



**Submission by
the National Union of Public
and General Employees
(NUPGE)
to the Budget 2022
Consultations**

February 25, 2022

The National Union of Public and General Employees (NUPGE) is a family of 11 Component and 3 affiliate unions. Taken together, we are one of the largest unions in Canada. Most of our 400,000 members work to deliver public services of every kind to the citizens of their home provinces. We also have a large and growing number of members who work for private businesses.

The office of the National Union of Public and General Employees is situated on the traditional unceded territory of the Algonquin Anishinaabeg people and is now home to many diverse First Nations, Inuit, and Métis communities.

We recognize and acknowledge the crimes that have been committed and the harm that has been done.

And, we dedicate ourselves, as a union, to moving forward in partnership with Indigenous Peoples in a spirit of reconciliation and striving for justice.

Larry Brown, President

Bert Blundon, Secretary-Treasurer

Recommendations

1. Ensure there are enough high-quality child care spaces to meet demand, and provide additional funds to *the public and non-profit child care sector* to cover capital and other costs related to increasing the number of spaces.
2. Phase-in increases to the Canada Health Transfer to a sustained rate equivalent to 35% of total provincial health care costs. The increased funding needs to be accompanied by strengthened and strict compliance with the *Canada Health Act* and by commitment that the increased federal transfers for health care will be used to increase provincial health care spending.
3. As part of the process of bringing long-term care under the *Canada Health Act*, and having the 5 principles in the act apply to long-term care, Budget 2022 should make provision for increases in federal transfers for health care, so funding for long-term care is at the same level as for other health care services covered by the act.
4. Commit the funding needed to set up a comprehensive, public, single-payer prescription drug program, that would follow the principles of the *Canada Health Act*.
5. To address the chronic underfunding facing both Canada's post-secondary education system and the social services that care for the most vulnerable members of society, increase funding for services funded through the Canada Social Transfer by \$5 billion and introduce an annual escalator of 3%.
6. For the workers and the communities affected by the transition to a green economy, invest in a Just Transition that includes the following:
 - An industrial strategy that focuses on creating green jobs and sustainable communities.
 - Income maintenance for people moving from a higher-paying position in a closing worksite or industry.
 - Income support while new green jobs are being created or retraining is occurring.
 - Training programs to ensure workers have the skills for new jobs.
 - Career-planning advice.
 - Maintenance of benefits and pensions.
 - Financial bridging for older workers who choose to retire so that they receive full pension credits.
 - Workforce diversification and inclusion to ensure access for historically marginalized groups to employment in the green economy.

7. Investing in the high-quality public services needed to adapt to climate change, including through *green transfers* to other levels of government, including Indigenous governments.
8. Improve support for women fleeing intimate partner violence by increasing funding to provide affordable housing, shelters and transition houses, and community supports; provide programs that work with abusers to end the cycle of violence.
9. Increase funding for affordable housing units under the National Housing Strategy and direct all funding to public and non-profit housing providers to ensure the housing remains affordable in perpetuity.
10. To address the problems of tax avoidance, money laundering, and funding terrorist activities, speed up the implementation of the publicly accessible corporate beneficial ownership registry announced in Budget 2021.
11. To ensure profitable corporations pay their share, increase the corporate tax rate to 20%, introduce a wealth tax, and close tax loopholes that primarily benefit the wealthy and large corporations.

Overview

The federal government's Fall Economic Statement 2020 recognized the need to "build back better." It spoke of the need for an economy that was "more robust, inclusive and sustainable" than the pre-pandemic economy.

When the *Fall Economic Statement 2020* was released, the need to build back better was widely accepted. After years of underfunding, public services like health care were only able to respond to the pandemic because front-line workers went above and beyond the call of duty. In some sectors, even the superhuman efforts of front-line workers were not enough, as we saw with the tragic impact the pandemic had in long-term care facilities.

Years of underfunding also meant that programs that should have been there to support Canadians in times of need weren't up to the job. Millions of Canadians who were suddenly unemployed could have been left with no income. It was only because of public pressure, and because public employees went the extra mile and cobbled together programs like the Canada Emergency Response Benefit (CERB), that a crisis was averted.

Since November 2020, the need to build back better has become even clearer. The pandemic has lasted far longer than expected. During the summer of 2021, unprecedented wildfires and flooding served as a stark reminder of both the need to

speed up action to reduce emissions causing climate change and the need to strengthen our capacity to respond to disasters.

However, while the need to build back better is clear, whether the federal government is willing to do what's needed to ensure Canada builds back better is not.

Announcements like a national program providing \$10/day child care are encouraging, but given the challenges facing us, far more is needed to enable our country to build back better. While provincial and territorial governments have a role to play, the taxation powers of the federal government mean that it must take the lead.

Taking the lead means making sure sufficient funds are allocated to allow Canada to build back better. It also means significant tax fairness measures are needed to enable the federal government and provincial and territorial governments to collect the revenues they need.

Budget 2022 is a chance for the federal government to show the leadership needed for Canada to build back better.

The areas outlined below are some that are of particular concern to the National Union of Public and General Employees (NUPGE) and our 400,000 members. However, we recognize that the need for action goes beyond the items listed below.

Child Care

NUPGE welcomed the Budget 2021 commitment to build a Canada-wide system for early learning and child care. NUPGE and its Components have long called for a system that is universally accessible, publicly funded and managed, non-profit, inclusive, and high quality.

High-quality child care is only possible with a well-compensated, professional workforce. Because of unions' role in improving compensation and working conditions, unionization of child care centres also helps improve quality.

There is also a need to ensure that there are sufficient child care spaces to meet the increased demand that is likely with more affordable child care. If there are not enough high-quality spaces, there is a danger that many children may still be stuck in sub-standard child care arrangements.

To support this, the federal government has to provide additional funds earmarked for increasing the number of licensed child care spaces in the public and non-profit sectors. In other words, public and non-profit providers need support for capital expansion.

In addition to increasing the number of spaces, directing funding to the public and non-profit sectors will help ensure that new spaces provide high-quality care. In the public and non-profit sectors, all the funding the federal government is providing will be going towards child care, unlike in the for-profit child care sector where funding has to cover costs like corporate profits.

Health Care

While Canada's public health care system is our most cherished social program, years of underfunding left our health care system vulnerable. The COVID-19 pandemic has exposed areas that urgently need attention.

What has contributed to the problem is the decline in the share of health care costs funded by the federal government over the last 4 decades. And as the share of health care costs covered by federal government funding declined, so did the ability of the federal government to enforce the provisions of the *Canada Health Act*. Those provisions are intended to ensure that people in all parts of Canada have access to a universal, comprehensive, accessible, and public health care system.

There have been some attempts to partially reverse the decline in the federal share of funding for health care, and without those attempts, the situation would be far worse. However, if we are going to build back better, the federal government needs to start increasing the Canada Health Transfer so that it covers 35% of total provincial health care costs. To ensure strict compliance with the *Canada Health Act* and that all of the increased federal transfers for health care are used for health care, the increased funding needs to be accompanied by strong national standards.

There is also a need for federal leadership to address 2 of the largest gaps in our health care system—the need for a universal pharmacare program and the need to make long-term care a full part of our public health care system.

As a result of the COVID-19 pandemic, 15,800 residents and 32 workers died in our long-term care (LTC) and retirement facilities, and there are ongoing outbreaks. In the first wave of the pandemic, it was estimated that 81% of Canada's COVID-19 deaths were in LTC facilities. This is the highest rate in the world and exposed the need for LTC reform in Canada.

What happened in LTC facilities during the pandemic was not a surprise for people familiar with the sector. For years, unions representing workers in LTC facilities, health care coalitions, and independent researchers looking at LTC have been calling for action to address the problems facing the sector.

Among the problems with LTC in Canada are staff shortages, high staff turnover, outdated facilities, and facility owners trying to cut corners on food and other vital supplies. These problems are a direct result of underfunding and privatization.

To fix the problems with LTC, governments have to end underfunding and privatization. This means bringing long-term care under the *Canada Health Act*, and having the 5 principles in the act apply to long-term care. As part of that process, Budget 2022 should make provision for increases in federal transfers for health care so funding long-term care is at the same level as funding for other health care services covered by the act.

The other major gap is the absence of a universal pharmacare program in Canada. Canada is the only country that has public health care that does not cover prescription drugs.

This affects both the quality and the cost of health care. Because we do not have pharmacare, Canadians pay more for prescription drugs than people in most other countries—in fact, only the United States and Switzerland pay more. Because of these high costs, it has been estimated that a comprehensive, single-payer prescription drug program could save between \$4 billion and \$11 billion a year.

There is also the impact on quality. Because costs are prohibitive, many people are not taking the medication they need when they should—and their health suffers as a result.

For these reasons, Budget 2022 should commit the funding needed to set up a comprehensive, public, single-payer prescription drug program that would follow the principles of the *Canada Health Act*.

Post-secondary Education and Social Services

As with health care, cuts to federal funding for post-secondary education and social services made in the 1980s and 1990s are continuing to have a devastating impact.

Inadequate funding for social services has been a factor in the rise in homelessness and the increase in the number of people waiting for support. Workers in the social services sector have been stretched to the limit and often have impossible caseloads.

The result is that, instead of getting the support they need from social services, too many people are left to struggle with a crisis alone and in silence.

Post-secondary education has also suffered. Tuition fees have risen to the point where, for students from low- and middle-income families, attending university or college means taking on levels of debt that may take years to repay. Laurentian University in Sudbury filing for creditor protection last year is an indication of just how serious the crisis facing post-secondary education has become.

Any effort to build back better must include rebuilding our social safety net and our post-secondary education system. To address the chronic underfunding facing both Canada's post-secondary education system and the social services that care for the most vulnerable members of society, funding for services funded through the Canada Social Transfer should be increased by \$5 billion and an annual escalator of 3% should be introduced.

Environment and Climate Change

The impacts of the climate crisis are already here, including more extreme weather and disasters, sea ice and permafrost melting, species loss, polluted air and waters, food insecurity, and displaced communities. While both the need to reduce emissions causing climate change and the need to adapt to climate change are recognized, progress has been slow.

A major barrier to dealing with climate change has been the fear of people whose jobs may disappear as a result of the transition to a green economy, or whose communities will be negatively impacted by the transition. This makes Just Transition strategies and initiatives essential.

It is also important that corners not be cut when implementing Just Transition programs. Inadequate support for communities affected by the transition to a green economy will undermine the whole concept of Just Transition and make it harder to make the changes needed to respond to climate change.

For that reason, Budget 2022 needs to invest in a Just Transition that includes the following for the workers and the communities affected by the transition to a green economy:

- An industrial strategy that focuses on creating green jobs and sustainable communities.

- Income maintenance when moving from a higher-paying position in a closing worksite or industry.
- Income support while new green jobs are being created or retraining is occurring.
- Training programs to ensure workers have the skills for new jobs.
- Career-planning advice.
- Maintenance of benefits and pensions.
- Financial bridging for older workers who choose to retire so that they receive full pension credits.
- Workforce diversification and inclusion to ensure access for historically marginalized groups to employment in the green economy.

There is also a need to recognize the impact climate change is having on public services. Many of the workers represented by NUPGE have found themselves on the front lines in the struggle to adapt to climate change. The sectors affected have ranged from health care workers to wildland firefighters to highway maintenance workers. Part of adapting to climate change requires an investment in the high-quality public services needed to adapt, including through green transfers to other levels of government and to Indigenous governments.

Intimate Partner Violence

The COVID-19 pandemic has caused an alarming increase in intimate partner violence (IPV) and the severity of violence being experienced (stabbing, strangulation, and broken bones.) This has created a pandemic within the pandemic.

Government stay-at-home orders have increased isolation and made it difficult for victims to reach out for help, for instance, to shelters, because the abuser is often at home full-time. The demands on shelters' capacity and for dealing with more severe cases of abuse have only increased as the pandemic continues.

This pandemic within a pandemic has highlighted the reality that the issue of IPV has not been adequately addressed by governments. A national action plan to address IPV and the rapid implementation of the national action plan on gender-based violence (GBV) are imperative.

With existing supports for victims of IPV at capacity, there is an urgent need for increased funding for affordable housing specifically for people fleeing abusive situations. Funding is needed for shelters and transition houses, community supports, and for programs that work with the abusers to end the cycle of violence.

Housing

In the 1980s, the federal government was funding 5,356 new units of social housing every year. These units provided housing for people who could not afford market rent. And because most of the funding went to public and non-profit housing providers, these units are still providing affordable housing over 30 years later.

If the federal government had continued support for new social housing units at that level, we would have almost 150,000 more units of social housing today—and there would be far fewer people without a decent place to live.

Unfortunately, since 1994, federal government support for new social housing has been minimal. That has led to an increase in homelessness and in the number of people who are spending more than they can afford on rent.

While the commitment in the National Housing Strategy for 100,000 new units of affordable housing over 10 years is a step forward, it does not make up for what was lost as a result of the federal government decision to cut support for new social housing in the 1990s.

As well, many of the 100,000 new units are being built by for-profit developers, who are only required to keep them affordable for 10 years. In contrast, social housing units built by non-profit and public providers remain affordable in perpetuity. For this reason, the federal government needs to increase funding for affordable housing units and direct all funding to public and non-profit housing providers.

Tax Fairness

During the pandemic, while many low-and middle-income families were struggling, the very wealthy became richer than ever. If we are going to build back better, they need to do their share. That means ensuring that large corporations and the wealthy pay their share in taxes.

To date progress has been limited. While successive governments have expressed concern about tax havens and tax avoidance, and some measures have been announced, major gaps remain.

Many of the tax cuts that were made over the last 2 decades and that have contributed to the rise in income inequality remain in place. Only token efforts have been made to close tax loopholes that disproportionately benefit the wealthy. While the CRA has lost high-profile court cases involving the use of tax havens by large corporations, no move

has been made to tighten up the rules that are enabling large corporations to use tax havens.

The one encouraging announcement was of plans for a publicly accessible corporate beneficial ownership registry in Budget 2021. That could have a major impact. However, there are concerns about how long it will take to set up the registry, and whether there will be efforts to undermine the commitment for it to be publicly accessible (which is essential if the registry is to be effective).

Without tax fairness, it will be a lot more difficult to build back better. For this reason, it is essential that Budget 2022 include major steps towards tax fairness, including

- speeding up the implementation of the publicly accessible corporate beneficial ownership registry announced in Budget 2021 to address the problems of tax avoidance, money laundering, and funding terrorist activities;
- ensuring profitable corporations pay their share; increase the corporate tax rate to 20%, introduce a wealth tax, and close tax loopholes that primarily benefit the wealthy and large corporations.

Conclusion

During the COVID-19 pandemic, the federal government showed that it could act quickly to mobilize the resources, and inject the necessary funds, to address a crisis. If we are going to build back better, that willingness to take decisive action needs to be part of Budget 2022.

Too often in the past, the response of governments to serious problems has been decisive language accompanied by token measures. That approach contributed to the problems we faced during the pandemic, particularly in health care.

After what too many Canadians have gone through during the pandemic, and with the threat posed by climate change, token measures are not enough.

The government response to the pandemic showed that it is possible to address the other pressing crises in Canada—systemic racism, climate change, gender-based violence, precarious work, lack of access to affordable housing, and income and wealth inequality. Budget 2022 should reflect that fact.



NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

- B. C. General Employees' Union (BCGEU)
- Health Sciences Association of British Columbia (HSABC)
- Health Sciences Association of Alberta (HSAA)
- Saskatchewan Government and General Employees' Union (SGEU)
- Manitoba Government and General Employees' Union (MGEU)
- Ontario Public Service Employees Union (OPSEU)
- Canadian Union of Brewery and General Workers (CUBGW)
- New Brunswick Union of Public and Private Employees (NBU)
- Nova Scotia Government and General Employees Union (NSGEU)
- PEI Union of Public Sector Employees (PEI UPSE)
- Newfoundland & Labrador Association of Public and Private Employees (NAPE)

The National Union of Public and General Employees is an affiliate of the Canadian Labour Congress and a member of Public Services International.

15 AURIGA DRIVE
NEPEAN, ONTARIO
CANADA / K2E 1B7

[613] 228-9800
FAX [613] 228-9801

www.nupge.ca

national@nupge.ca

