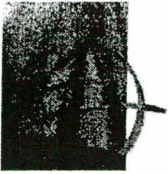
International/Terrorism = Terrorism 11%, Immigration 3%, Military 14%, International Issues 8%, Iraq/S.Hussein 3%



Most Important Issues

1. "What issues should receive the greatest attention from Canada's leaders? (Total Mentions)"

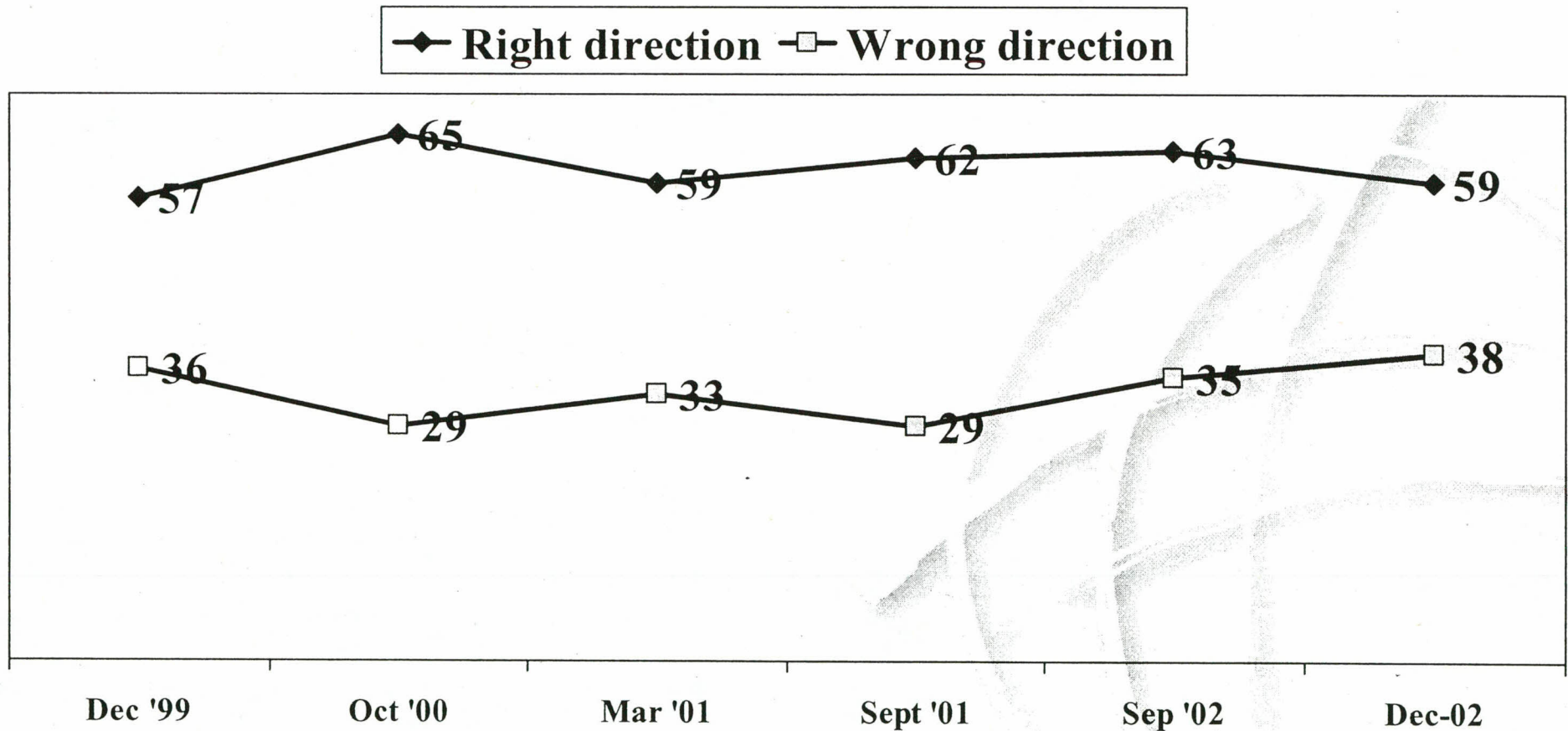




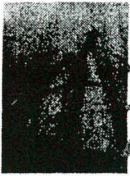
Perceived Direction of the Country

2.

Some people say that, while the country has some problems, Canada is generally headed in the right direction at the current time. Other people say that there are more things going badly than well in Canada right now and that the country is headed in the wrong direction. Which of those two statements is closer to your own opinion?



6

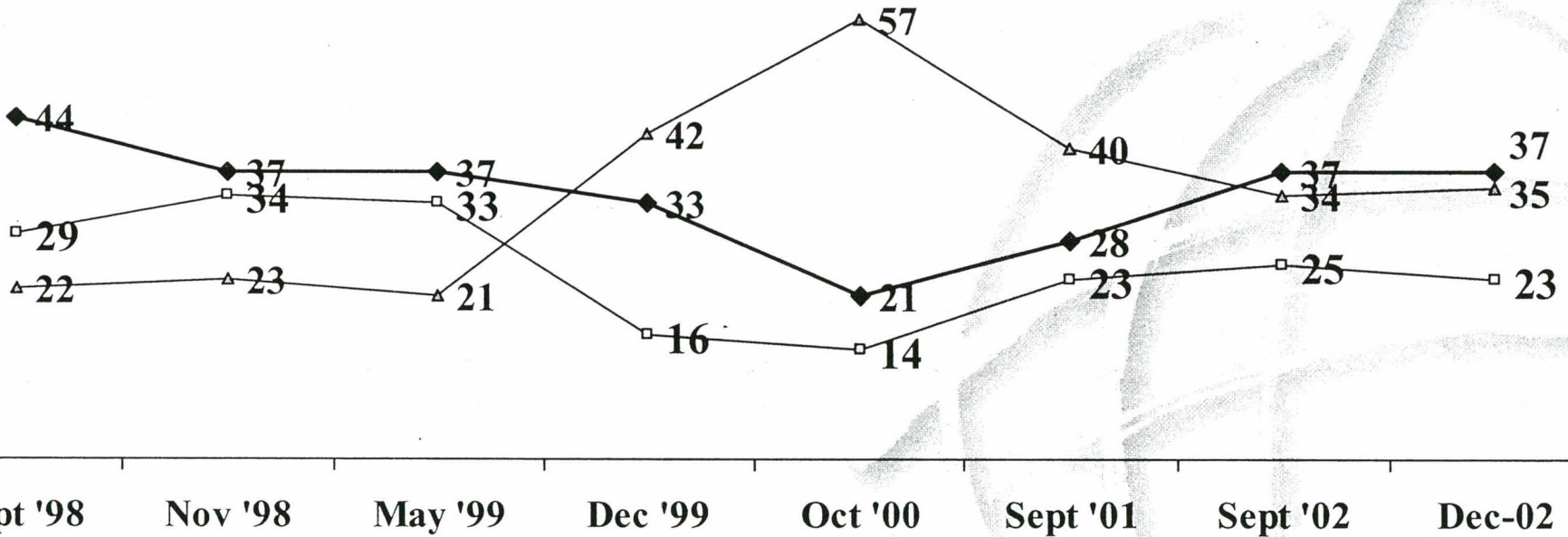


State of Federal Finances

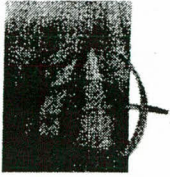
3.

Based on what you know, what is the current state of federal government finances, is the government running an annual deficit (spending more money than they are receiving), running an annual surplus (receiving more money than they are spending), or are their finances basically in balance?

◆ Deficit □ Balanced ▲ Surplus



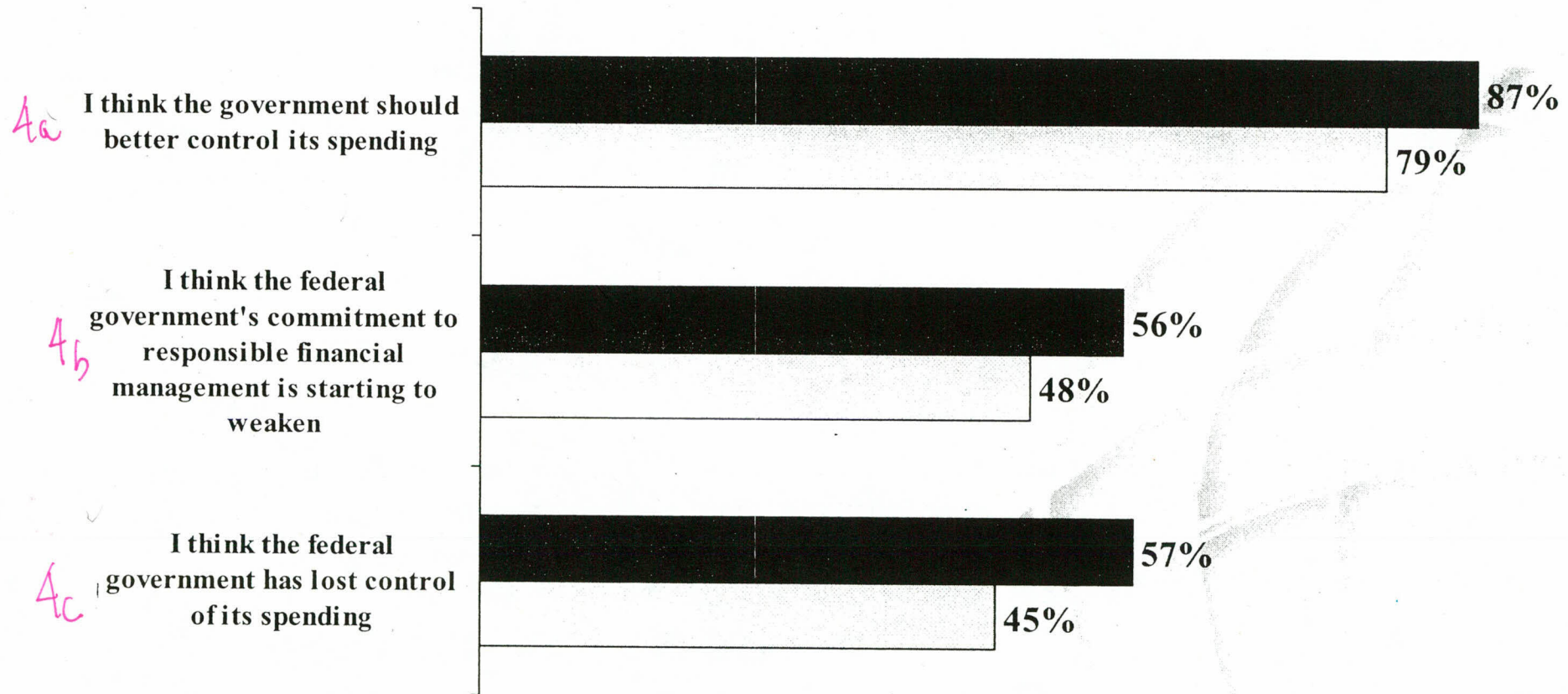
7



Views on Government Spending, Debt & Deficit

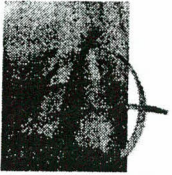
4a → c I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

■ Agree (5,6,7) December 2002 □ Agree (5,6,7) September 2002



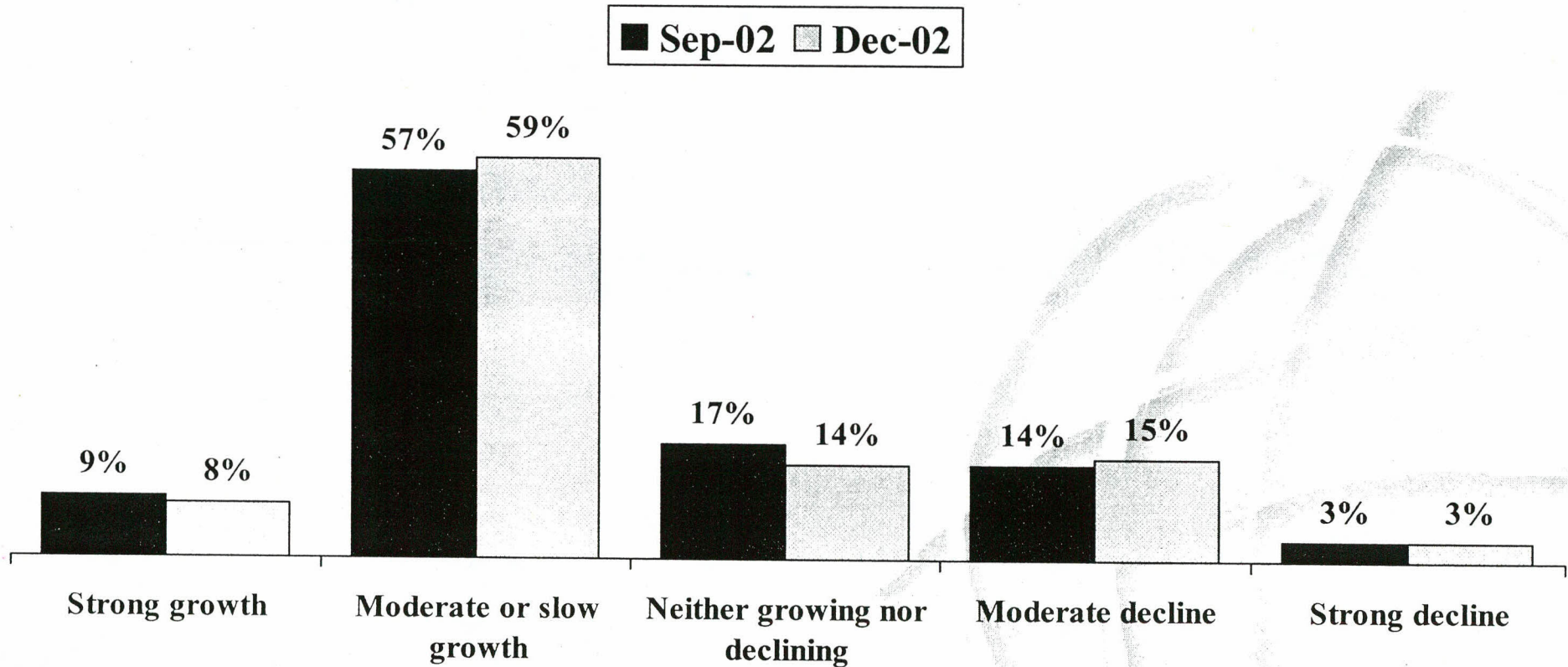
Ipsos Reid

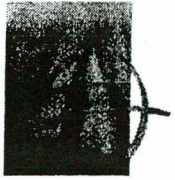
Base: All Respondents N=1,8



Perceptions Regarding the State of the Canadian Economy

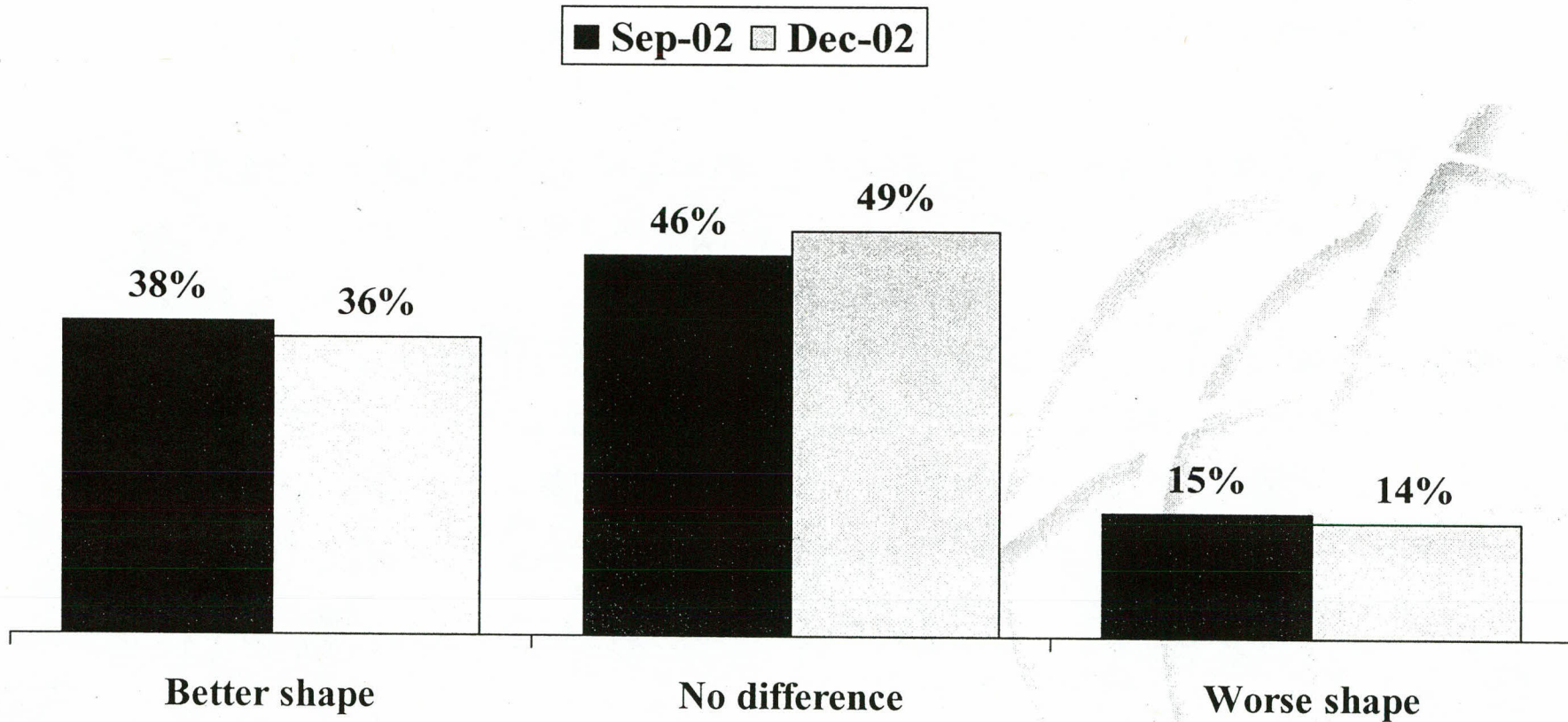
5 In general, how would you describe the state of the economy of Canada today? Would you say that it is in a period of strong growth, moderate or slow growth, neither growing nor declining, moderate decline, or strong decline?

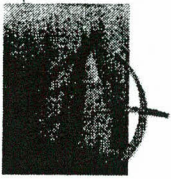




Tracking Perceptions of Personal Economic Situation

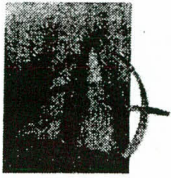
6. How do you expect your personal financial or economic situation to be one year from now, compared to what it is like today?





Priorities

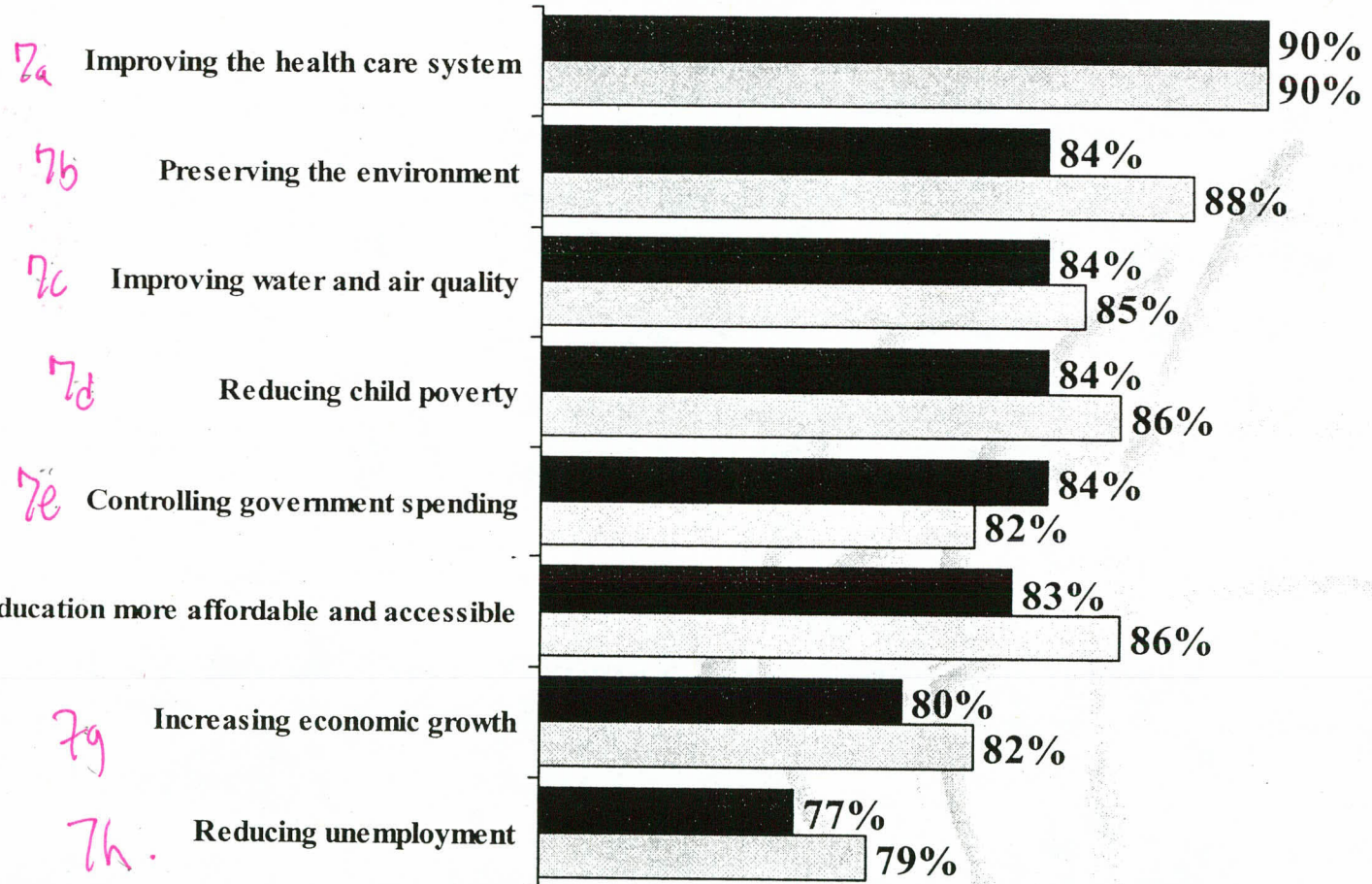
- **First and foremost: Healthcare.**
- **Canadians express a strong interest in Government action on social issues such as health, education, child poverty and the environment (however, they also want Government to control spending).**
- **Areas where the expectations for Government action are lower include: aboriginal issues, defense, public transit, supporting cities and climate change.**
- **Budget spending priorities mirror the overall priorities.**



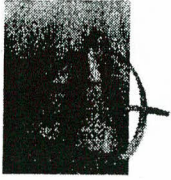
Preferred Priorities for the Federal Government (Top Priorities)

How much priority would you like the federal government to place on each of the following issues:

■ High Priority (5,6,7) December 2002 □ High Priority (5,6,7) September 2002



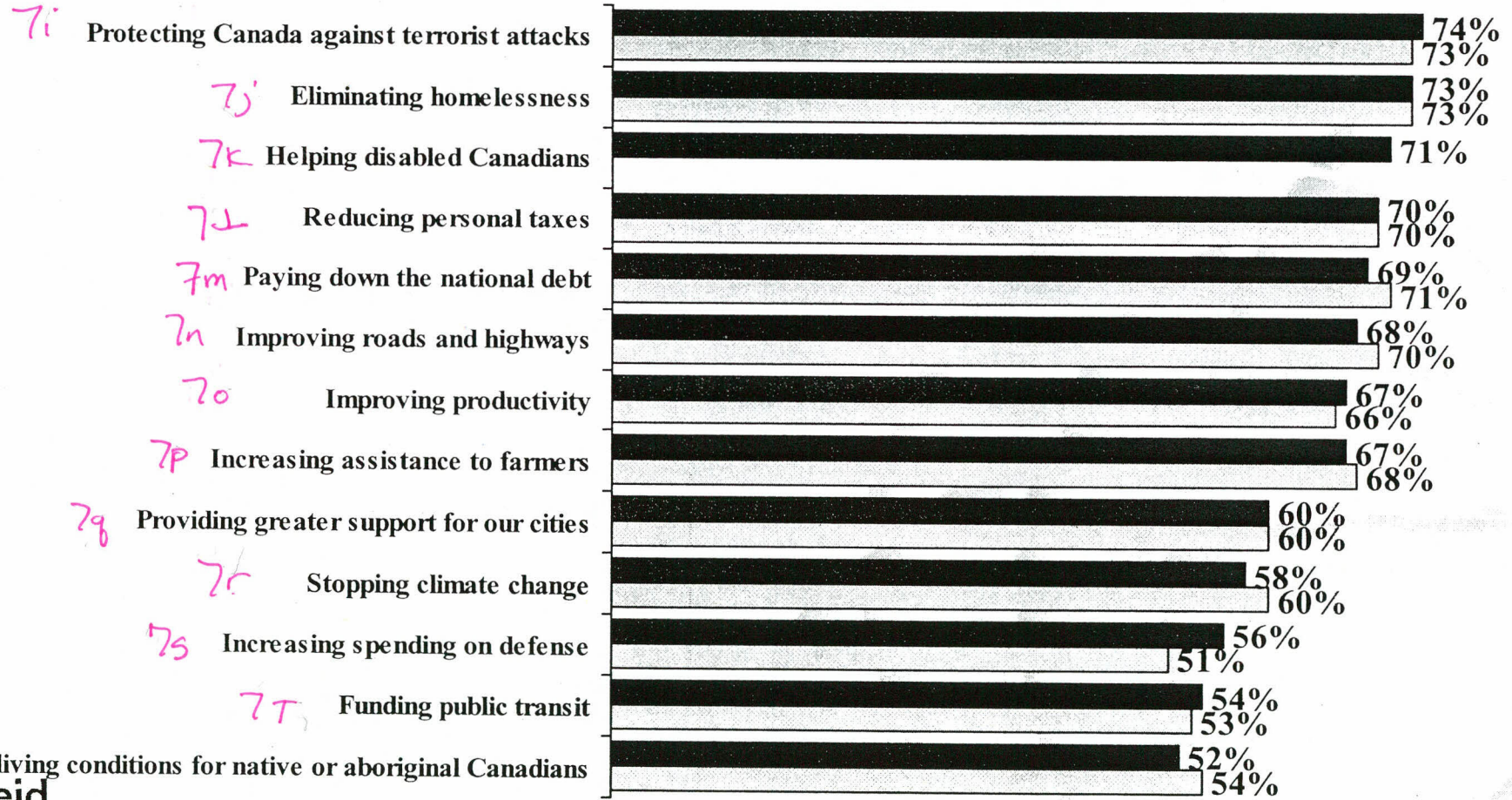
12



Preferred Priorities for the Federal Government (Lower Priorities)

How much priority would you like the federal government to place on each of the following issues:

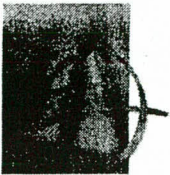
■ High Priority (5,6,7) December 2002 □ High Priority (5,6,7) September 2002



Base: All Respondents N=180

Ipsos Reid

13

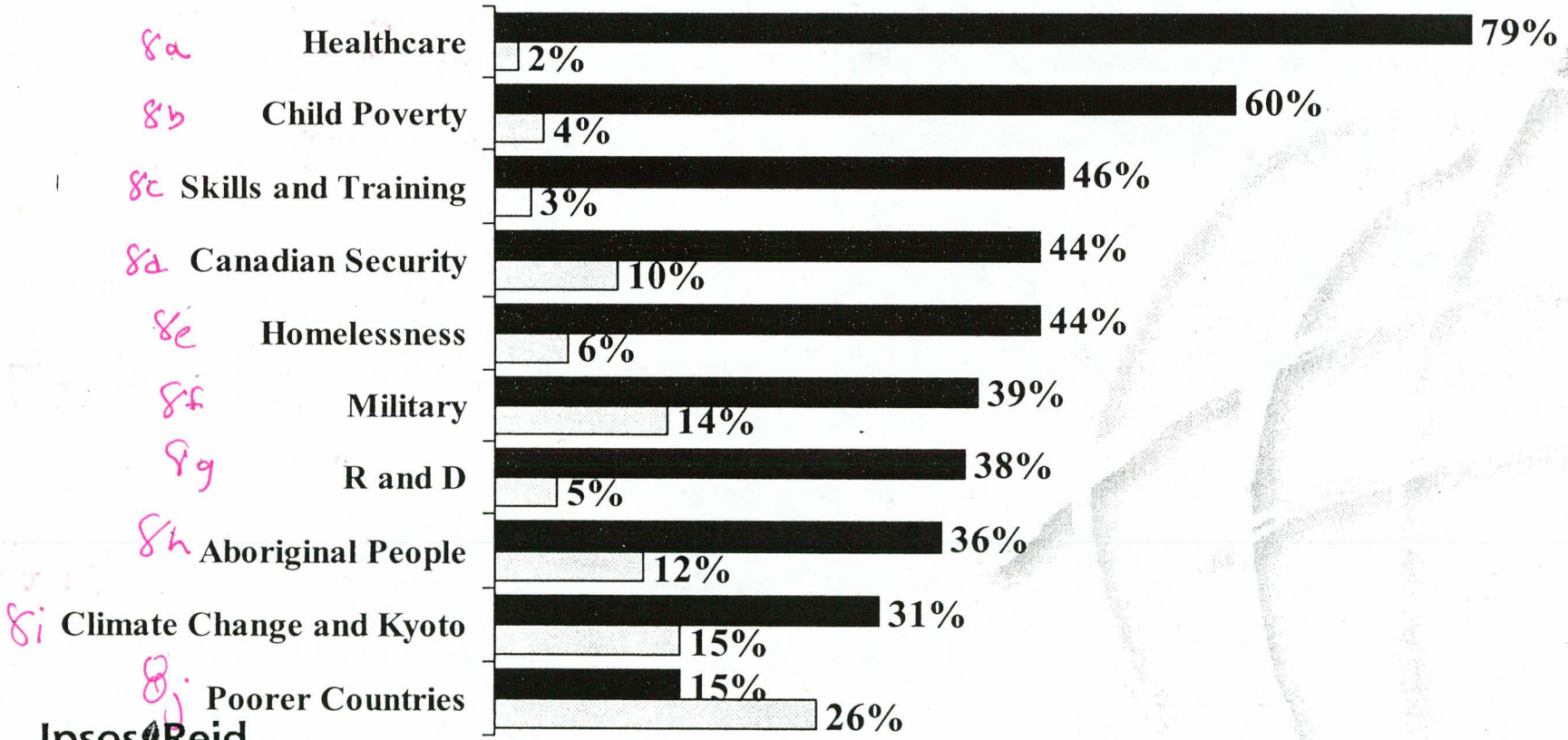


Spending Priorities for the Next Federal Budget

8.
a-j

Thinking about the next Federal Budget which of the following do you think should be the Government of Canada's main spending priority. Please respond using a 7 point scale where 7 is the highest priority and 1 means the item is not a priority at all.

■ High Priority (6,7) □ Low Priority (1,2)

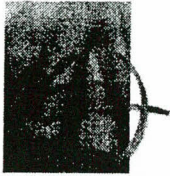


Ipsos Reid

Base: All Respondents N=1800

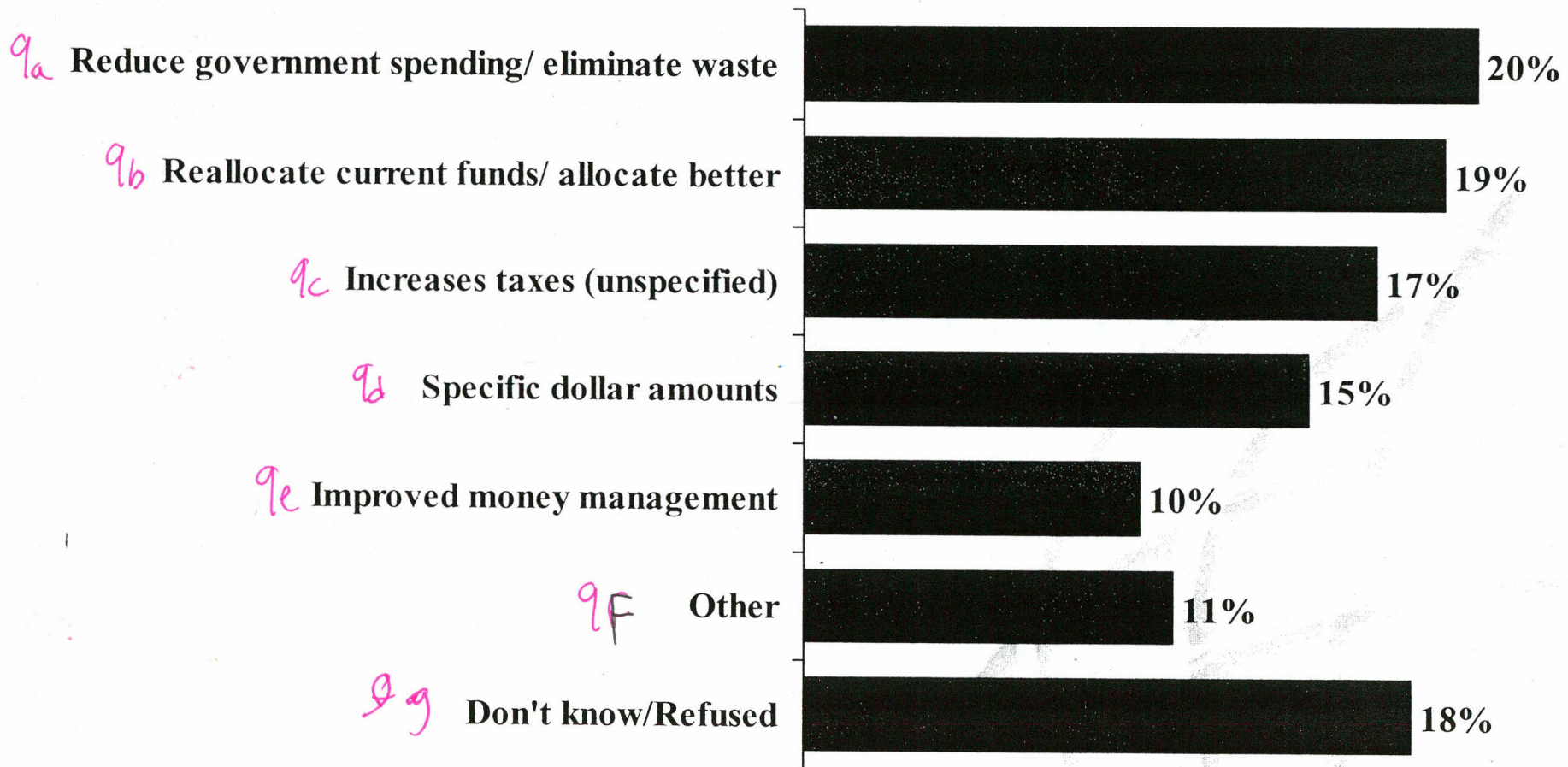
14

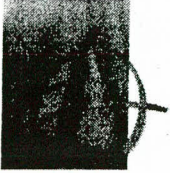
39



Recommended Responses to Government Priorities

9.a → 9
9. How do you think the Government of Canada should pay for increased funding for the activities that you just mentioned as priorities?





Preferences Regarding Budget Surplus

10 Should the government allocate most of the surplus, if it has any, to:

a → c

■ Dec-02 □ Sep-02

10a

Reducing the debt

37%

36%

10b

Spending on social initiatives

32%

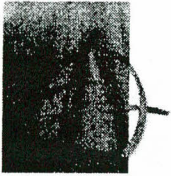
33%

10c

Reducing taxes

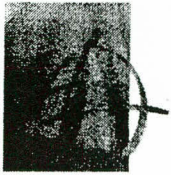
30%

30%



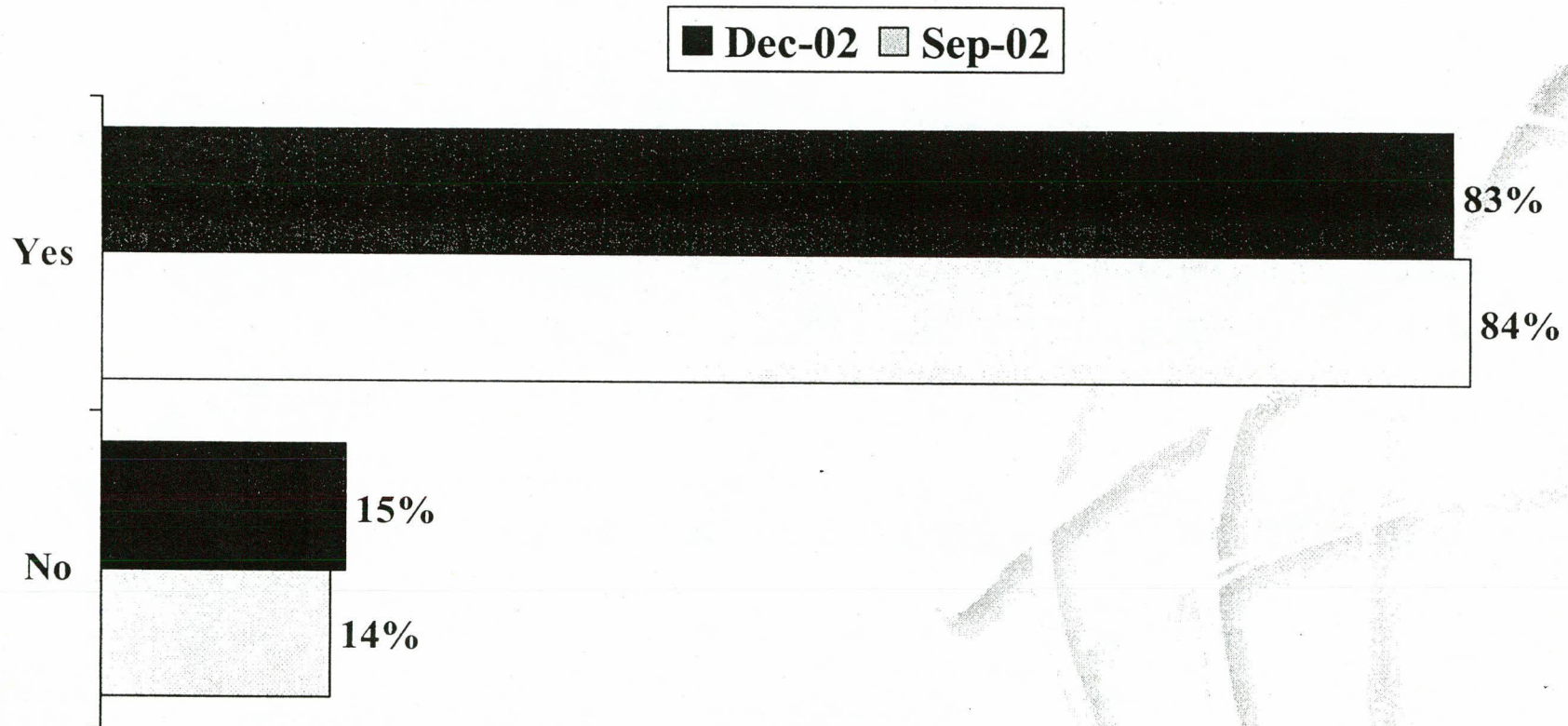
Preferences Regarding Budget Surplus

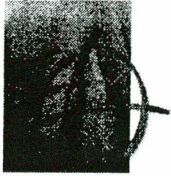
- **Those most likely to favor reducing the debt include:**
 - Saskatchewan and Manitoba residents (45%)
 - Men (42%)
- **Those more likely to favor spending on social initiatives include:**
 - Quebec residents (37%)
 - Women (36%)
 - Those with higher levels of education (university educated: 42%)
- **Those more likely to favor tax cuts include:**
 - Residents of the Atlantic provinces (41%)
 - Those with lower levels of education (less than high school: 43%)



Support for Setting Aside Contingency Funds in Budgets

11. For the past few years the federal government has set aside money in its budgets to cover unforeseen economic developments. Do you think it should continue to do so?





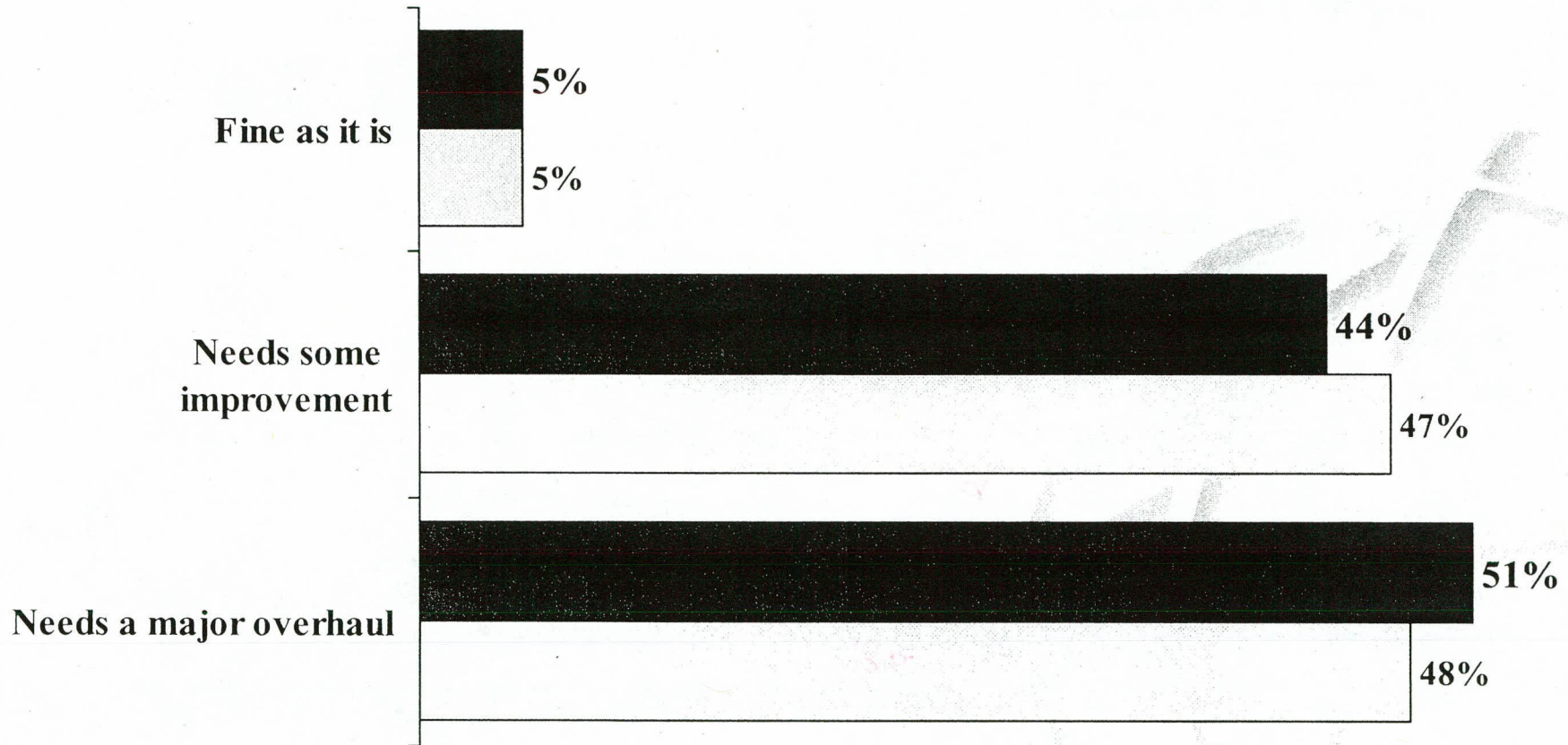
Healthcare/Medicare

- **Canadians want reform and increased spending to go hand in hand.**
- **Canadians are more likely to agree that the Federal Government has been reducing rather than increasing spending on Healthcare over the past couple of years.**
- **Very few have seen any improvement since the year 2000 re-investment and Federal/Provincial Action Plan on Healthcare.**
- **Slight increase in perception that the system needs a major overhaul and that more money is needed.**
- **Quebecers, older Canadians and rural Canadians are most likely to say that the system needs a major overhaul.**

Perceptions of Healthcare System

12. There has been a lot of talk lately about the state of our Healthcare. In your opinion, is our Healthcare system:

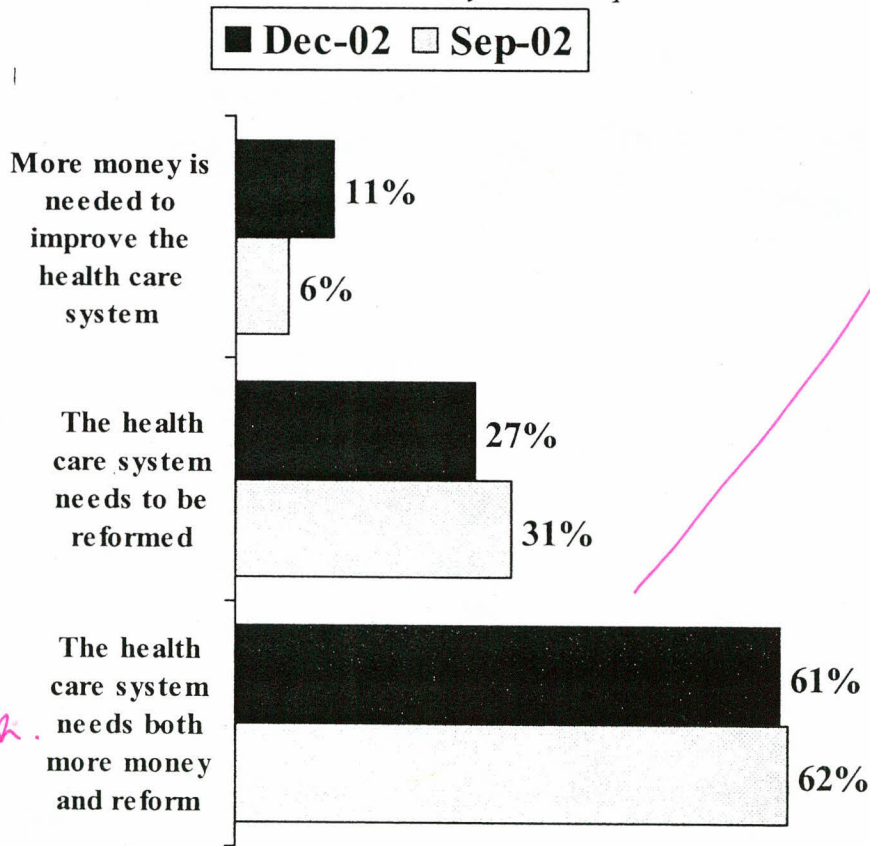
■ Dec-02 □ Sep-02



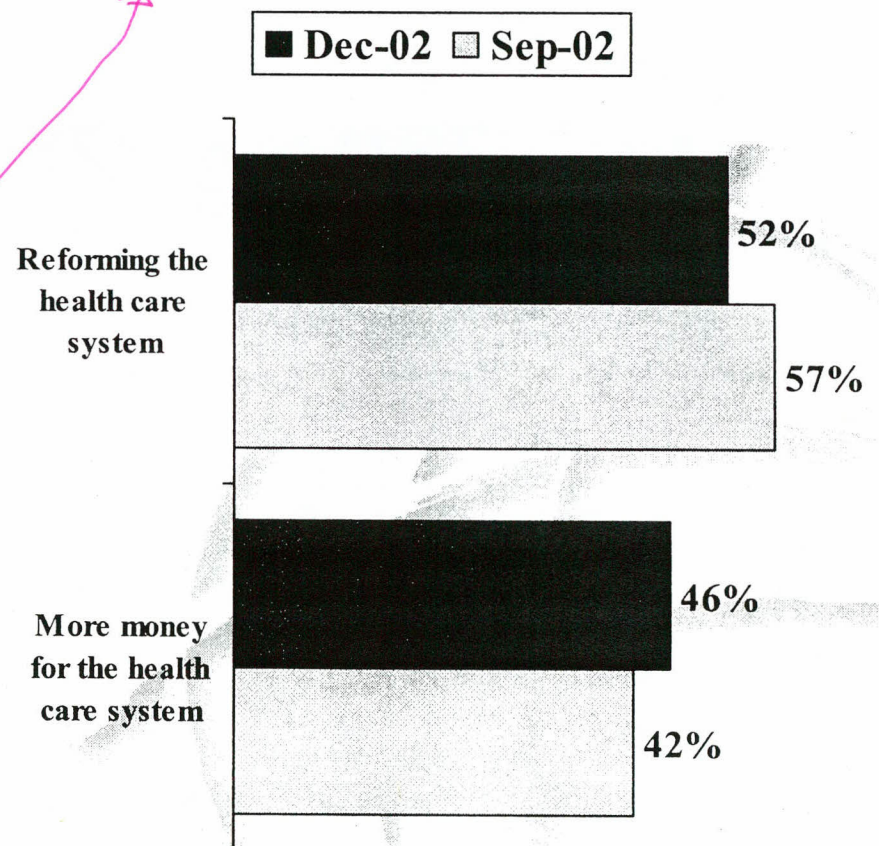
Preferred Means of Improving Healthcare System

13. a. Some people say that more money is the answer to improving our Healthcare system. Others say it is not a question of money but how the Healthcare system is reformed. Still others say that the Healthcare system needs both more money and reform. Which of these statements is closer to your own opinion?

13. b. [IF BOTH] If you had to choose, which would be more important: reforming the Healthcare system or more money for the Healthcare system?



Base: All Respondents N=1800
Ipsos Reid



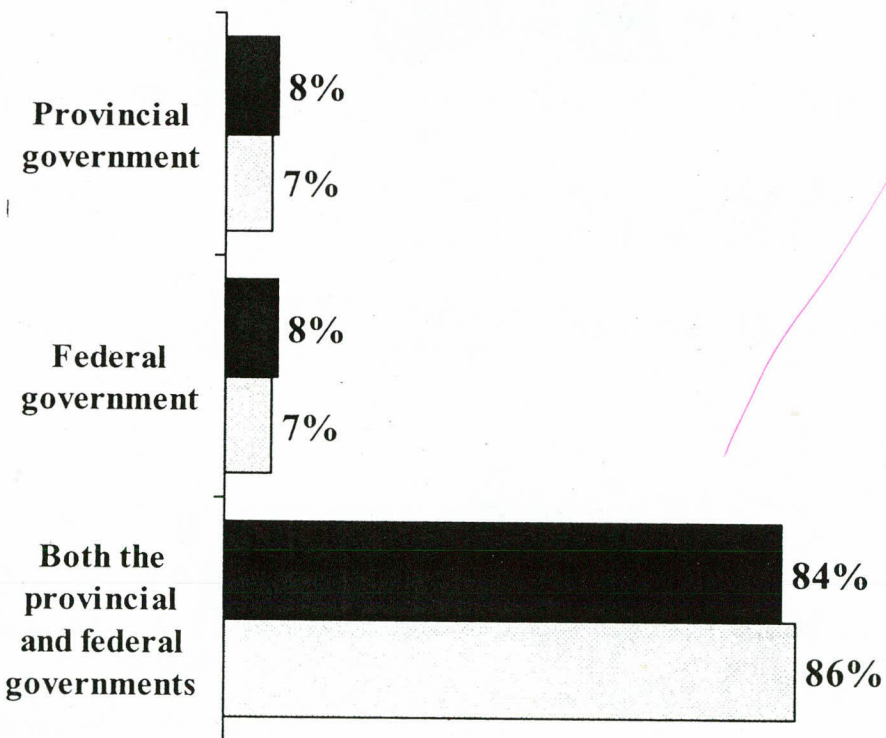
Base: Respondents who said The Healthcare system needs both more money and reform

Primary Responsibility for Healthcare System

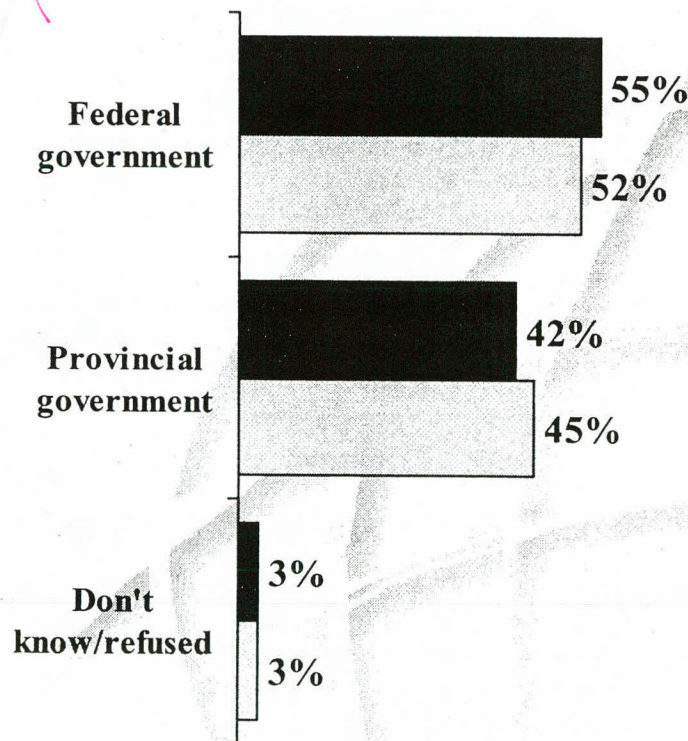
Provincial governments are responsible for the delivery of Healthcare, but the Federal government transfers significant amounts of money to the provinces each year to support Healthcare. In your opinion, is improving our Healthcare system the responsibility of the federal government, the provincial

[IF BOTH] If you had to choose which order of government is primarily responsible, which would it be?

■ Dec-02 □ Sep-02

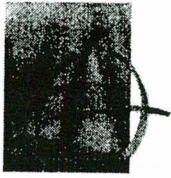


■ Dec-02 □ Sep-02



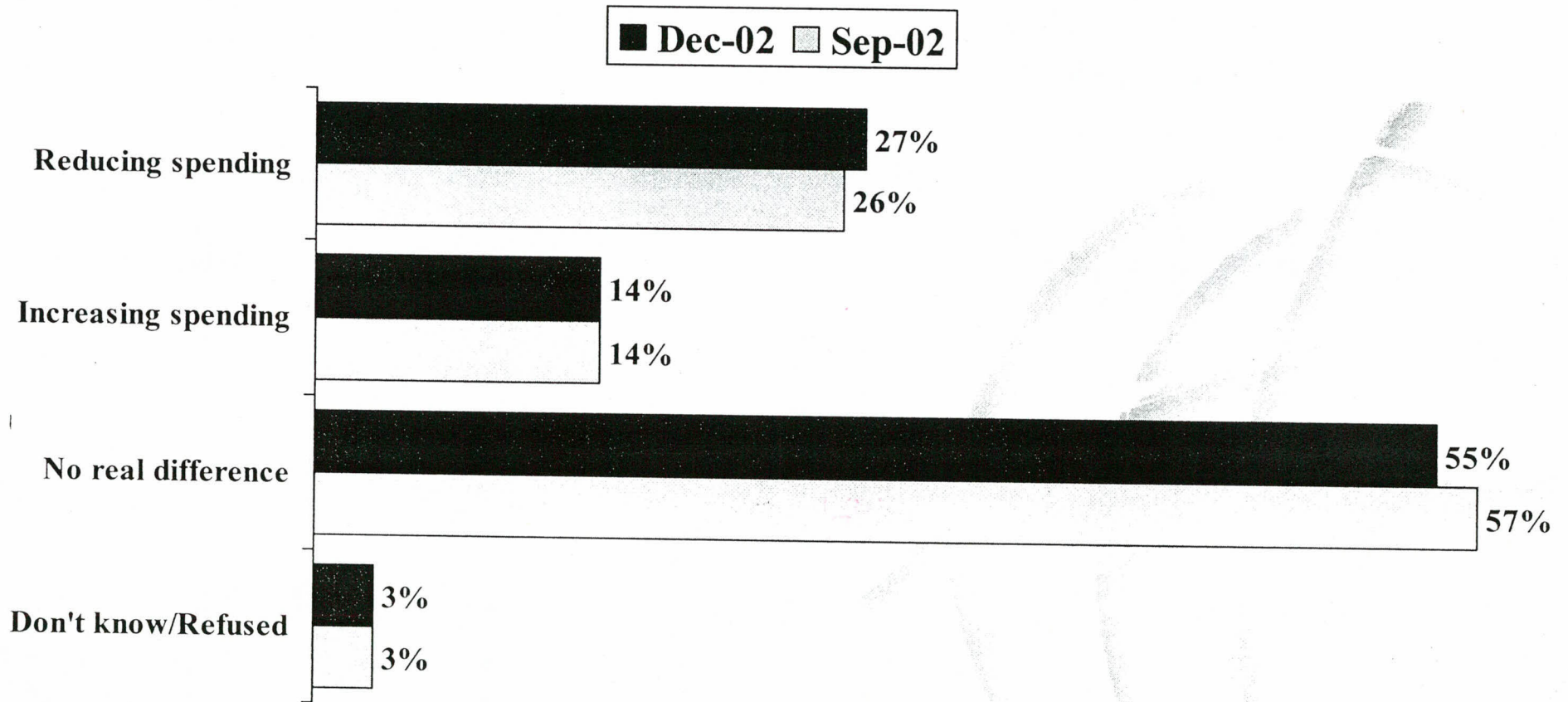
Base: All Respondents N=1800
Ipsos Reid

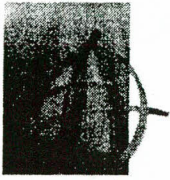
Base: Respondents who said Both the provincial and federal governments



Perceived Federal Government Spending Levels on Healthcare

15. In the last year, would you say that the federal government has been in general reducing spending on Healthcare, or increasing spending on Healthcare or has there been no real difference?

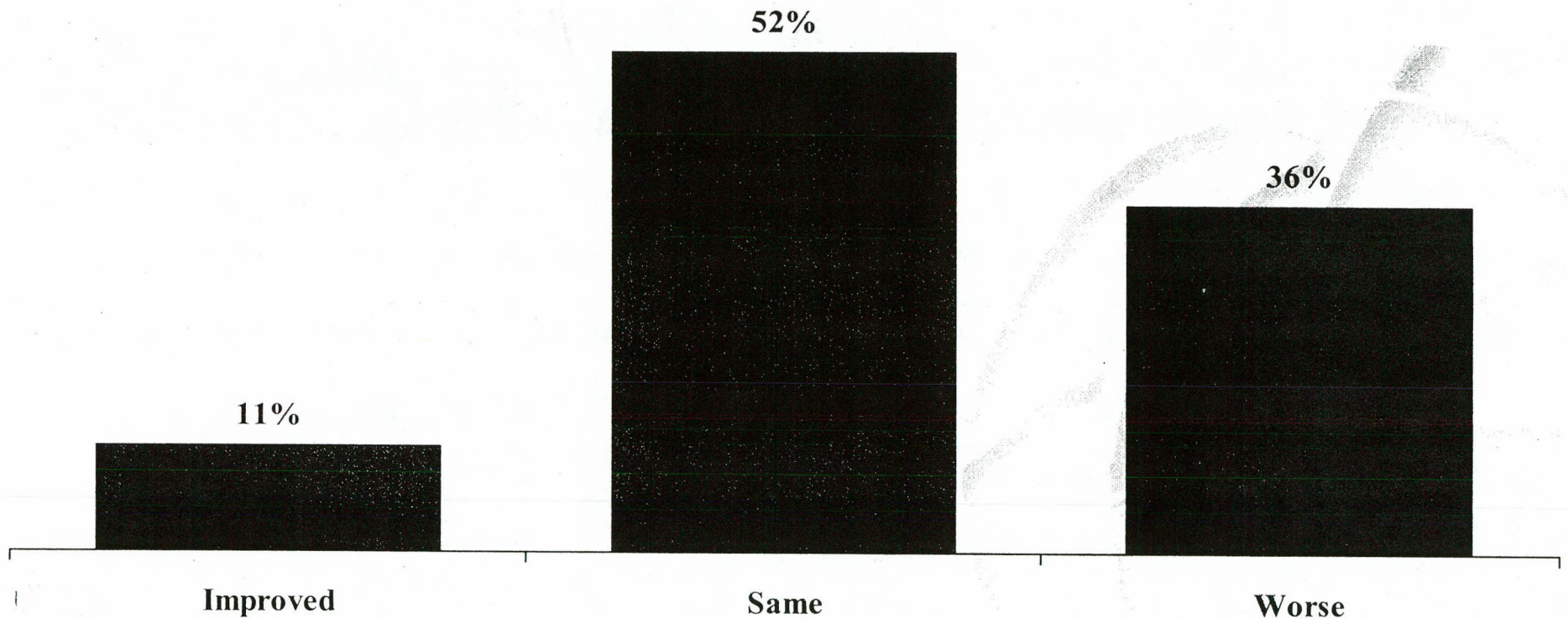


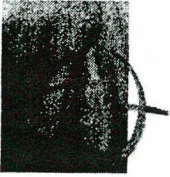


Health System Has Not Improved Since the Year 2000 Re-Investment and Action Plan

16.

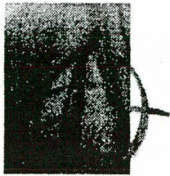
In September 2000 the Government of Canada provided an additional 23 billion dollars to the provinces over five years for reinvestment in healthcare and both the federal and provincial governments agreed on an action plan to improve the health system. Would you say that the health system in Canada has improved, stayed the same or gotten worse since September 2000?





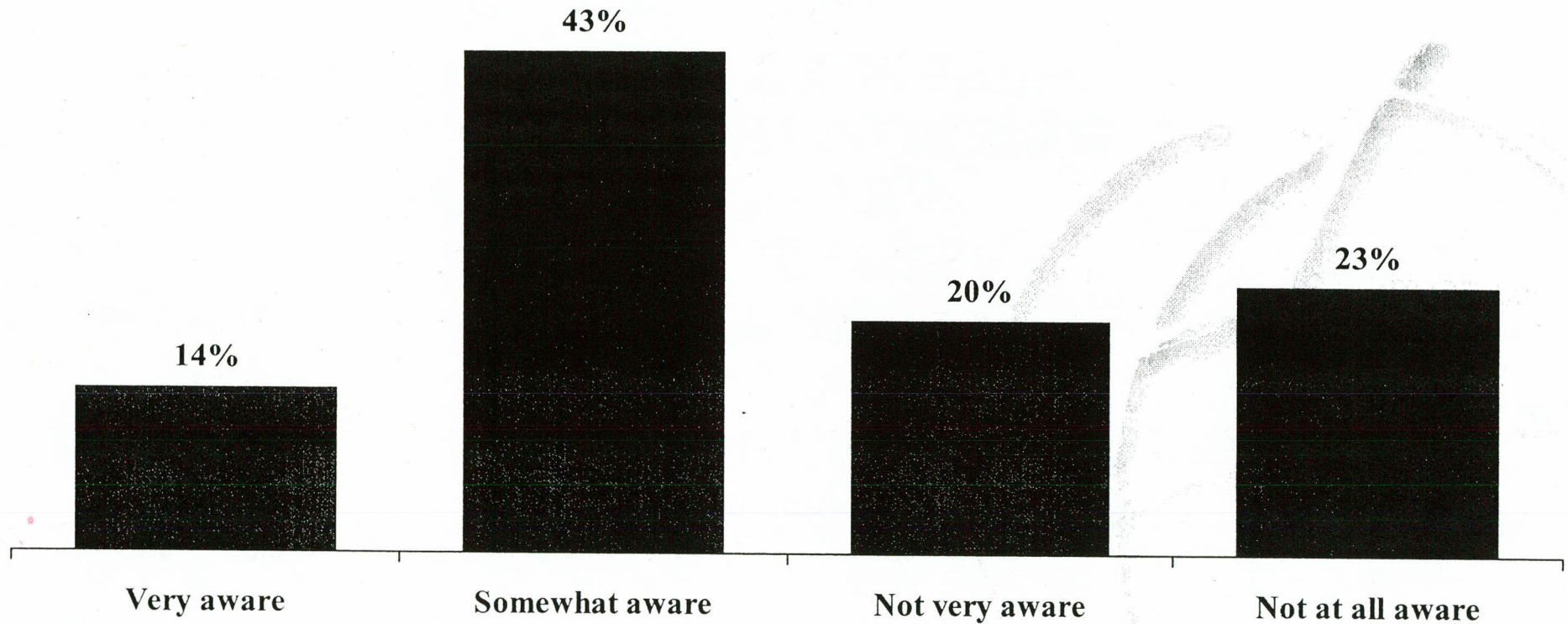
Post-Romanow

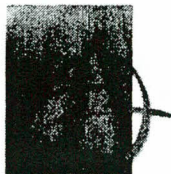
- **Awareness and expectations are high. There is a perception that the system can be fixed and fixed fast.**
- **Majority view Romanow recommendations as positive.**
- **Public priorities are aimed at improving access and providing better service to patients.**
- **Accountability is desired to ensure public priorities are addressed and to ensure inefficiencies are taken out of the system. It's not accountability for the sake of accountability.**
- **Half of Canadians support spending the entire federal surplus on healthcare for the next three years.**



Awareness of Romanow Report

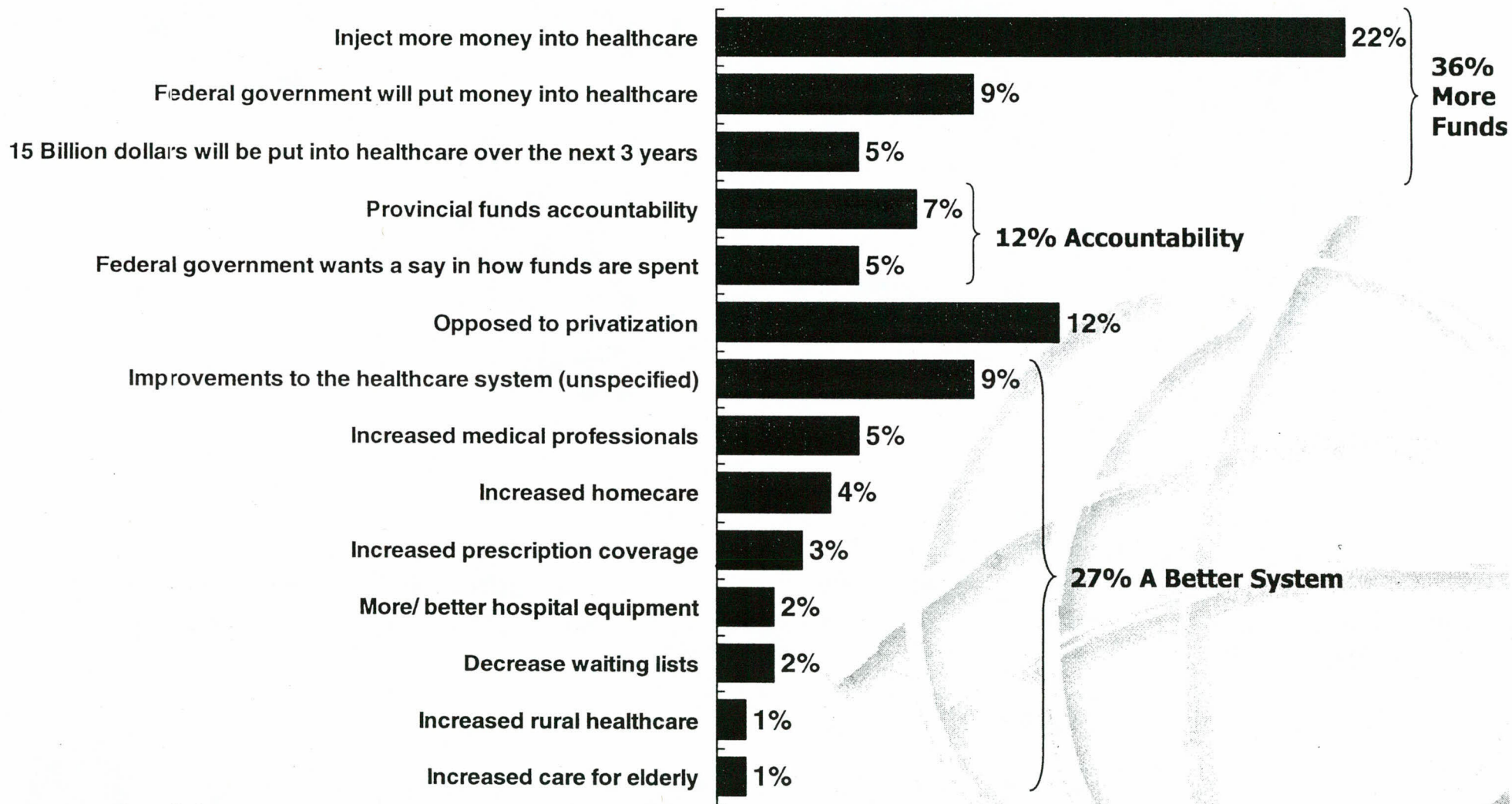
17. The Romanow Commission on the Future of Healthcare in Canada recently released its final report on what should be done to improve the Healthcare system. Would you say that you are very aware, somewhat aware, not very aware or not at all aware of the recommendations in this report?

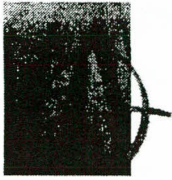




What have you heard about Romanow?

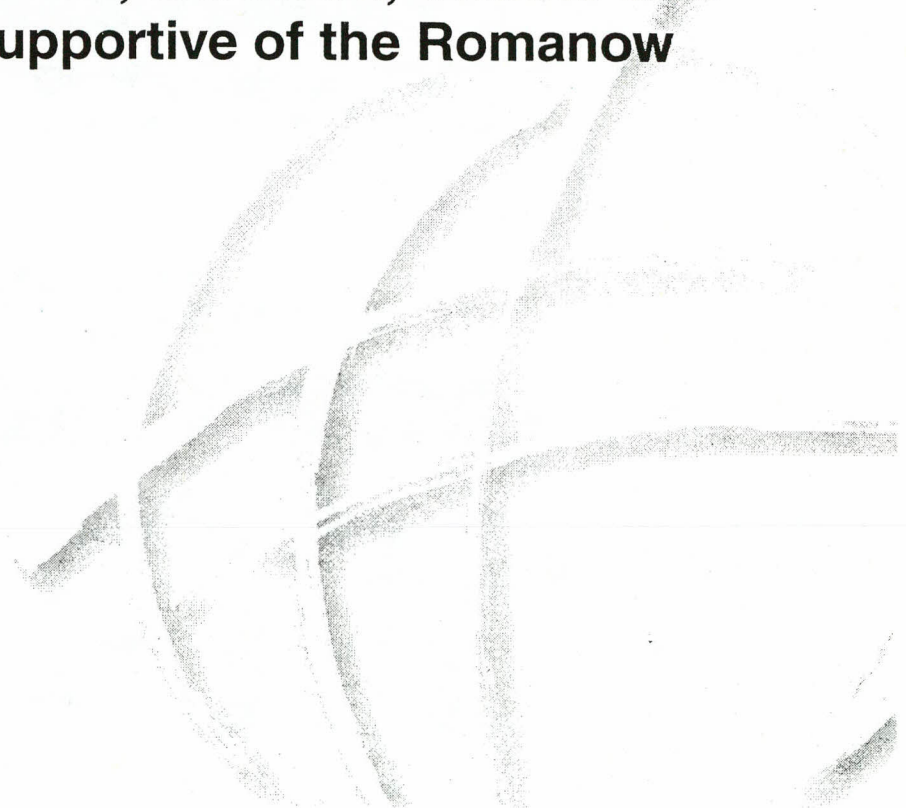
18. Can you tell me what you read or heard about the Romanow Commission's Final Report?

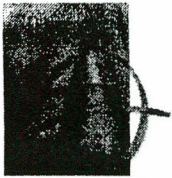




Perceptions of Romanow Report

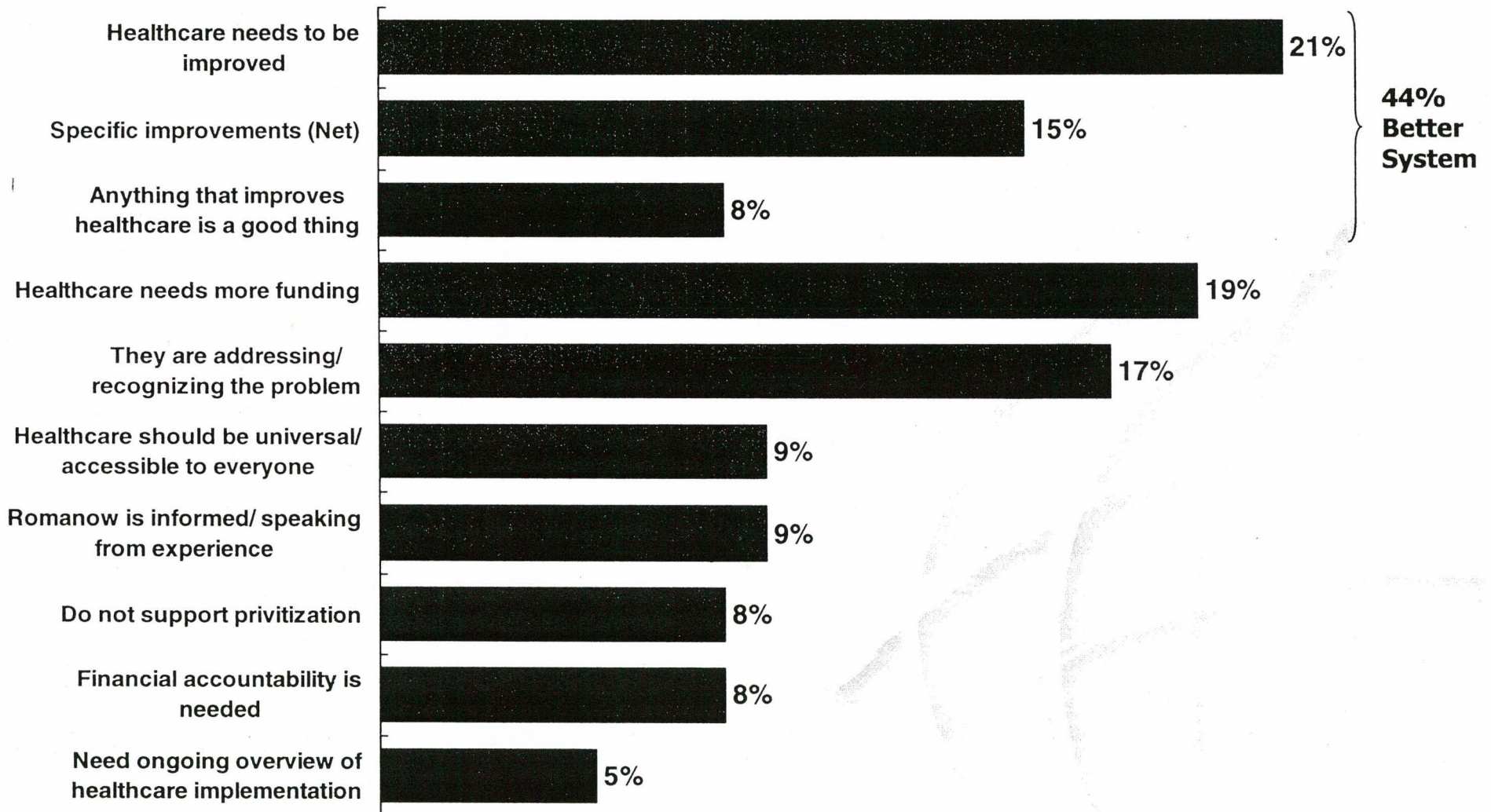
- Seven in ten say that the Romanow proposals are very (19%) or somewhat (50%) good. 13% say they are somewhat/very bad and 18% say they don't know.
- Older Canadians, university educated Canadians and Canadians living in Saskatchewan, Manitoba, Ontario and Atlantic Provinces are most supportive of the Romanow proposals.



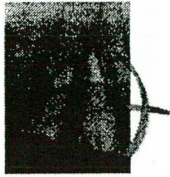


What is good about the Romanow Report?

19. Why do you feel that the proposals would be Very good/Somewhat good?

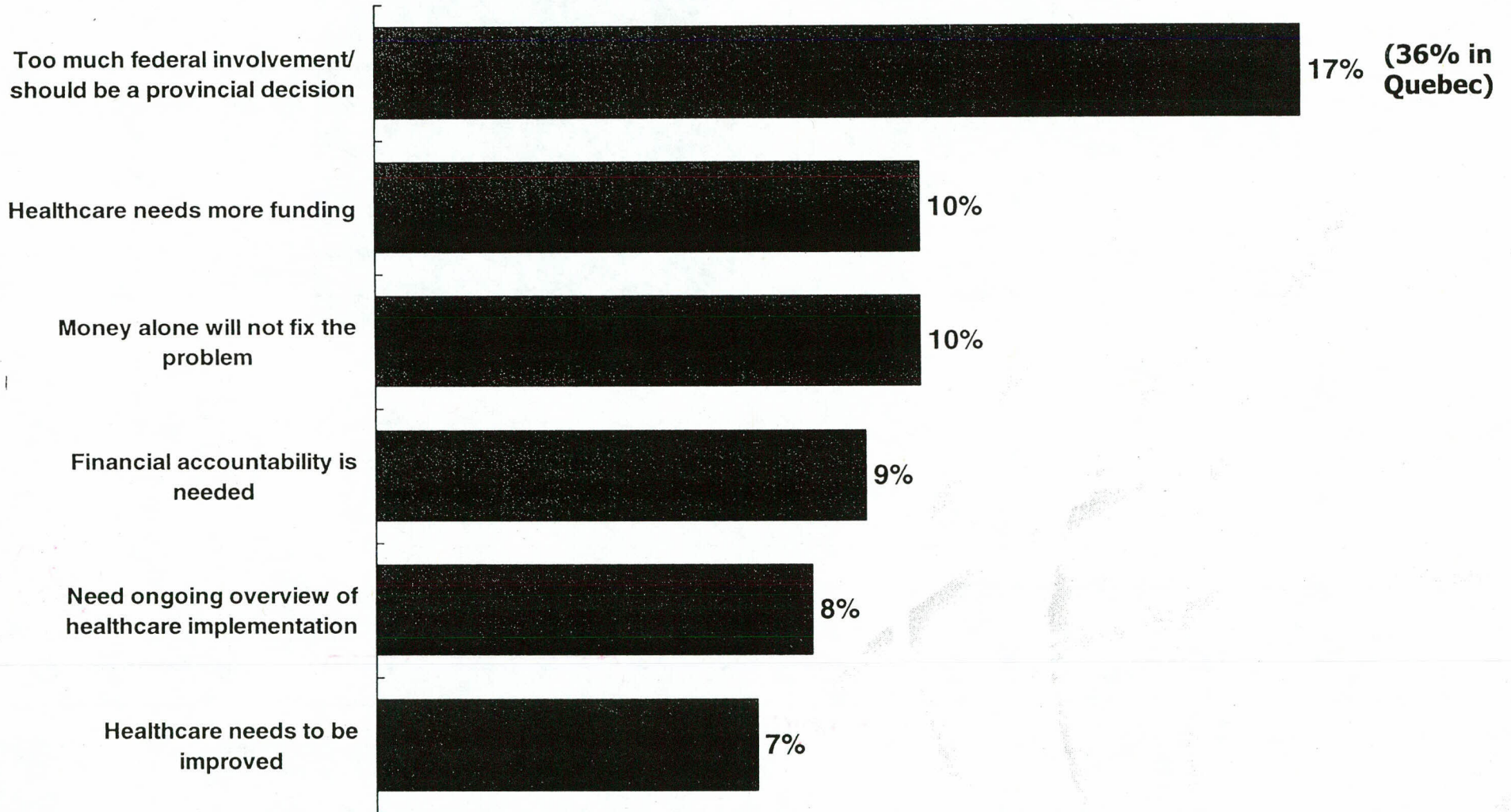


2A

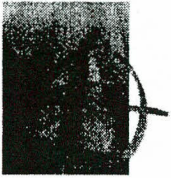


What is bad about the Romanow Report?

20. Why do you feel that the proposals would be Very bad/Somewhat bad?



20



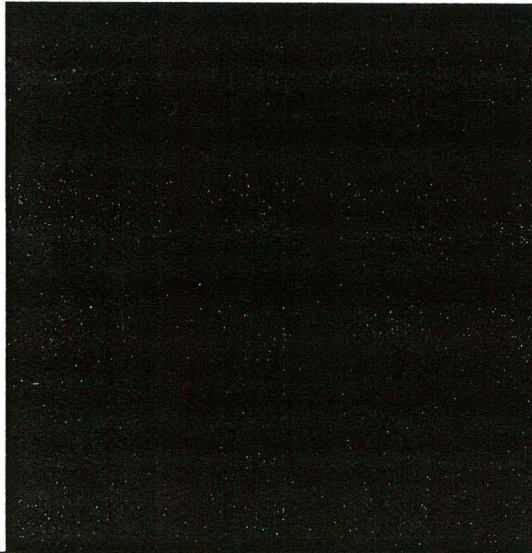
The Healthcare System Can be Improved Quickly

I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

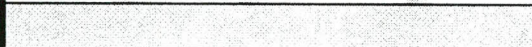
others are missing

■ Agree (5,6,7) □ Disagree (1,2,3)

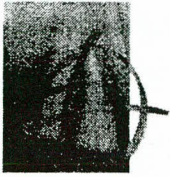
83%



7%



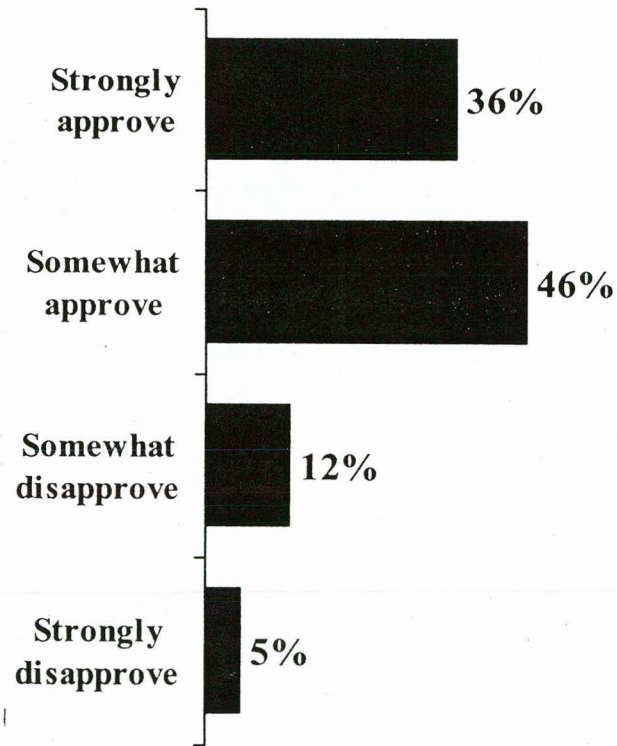
21a The healthcare system can be improved quickly if all governments take action.



Dedicating the Federal Surplus to Healthcare

22. One of the recommendations in the Romanow Report is that the federal government spend an additional \$15 billion on healthcare over the next 3 years. If the government follows this recommendation, it means that the projected budget surplus for this period would be spent almost exclusively on improving healthcare services. Generally, speaking do you approve or disapprove?

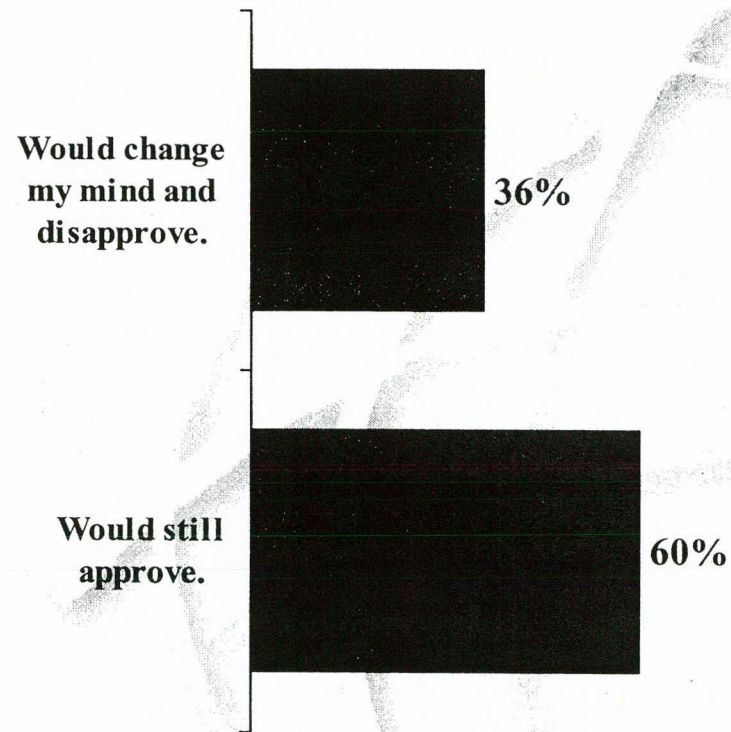
■ Dec 02 Ipsos-Reid/Globe Mail



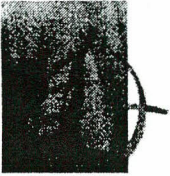
Base: All Respondents N=1000
Ipsos Reid

23. Would you change your mind and disapprove of the federal government following this recommendation if you knew that very little of the surplus for the next three years will go to other important areas like our post-secondary education system, our military, or paying down the debt?

■ Dec 02 Ipsos-Reid/Globe and Mail



Base: Respondents who approve of Romanow recommendation N=814



Views on Reallocation

I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

2Aa → c

■ Agree (5,6,7) □ Disagree (1,2,3)

2Aa

If the Government did a better job of managing its budgets there would be enough money to address high priority issues like healthcare.



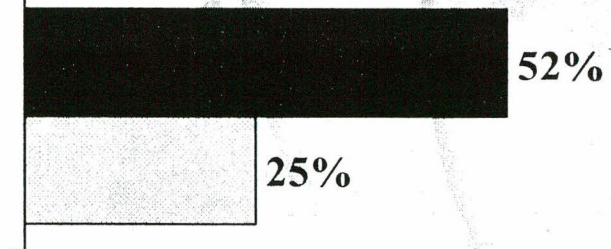
2Ab

There is a lot of waste and inefficiency in Government of Canada programs.



2Ac

Even if the Government reallocated money from old programs to new ones there still won't be enough money to address high priority issues like healthcare.

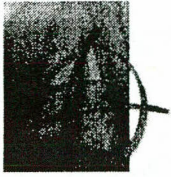


Ipsos Reid

Base: All Respondents N=1800

33

67

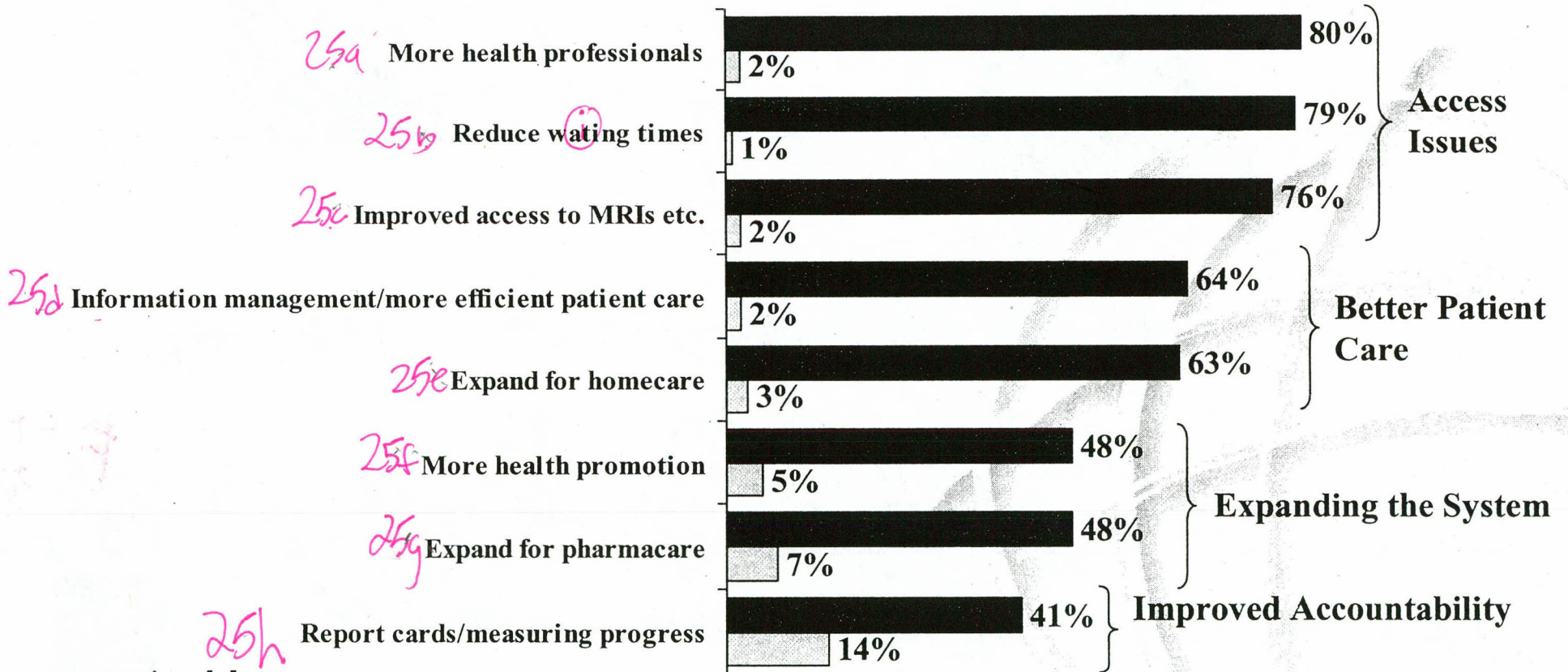


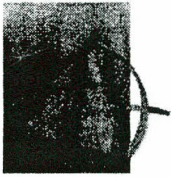
Priorities for Improving the Health System

25. For each of the following please tell me how much of a priority you would place on each item if you were in charge of improving the Healthcare system. Please use a 7-point scale, where 7 means it is a very high priority and 1, means it is a very low priority [RANDOMIZE ORDER] How about...?

a-7h

■ High Priority (6,7) □ Low Priority (1,2)



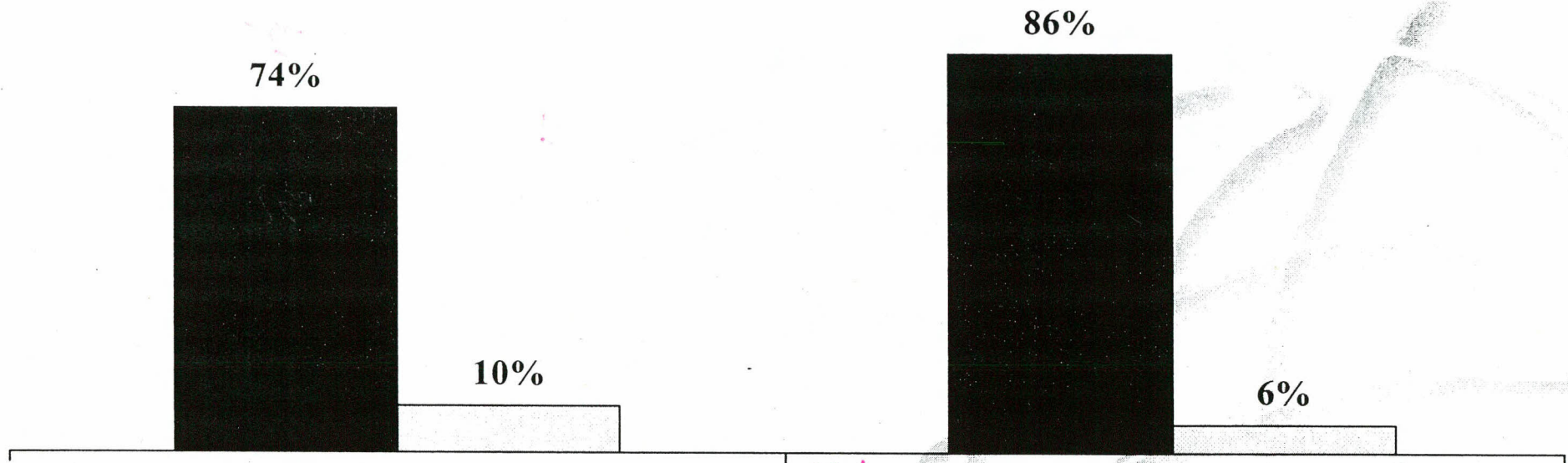


More Accountability for Healthcare

26
a → d

I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

■ Agree (5,6,7) □ Disagree (1,2,3)



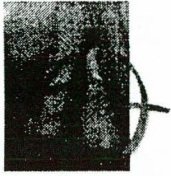
26a

One of the main problems with the healthcare system today is that there is not enough accountability and Canadians do not know where their tax money is being spent.

26b.

The Government of Canada has a responsibility to ensure that the money it transfers to the provinces for healthcare is actually spent on healthcare.

25

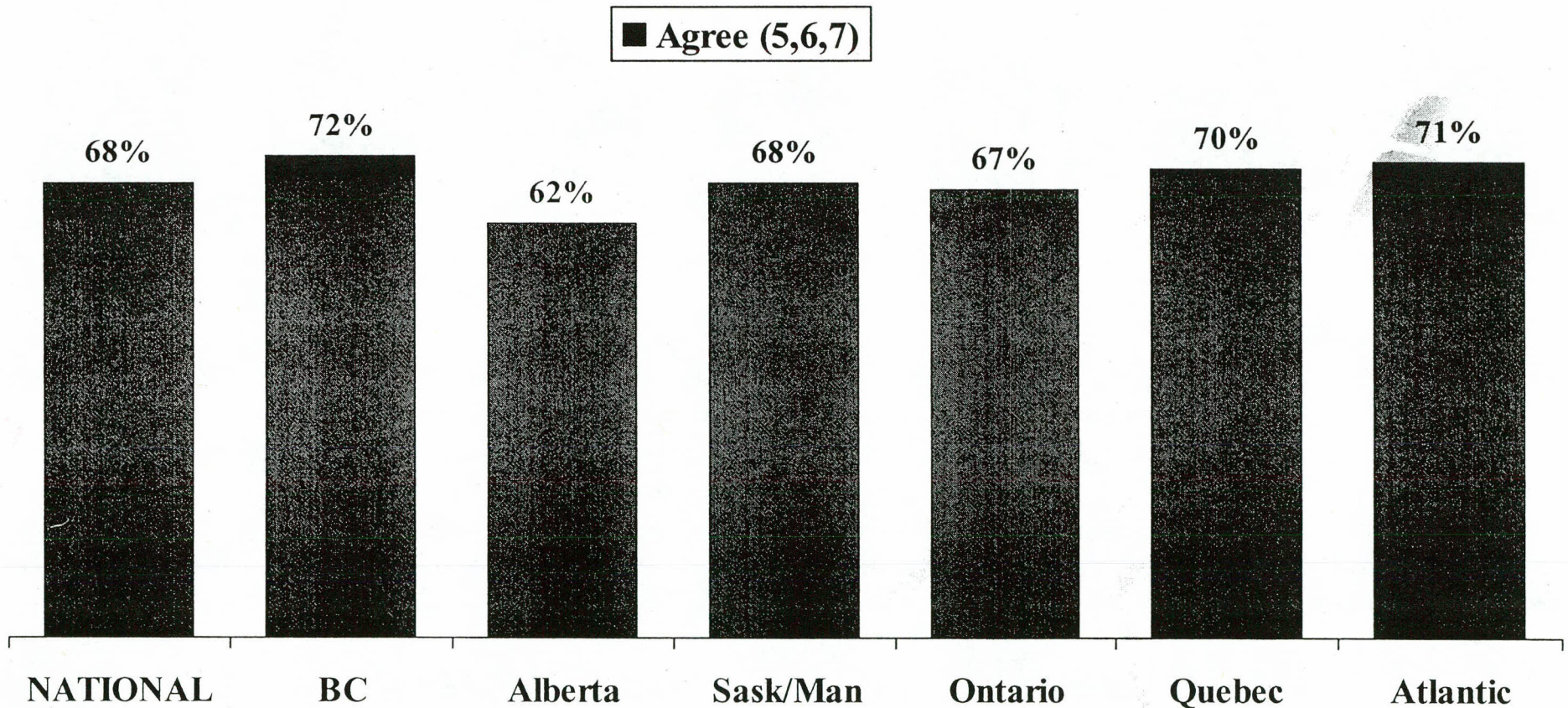


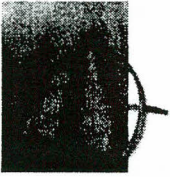
A Lot of Waste in the Healthcare System

I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

2/6

I think that there is a lot of waste and inefficiency in the healthcare system in my province.



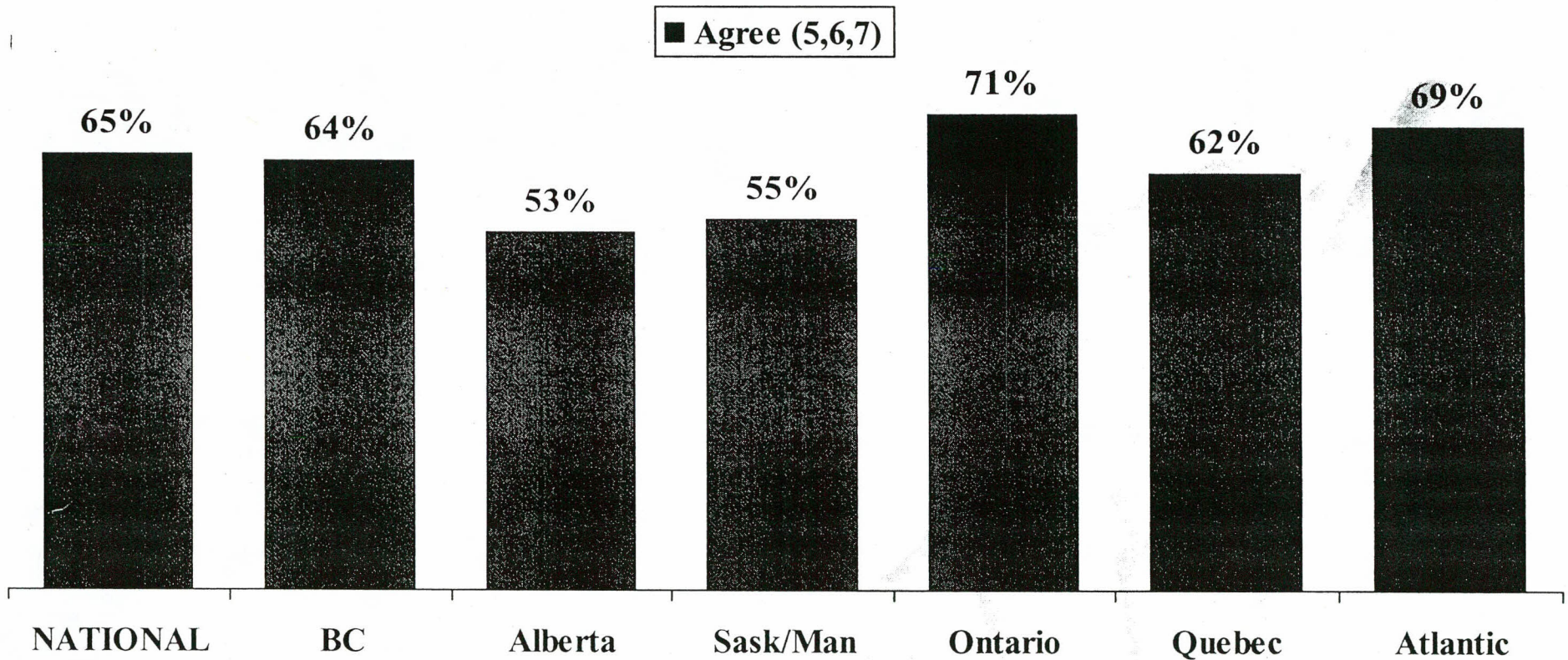


A Federal-Provincial Agreement

I'm going to read you a series of statements some people might make and ask you to tell me whether you agree or disagree with them. Please use a 7-point scale, where 7 means you strongly agree, 1, means you strongly disagree and 4 means you neither agree nor disagree:

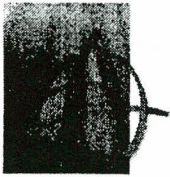
268

The Government of Canada should take immediate steps to improve the health system even if the provincial governments do not agree on what a national plan would look like.



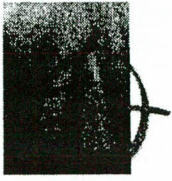
Conclusions

- **Public views on the economy remain fairly stable and positive allowing social priorities to remain at the top of the public agenda.**
- **Past success for the Government has been the result of high marks for fiscal management (i.e. deficit reduction) and performance of the economy.**
- **As the perception of good fiscal management has declined support is based primarily on a strong economy.**



Conclusions

- **After 4 years of increasing public angst over healthcare, Fall 2002 (Kirby and Romanow Reports) will likely be "the" milestone that the public and opinion leaders will look back on and use to measure progress on the Medicare file.**
- **Public expect all governments to act (and act fast) to improve healthcare.**
- **Public see "access issues" as the most immediate priorities. These include: improved access to diagnostics, shorter ER waiting times and more health professionals.**



Conclusions

- **Public agree on the need for greater accountability and for new funding for the health system.**
- **More than half support a scenario where the entire federal surplus for the next few years goes to healthcare.**
- **Once a plan and funds for fixing the current system are in place, the public see the need for longer term expansion including: more health promotion, homecare and pharmacare.**
- **In the absence of provincial messages the public seem to support the federal government acting alone. However, support is soft and the response of the provinces will play a big role in shaping opinion.**



Conclusions

- **While there is little on the radar screen after healthcare there are some sleeper issues which could quickly rise to public prominence.**
 - **Defence:** support has been growing for increased spending and a war in Iraq could push this higher.
 - **Canada-US Relations:** particularly border, trade and defence issues.
 - **Environment:** Kyoto, fuel prices, air quality and energy shortages/conservation.
 - **Governance and Accountability:** from Enron to Nortel; from HRDC to the gun registry. Who is watching the store?
 - **Lack of an Agenda:** perception has been that (with the exception of 9/11) there has been very little in the way of a coherent forward agenda. Perception is that the Government has coasted since winning the war on the deficit. And Canadians are beginning to understand the consequences of federal to provincial to municipal down loading.