

Community Focus Bulletin: ***Creating Community Conversations***



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Highlights of the 2018 Federal Budget

Finance Minister Bill Morneau has tabled his third budget. Here is a look at the highlights, new measures and key numbers:

- \$21.5B in new spending over 6 years, including the fiscal year just ending.
- \$18.1B projected deficit for 2018-19 (including \$3B for risk), falling to \$12.3B by 2022-23.

This includes:

- \$750M over 5 years to improve cyber security.
- \$231M over 5 years to address the opioid crisis, including \$165M this year.
- 5 weeks extra leave for two-parent families under the EI Parental Sharing Benefit (June 2019).
- Legislation promised this year on federal pay equity - but no price tag yet.
- \$172.6M more over 3 years for clean drinking water on reserves.
- \$1.4B over 6 years in new funding for First Nations Child and Family Services.
- \$2B over 5 years in additional foreign aid under the Feminist International Assistance Policy.
- \$10M over 5 years for an RCMP unit to review 25,000 cases of sex assault deemed "unfounded."
- \$1.3B over 5 years to conserve land, waterways and wildlife and protect species at risk.
- \$100M over 5 years to develop rural broadband innovation, including low-earth-orbit satellites.
- New judges - 6 for Ontario, 1 for Saskatchewan - and more money to help ease court backlogs.
- \$173M to address irregular border-crossings and asylum seekers.
- \$6M for a new process to hold federal leadership debates during election years.
- \$50M over 5 years to one or more independent organizations to support local journalism.
- \$30M over 3 years to promote women and girls' participation in sport.
- Free admission for kids to national parks will be made permanent.
- Creation of advisory council on implementing national pharmacare - but no money yet.

Here are the five things families need to know:

1. The **Canadian Child Benefit** will be indexed to inflation starting July 2018.
2. In the previous budget families were able to take additional time off for parental and caregiver care and get the **EI Caregivers Benefit**. This has now been extended to include maternity and sickness benefits.

3. Families will be able to open an RESP and claim the \$500 per year Learning Bond **at the same time that you apply for a birth certificate for your child**. This will automatically enroll children born into low-income families for the grant.
4. As of June of 2019, the government will offer five additional weeks of **“use-it-or-lose-it” EI Parental Sharing Benefits** when both parents commit to sharing parental leave. It’s available to all two-parent families, including adoptive and same-sex couples. If families are going for the standard parental leave option of 55% of EI benefits over 12 months, they will have a total of 40 weeks of leave instead of just 35. As well, where families have opted for extended parental leave at 33% of earnings for 18 months, the second parent would be able to take up to 8 weeks of additional parental leave.
5. The **CPP death benefit** is now \$2,500 for all eligible contributors (whereas before it was pro-rated), which should help alleviate some of the stress during a difficult time.

Some key points:

Women: Significant investments were made to promote pay equity, boosting female entrepreneurs, child care and women-centric organizations and an extensive strategy to address gender-based harassment and violence.

Indigenous communities: The government dedicated \$4.1 billion over five years to Indigenous peoples, with an emphasis on infrastructure (housing and water, specifically), child welfare, health care and employment training. Foster care and family reunification were also prioritized.

Science and the environment: The government committed \$3.2 billion over five years for science and research, including upgrading outdated laboratory facilities, harnessing the power of “Big Data,” and encouraging more female entrepreneurs. A new conservation fund was created.

Female refugees: The government increased its overseas humanitarian aid budget by \$2 billion over five years; 1,000 refugee women and girls from conflict zones will be supported and brought in.

Library and Archives Canada: Ottawa announced its support for a new joint facility that will house the national library and Ottawa public library.

Collins Bay and Joyceville Prison Farms: Budget includes \$4.3 million in funding over five years to reopen the Kingston prison farms, which were closed by the Harper government as a cost-saving measure.

Rural communities: The government has allocated \$100 million over five years to provide improved, and affordable, access to Internet and wireless services that can be provided by low Earth orbit satellites.

Some of the responses to the budget:

CUPE

Parental leave

CUPE is encouraged to see Budget 2018 announce the introduction of dedicated “use it or lose it” parental leave for a second parent for a maximum of five weeks. This will help promote greater gender equality in parenting and employment. However, we have concerns that the plan won’t be available to low income parents, or workers in precarious jobs, who either don’t qualify for EI or can’t afford to live off the low benefit level.

Gender Equality

Budget 2018 is billed as a gender equality budget which also includes a “gender budget plus” analysis. The strong emphasis and actions on gender equality are certainly welcomed. However, to really make a difference, these measures need to be combined with other actions that will improve working and living standards for the vast majority of Canadian women, like a national affordable childcare plan, additional funding for social services, and introduction of a \$15 per hour national minimum wage.

Pharmacare

Budget 2018 announces the creation of an advisory council, chaired by former Ontario Health Minister Eric Hoskins, to consult and provide the government with options on how to proceed with a national pharmacare program – but they have committed no financial resources in their five-year budget projections

Canada Workers Benefit

Budget 2018 details how the government will replace the Working Income Tax Benefit (WITB) with the Canada Workers Benefit (CWB), and makes the credit more generous and more accessible. CUPE welcomes expansion of the benefit, as well as the more gradual phase-out, and the fact that enrollment will now be automatic.

Environment

CUPE supported the Alternative Federal Budget’s call for \$1.4 billion over three years to expand protection of our lands to 17% and of our oceans to 10% by 2020. We are encouraged to see the government commit \$1.3 billion to conservation initiatives in Budget 2018.

Pensions

Over the past year, CUPE has been calling on the government to further expand the CPP and the GIS and to withdraw Bill C-27 which allows for retroactive conversion to less secure target benefit plans. Unfortunately, Budget 2018 is silent on these matters.

Employment Insurance

CUPE is pleased to see the introduction of the EI Working While on Claim Benefit pilot project to extend benefits to claimants on maternity and sickness leave. The benefit will allow claimants to keep 50 cents for every dollar they earn, up to 90 per cent of their weekly insurable earnings.

Megan Leslie, president and CEO of World Wildlife Fund Canada	“The Canadian government is clearly concerned about wildlife and habitat loss in Canada and this budget shows good intentions to protect new habitats and help species in decline recover. While there are still many details missing from the budget, we look forward to working with the government over the coming months to ensure strong protections and effective wildlife recovery initiatives for the future.”
Perrin Beatty, president and CEO of the Canadian Chamber of Commerce	“Although the budget sets out many positive measures, including support for women entrepreneurs, a clearer path to Indigenous self-determination and improved skills development, it doesn’t address the most basic issues facing our economy. The cost of running a business in Canada is rising rapidly. Without a strong private sector, there’s no way to pay for all this spending, except by sending the bill to our kids.”
David Robinson, executive director, the Canadian Association of University Teachers	“We are pleased the government has heard the call of Canada’s scientific and research community that investing in basic research will support fundamental advances in knowledge that will benefit all Canadians. This budget’s investment is a giant step forward and puts us well on the road to strengthening Canada’s research system.”
Liz Majic, legal education and outreach co-ordinator of Canada Without Poverty	“The enhancement of the former Working Income Tax Benefit, now the Canada Workers Benefit, will certainly improve the day-to-day lives of many workers who struggle to make ends meet or face precarious work circumstances. However, we have to be clear that wage subsidies aren’t the long-term systemic solution to poverty — it is critical to have stronger legislation and a fully funded comprehensive anti-poverty strategy to eradicate poverty as part of the 2030 Sustainable Development Goals.”

Some Points to Consider:

- What in this budget contributes to the quality of life in Peterborough?
- How will the budget support local plans (e.g. Age Friendly Plan)?
- How important is a national Pharmacare given the demographics of the area
- Does the budget address both urban and rural issues in an equitable manner.

Sources:

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<https://www.thestar.com/news/canada/2018/02/27/winners-of-2018-federal-budget.html>

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<http://nationalpost.com/pmn/news-pmn/canada-news-pmn/some-of-the-reaction-to-the-liberal-governments-2018-budget-tabled-tuesday>

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