



Federal Budget 2007 and Social Services

What's in the budget?

\$1 Billion in transfer payments to the provinces under the Canada Social Transfer (CST).

What does it mean?

In strictly cash terms, this amount is lower than it was during the early 1990s. Most of this money, \$800 million, will go toward post-secondary education with the remaining \$250 million allocated for early learning and child care.

What won't this budget deliver?

The 2007 budget does nothing to restore the \$1 Billion in federal spending cuts to social programs and services announced last September, including the drastic cuts to Status of Women Canada and the elimination of the Court Challenges Program. This is a budget that intends to create social programs through the tax system, but a tax break is not a social program. Instead of taking leadership by creating and funding a comprehensive system of national social programs and services, the Harper government has decided to provide tax breaks and incentives for Canada's most marginalized populations, who are the least likely to take advantage of tax savings.

What's in the budget?

Budget 2007 provides for a new Working Income Tax Benefit (WITB) to help Canadians escape poverty.

What does it mean?

The WITB is a tax credit. It will provide up to \$500 to single individuals with a net income below \$12,883. Single parent families might be eligible to receive up to \$1000. The WITB will apply to the 2007 tax year. Payments will commence in 2008.

What won't this budget deliver?

The introduction of the WITB is a positive move, but it provides half the amounts promised to the working poor under this program in 2005. Instead of focusing on subsidizing low-wage employers, Harper should have demonstrated national leadership by reintroducing a national minimum wage of \$10 an hour, which would have eliminated poverty-level wages for about 2 million Canadians. The benefit will apply to the 2007 tax year.

What's in the budget?

No new dollars for housing.

What does it mean?

No new housing dollars means that millions of Canadians will remain homeless or continue paying rents they cannot afford.

What won't this budget deliver?

Canadians want a properly funded National Housing Strategy, including a National Aboriginal Housing Strategy, something that budget 2007 does not deliver. An estimated 1.5 million Canadian households are in desperate need of affordable housing, and an estimated one-quarter of Canadian households pay too much of their income in rent. The solution to this national disgrace lies in a National Housing Strategy.

What's in the budget?

\$140 million over the next two years to establish a Registered Disability Savings Plan.

What does it mean?

Only those families with enough disposable income will be able to afford investment in the Registered Disability Savings Plan.

What won't this budget deliver?

The budget does not deliver on the creation of a National Disability Supports Program that would be available to everyone.

What's in the budget?

\$45 million over three years to establish an Enabling Accessibility Fund.

What does it mean?

The fund is intended to contribute to the cost of improving physical accessibility for persons with disabilities.

What won't this budget deliver?

The fund is a good first start, but it does not come even close to addressing the accessibility issues faced by persons with physical, intellectual, and other forms of disabilities.

What's in the budget?

\$20 million for the next two years and \$15 million per year thereafter for a new Canadian Mental Health Commission.

What does it mean?

This is a long overdue, yet important first step toward the development of a national mental health strategy. Canada is the only G-8 country without a national mental health strategy. It is estimated that one in four Canadians living with depression are receiving adequate care.

For more information, visit www.cupe.ca/budget