



Federal budget 2008 and Social Services

The 2008 Federal Budget provides nothing for an already fragile system of social services and supports. In 2006, the Harper government announced \$1 billion in federal spending cuts to social programs and services. Equality seeking nonprofit organizations such as the Status of Women Canada and the Court Challenges Program saw their budgets cut by millions of dollars. The 2008 federal budget does nothing to reverse those devastating funding cuts. The relative importance of social services spending has declined considerably during the past two decades. This budget simply continues that trend. Over three million Canadians live in poverty and yet Flaherty's budget largely ignores this and other pressing social issues including homelessness and affordable housing.

What's in the budget?

Under the banner of "Supporting the Vulnerable" the budget provides the following:

- \$43 million over two years for prevention-based models of child and family services for First Nations and Aboriginal Canadians.
- \$110 million to the Mental Health Commission of Canada for projects to help Canadians with mental health and homeless challenges.
- \$550 million per year for the Working Income Tax Benefit to help low-income families receiving social assistance.

What does it mean ?

The announcement of \$43 million over two years for Aboriginal and First Nations' child and family services appears to be part of a downloading agenda. Most of this funding seems to be aimed at integrating Aboriginal and First Nations' child and family services with provincial and territorial structures.

One hundred and ten million dollars to the Mental Health Commission of Canada is welcomed news. The Commission was established in the March 2007 federal budget, an act that was seen as long overdue given that Canada is the only G8 nation without a mental health strategy.

There are no new dollars for the Working Income Tax Benefit (WITB), a move that would have gone a long way toward helping the working poor. The \$550 million per year announced in this budget was committed in previous budgets. The WITB is a tax credit that provides up to \$500 to single individuals with a net income below \$12,883. Single parent families might be eligible to receive up to \$1,000.

What are the better choices?

By reversing corporate tax cuts, the federal government could restore funding for women's programs at a cost of \$190 million over three years. By instituting progressive revenue measures, the federal government could do the following:

- increase the Child Tax Benefit to \$5,000 in an effort to reduce child poverty at a cost of \$9.4 billion over three years;
- create 30,000 affordable housing units annually under a National Affordable Housing Program at a cost of \$4.5 billion over three years; and
- establish a poverty reduction fund to eliminate adult and childhood poverty at a cost of \$3.7 billion over three years.

Poverty could be further reduced by immediately instituting a \$10 minimum wage, something that the budget fails to provide. In an effort to reduce and eliminate poverty in Canada, the National Anti-Poverty Organization (NAPO) is calling on the federal government to develop and institute a National Anti-Poverty Act with specified targets and timelines.

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

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