



FAFIA Submission
Finance Canada On-line Pre-Budget Consultations
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What steps should the Government take in Budget 2008 (and beyond) to ensure that Canada is prepared to deal with the implications of an aging population?

The government must invest in social programs that protect and enhance women's economic security. FAFIA urges the government to:

- develop a national childcare system which offers regulated and affordable childcare for all of Canada's families;
- improve EI and its accessibility;
- invest in affordable housing;
- legislate an increased federal minimum wage standard and index assistance benefits to the cost of living.

We also urge the government to repeal pension income splitting rules in which there is no real transfer of income but, instead, a transfer of tax liability from the higher income spouse to the lower income spouse. FAFIA also notes that the implementation of non-refundable tax credits tend to provide little to no benefit for low to middle income earners.

Should the Government be implementing broad-based policies that will help all sectors of the economy to succeed or should it focus on developing policies to assist specific industries facing special challenges?

As mentioned above, the government should be implementing broad-based social spending policies that strengthen the economic well being of Canadians in all sectors. With the increasing use of tax cuts to deliver social policy, Canada risks losing its social safety net in an economic downturn, with no resources for collective wellness and prosperity.

In what areas should the Government focus its resources in Budget 2008 (and beyond)? If resources need to be redirected from other areas, what areas should these be?

FAFIA believes that the federal government should seize the opportunity in the 2008 budget to provide increased investments in social programs. Thirty-eighty percent of women earn too little income to truly benefit from most tax credits, which are largely

non-refundable.¹ In 2003, the average annual pre-tax income of women aged 15 and over from all sources was 24,400, just 62% the figure for men². As a consequence, women benefit more from increased spending on social programs and services which facilitate the social and economic security of themselves and their families. Recent studies by FAFIA have demonstrated that the increasing fiscalization³ of social programs does not ensure that women have access to the public/community supports they require, including secure and affordable housing, regulated childcare, public transportation and access to full-time non-precarious work.

What steps should the Government take in Budget 2008 (and beyond) to ensure that the Canadian economy remains internationally competitive, continues to attract investment and creates high value-added jobs?

The Canadian Government should allocate more funds to invest in its workforce by ensuring that on-going federal-provincial labour market agreements have a distinctive gender equality dimension, earmarking provincial transfer payments to improve access to health care (including home care and pharmaceuticals), post-secondary education, to ensure better access to legal aid for family and civil law, increasing social assistance rates so that they meet the low-income poverty cut-off, and by dedicating resources to a well-coordinated federal/provincial anti-poverty strategy, thereby strengthening the stability and productivity of our workforce and making Canada more attractive to international investors.

What tax and other measures should the Government take to ensure that Canada keeps its best and brightest, attracts highly skilled immigrants, encourages as many people as possible to enter the workforce, and rewards Canadians for their hard work, while respecting the Government's fiscal goals?

Tax breaks do not reward Canadians for their hard work. Amending the Employment Insurance programme to make it more accessible to women (currently, less than forty percent of women qualify for EI); eliminating work place barriers by developing a national child care programme; investing in post secondary education and skills development, particularly in non-traditional trades; legislating an increased federal minimum wage in line with inflation and strengthening income supports to help Canadians better meet their needs will help Canada meet its work force needs.

¹ Canada Revenue Agency's *Income Statistics* for the 2004 taxation year

² <http://www.statcan.ca/bsolc/english/bsolc?catno=89-503-X>

³ http://www.fafiaafai.org/en/canadas_commitment_to_equality_a_gender_analysis_of_the_last_ten_federal_budgets_1995_2004_1

What other issues would you like to address?

As per its international commitments under the Beijing Platform for Action⁴ and the UN Convention on the Elimination of All Forms of Discrimination against Women⁵ (CEDAW), and via the Commonwealth Meeting of Finance Ministers, the government must adopt methodologically sound and transparent gender budgeting as a tool to ensure that revenues and expenditures equally benefit women and men. This process must involve all central agencies (Treasury Board, Privy Council Office, and the Finance Department).

To increase accountability for these commitments, FAFIA proposes the establishment of a Gender Equality Commissioner (modeled after the Environmental Commission) within the Auditor General's office. Based upon the costs associated with the Environmental Commissioner, this would require an annual investment of \$3 million⁶.

⁴ <http://www.un.org/esa/gopher-data/conf/fwcw/off/a--20.en> (para. 345)

⁵ http://www.fafia-afai.org/images/CEDAW_UNrecs_to_Canada_2003.pdf (para. 352.& para. 354)

⁶ http://www.tbs-sct.gc.ca/rpp/0708/OAG-BVG/oag-bvg03_e.asp#sec3g