CUPE·SCFP Canadian Union of Public Employees Syndicat canadien de la fonction publique

Federal Budget 2024: Summary and Analysis CUPE National Research

Overview/Summary

Budget 2024 makes small tweaks to address big issues facing the country. Many of the changes announced are moving in the right direction, but some still reflect an over-reliance on market-led approaches that have failed in the past. There are also some promising proposals that will need more details before we can fully evaluate them.

Much of the proposed spending won't actually flow until after the next federal election, and announcements made in previous budgets have been pushed even further into the future. The federal government has prioritized moving closer to a balanced budget over investing what was required to address the issues identified. This approach fails to consider the broader long-term costs of inaction.

Highlights

- Meaningful shift on tax fairness, finally increasing the proportion of capital gains profits that are included in corporate and individual taxable income, raising $19 million in additional revenue over 5 years.
- Some funding to protect existing affordable housing and to support tenant's rights.
- Additional funding for blue sky research at Canadian post-secondary institutions, and substantial increases to graduate student stipends.

Lowlights

- Proposal of a high-level working group focused on encouraging pension funds to privatize public infrastructure.
- Invisible cuts as some programs are phased out and not replaced or replaced with less money.
- Insufficient funding to critical areas, such as housing, health care, and municipal infrastructure.

Social Services

The Canada Social Transfer (CST) is the main source of financial contribution from the federal government to the provinces and territories for social services. This funding is badly needed to help address some of the major challenges facing the sector, such as: high levels of staff vacancies and turnover, low wages, and workplace violence due to low staffing levels. No increase to the CST was announced in Federal Budget 2024.

Changes were proposed to the *Canada Student Financial Assistance Act* and the *Canada Students Loans Act*. They will apply to persons who choose to work in social service professions in rural and remote communities, including child care, personal support, and social workers. This could increase access to services by attracting much needed workers to these areas, while also helping to alleviate financial burdens students face when they graduate from training programs.

Two new consultations were announced in the social services sector. The first is a Sector Table on the Care Economy. The second is the development of a National Caregiving Strategy. It is hoped that these multi-sector consultations will lead to the development of a new caregiving strategy in line with the CLC's Care Economy Action Plan. CUPE awaits further information on the timeline of this development.

Canada Disability Benefits

In our pre-budget submission to the federal Finance committee, CUPE called on the federal government to accelerate the development and implementation of the new Canada Disability Benefit. Disability Without Poverty estimated that $10 billion, would need to be allocated annually (indexed to inflation) to lift people above the poverty line. Unfortunately, what was announced in the federal budget has fallen well short of that need. Budget 2024 only committed to $6.1 billion over 6 years, with $1.4 billion ongoing.

The announcement falls short on both the amount of the benefit and the eligibility requirements. CUPE believes that the benefit must be inclusive and available to all persons living with disabilities. Eligibility should be tied to a self-reported disability, rather than limiting eligibility to individuals who are registered for the Disability Tax Credit, since not all persons with disabilities are registered.
At minimum, everyone who currently receives disability benefits should automatically receive the Canada Disability Benefit (e.g., recipients of provincial/territorial disability social assistance programs, Disability Tax Credit, CPP-D/QPP-D, veterans' benefits). Disability without Poverty estimated that this would cover approximately 1 million individuals.

Budget 2024 limits eligibility to individuals with a Disability Tax Credit certificate. Currently, 492,000 working-age adults have the certificate, and the government is hoping to be able to increase this number to 600,000 in the first few years following implementation of the benefit. The maximum amount of the benefit is $2,400 per year, instead of at least $12,000 suggested by advocates.
The claw-back rate is determined based on family income, instead of individual income, which also goes against the recommendations of advocates.

Libraries

Libraries are mentioned in announcements related to infrastructure spending, and they're recognized for the vital role they play in promoting literacy, but there are no guarantees that any of the infrastructure funding will be spent on building new or retrofitting existing libraries. Library workers will applaud the additional investments in housing as they work daily with people who are underhoused and know the stress and challenges people are facing due to the housing crisis.

MUNICIPALITIES

CUPE has been calling for new funding tools for municipalities to give them increased and sustainable funding for public services. This is not addressed in Federal budget 2024.

Infrastructure deficits for Canadian municipalities have been estimated between $110 and $270 billion. The 2024 federal budget's $12.8 billion commitment for municipalities is earmarked for housing, water and wastewater infrastructure and the emergency treatment of the opioid crisis. It is woefully inadequate to address the real crisis in municipal asset needs.

CUPE welcomes the $1.5 billion under the Green and Inclusive Community Buildings Program, which supports green and physically accessible retrofits, repairs, and upgrades of public community facilities, and new builds of publicly accessible community spaces.

The budget does include $2.4 billion for water and wastewater infrastructure and $1.6 billion for safe drinking water and treated wastewater for First Nations communities, but these are both announcements are from previous commitments.

HOUSING

CUPE has called on the federal government to update the National Housing Strategy to include the human rights requirements contained in new *National Housing Strategy Act.* In order to address the affordable housing crisis, CUPE believes that the federal government should prioritize building new non-market housing including public, non-profit and co-operative housing. To address the financialization of housing, CUPE recommends establishing national standards for tenant protections that provinces and territories must meet, as well as closing tax loopholes for Real Estate Investment Trusts (REITs).

The budget did not update the National Housing Strategy to include the human rights requirements under the *National Housing Strategy Act*, but it does take some steps towards protecting existing affordable housing and increasing non-profit and public housing.

Major housing announcements:

- $1 billion top up to the Affordable Housing Fund, which provides capital for new affordable housing and renovation and repair of existing affordable and community housing.
- $15 billion for the Apartment Construction Loan Program, which provides low-cost loans to for-profit, non-profit and municipalities.
- $1.5 billion for the launch of the Canada Rental Protection Fund, which will provide $1 billion in loans and $470 million in contributions to non-profit organizations and other partners so they can acquire units to preserve rent prices in the long term; and,
- the Public Lands for Homes Plan will convert public lands to housing, including leasing and acquiring other public lands for housing, retaining ownership whenever possible.

CUPE supports the new money going toward non-market housing in the Rapid Housing Stream under the Affordable Housing Fund, as well as protecting existing affordable housing through the Canada Rental Protection Fund. Unfortunately, the bulk of the 2024 federal budget money will go to for-profit housing developers through the Apartment Construction Loan Program. This will inevitably increase financialization in the sector and increases the risk that newly built housing will not be affordable.

There are some measures that could contribute to better protections for tenants, such as $15 million over five years for a new Tenant Protection Fund. The fund will provide funding to organizations that provide legal and informational services to tenants, as well as for tenants' rights advocacy organizations to raise awareness of renters' rights. This is a positive approach, but the funding level will not meet the existing need. The proposed Canadian Renters' Bill of Rights could be a useful tool, but more information is needed on its development, implementation, and enforceability. Strong and enforceable national standards for tenant protections are needed to ensure federal transfers to build housing do not act as windfalls for developers.

There is only one measure in the 2024 federal budget to address the financialization of housing and there are a number of measures that would increase the financialization of housing. The housing plan states they intend to restrict the purchase and acquisition of single-family homes by large corporate investors. Further detail will be provided in the 2024 Fall Economic Statement. This is unlikely to make a significant difference.

Budget 2024 didn't respond to CUPE, ACORN and other housing advocates demands to close tax loopholes for REITs, a measure that would address financialization of housing and long term care. The 2024 federal budget does announce a working group to encourage Canadian pension funds to invest in domestic infrastructure including "building more homes, including on public lands". This will only serve to further financialize the housing sector. More information on this proposal can be found in the pensions section.

Child Care

CUPE has called on the federal government to ensure that there is sufficient funding for new not-for-profit and public child care spaces to meet the demand. We have also called for a comprehensive workforce strategy for care workers, which must include recruiting and training as well as retention strategies. This includes higher wages, full-time jobs, paid sick days, benefits and pensions for all workers in the sector. In March, CUPE launched an e-action campaign specifically asking the government to invest $7 billion dollars to resolve the labour crisis in the sector, and $10 billion to expand the early childhood education system.

What we got in the 2024 federal budget is not enough to address the issues of expansion that the program is facing and often leaves out child care workers that are not Early Childhood Educators (ECE), many of whom are Indigenous, Black, racialized, or newcomers. However, the budget does acknowledge many of the access problems and takes initial steps to address them. Canada-wide early learning and child care transfer payments are expected to increase from $5.6 billion in 2023-2024 to $7.7 billion in 2028-2029.

Training

The 2024 federal budget 2024 extends student loan forgiveness to Early Childhood Educators who work in rural and remote communities. The amount of student loan forgiveness will increase the longer an ECE stays in the profession in a rural or remote area. This builds on enhanced student loan forgiveness provided to attract more doctors and nurses to rural and remote communities. This is expected to benefit over 3,000 ECEs per year who work in rural and remote communities. The cost of these measures is estimated to be $48 million over four years, starting in 2025-26, and $15.8 million ongoing.

The 2024 federal budget will provide $10 million over two years to increase training for Early Childhood Educators, through Employment and Social Development Canada's Sectoral Workforce Solutions Program, an employer-led training program.

On wage and pensions, the federal government is calling on provinces and territories to ensure that the ECEs are fairly compensated for the important work they do. CUPE believes this should include the creation of robust pension regimes and be extended to all child care workers.

Spaces

The Child Care Expansion Loan Program will offer $1 billion in low-cost loans and $60 million in non-repayable contributions to public and not for-profit child care providers to build more spaces and renovate their existing child care centres.

To launch the program, the 2024 federal budget will provide the Canada Mortgage and Housing Corporation (CMHC) with $179.4 million over five years, starting in 2024-25. This will also allow CMHC to coordinate the requirement for provinces and territories to consider the expansion of non-profit child care when accessing Canada Builds funding for affordable housing projects.

The 2024 federal budget also proposes to reallocate up to $41.5 million over four years, starting in 2025-26, and up to $15 million ongoing from within Employment and Social Development Canada to establish a new capacity building program to help providers apply for funding through the Child Care Expansion Loan Program, and to support Early Learning and Child Care research initiatives.

Finally, the 2024 federal budget proposes $100 million over five years, starting in 2024-25, to DND for child care services for Canadian Armed Forces personnel and their families.

Post-Secondary Education

CUPE has called on the federal government to increase funding to research, specifically increasing scholarship amounts for graduate students and index these amounts to inflation. These scholarship amounts have been at the same level for over 20 years. Budget 2024 increases the annual value of master's and doctoral student scholarships to $27,000 and $40,000, respectively, and post-doctoral fellowships to $70,000. This is a long overdue, and very welcome change. However, these amounts are not indexed to inflation.

There is also an investment of $734.8 million over 3-5 years for various large research projects at universities, and $30 million over three years to support Indigenous participation in research, with

$10 million each for First Nation, Métis, and Inuit partners. This research funding is very welcome.

There are several changes to Canada Student Loans and Grants that add up to an additional $650 million annually. CUPE was looking for an increase to Canada Student Grants from $4,200 to $6,000 to match the level that was provided during the pandemic. Instead, the 2024 federal budget only extends the current level of $4,200 for one additional year, returning to the pre-pandemic level of $3,000 afterwards.

Student loan and grant changes:

- Students with disabilities will have access to more generous repayment assistance, as well as loan forgiveness for those with severe permanent disabilities.
- Adjusting the shelter allowances used by the Canada Student Financial Assistance Program when determining financial need, increasing support for approximately 79,000 students per year; and
- permanently eliminate the credit screening requirement for mature students applying for Canada Student Grants and Loans.

Not all families have been able to take advantage of the federal money in Registered Education Savings Plans (RESPs), so this program has tended to benefit higher income families. Starting in 2028, children born 2024 or later, who do not already have a RESP, will be automatically enrolled and the eligible Canada Learning Bond payments would be auto deposited in these accounts. This would mean an additional 130,000 children would benefit from the Canada Learning Bond. The 2024 federal budget 2024 also extends the length of time that a student can retroactively claim the Canada Learning Bond, from 20 years to 30 years.

CUPE is disappointed that we did not see an increase to the provincial transfer dedicated to PSE that would be in addition to provincial funding, lower tuition for all students, and provide fair wages and less precarity for workers at PSE institutions. We also did not see offsets for loss of revenue related to the impact of international student enrollment reductions.

In terms of funding for university and college housing, we saw a very minor change that would relax the conditions under which university housing can qualify for GST exemption. While this is supposed to incentivize new construction, it is only estimated to provide $19 million in reduced costs. Universities and colleges require substantial funding for housing and sustainable retrofits, and this gap was not addressed in this budget.

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Tax Fairness

Tax cuts implemented since 2000 have reduced federal revenues by over $50 billion annually, and the major beneficiaries have been large corporations and the wealthiest Canadians. These cuts have left a huge hole in federal budgets and had a ripple effect across provincial budgets as the federal government stepped back from funding essential public services. CUPE called for the federal government to increase the federal corporate tax rate, eliminate tax loopholes and fossil fuel subsidies, improve transparency rules, and introduce a wealth tax.

The 2024 federal budget takes a step towards this by increasing the proportion of capital gains that are included in corporate and individual taxable income. Capital gains are the profit that is made when you sell assets, such as stocks or real estate other than your primary residence. Currently, only 50% of this profit is included in taxable income for corporations and individuals. The 2024 federal budget proposes to increase this to two-thirds for all capital gains realized by corporations and trusts, and for annual capital gains over $250,000 for individuals, effective June 25, 2024.

This tax increase is slightly offset by two exemptions. There is currently a lifetime capital gains exemption of $1 million on the sale of small businesses, as well as farming and fishing property. This will be increased to $1.25 million as of June 25, 2024, and indexed to inflation. The 2024 federal budget proposes an additional exemption for entrepreneurs, which would reduce the inclusion rate for capital gains to 33.3% on a lifetime maximum of $2 million.

These changes are expected to increase federal revenues by $6.7 billion in 2024-2025, and by $19 billion over 5 years. As an added benefit, these changes will automatically be applied to most provinces as well. Quebec runs their own income tax system independently, and so can decide whether or not they want to mirror the change in capital gains inclusion rates at the provincial level. Alberta has an independent system for corporate taxation, and so only the individual taxation changes will apply at the provincial level in Alberta.

Pensions

The federal government has been talking about encouraging pension funds to invest more money in Canada, partly with the justification that this is needed to boost lagging private sector business investment and productivity. The 2024 federal budget proposes to create a working group, led by Stephen Poloz (former Governor of the Bank of Canada) to identify priority investment opportunities, specifically mentioning several areas where CUPE is concerned about privatization. This proposal appears to be nothing more than a veiled repeat of previous privatization schemes, like the Canada Infrastructure Bank.

CUPE has already expressed concerns that encouraging pension funds to build housing will only exacerbate the financialization of housing. Pension funds have already become significant investors in the financialization of long-term care and seniors' retirement residential housing. They are now increasingly invested in the financialization of purpose-built rental housing whose business model relies on the displacement of lower income tenants in favour of higher income tenants through unaffordable rent increases and renovictions – a tactic known as "repositioning." In Toronto alone, tenants of multiple rental buildings across the city are organizing against major above guideline rent increases imposed by their pension fund landlord – PSP Investments.

Another example that should be an indication that this is a failed approach is the impending failure of Thames Water, a private water company in the UK. The money that OMERS and other pension funds have invested in this project may be entirely written off unless the UK water regulator will allow water rates to increase by 40%. CUPE's position is that pension fund returns for workers should not be secured at the cost of accessible public services.

As part of the 2022-2024 Triennial Review of the Canada Pension Plan (CPP), the federal government is proposing some technical amendments to CPP legislation. These amendments would provide a top-up to the Death Benefit for certain contributors; introduce a partial children's benefit for part-time students; extend eligibility for the disabled contributors children's benefit when a parent reaches age 65; and end eligibility for a survivor pension to people who are legally separated after a division of pensionable earnings. CUPE will follow these proposals and evaluate the implications as we get more details.

Employment Insurance

CUPE has been calling for a reform to the Employment Insurance (EI) program to meet the needs of all workers. We saw that this was possible with the federal government's quick expansion of EI during the early stages of the pandemic. CUPE continues to call for expanded access to EI to ensure more workers are covered, which will boost support for women as well as precarious and migrant workers; increased benefit levels and a minimum benefit of $500 per week; and increased EI sickness benefits from 15 to 50 weeks.

While there is some good news that the federal government did extend the rules until 2016 to allow an additional 5 weeks of EI to eligible seasonal workers, CUPE is disappointed that the budget will allow EI premiums to decrease. The EI Part II top-up, which has been extended since 2017, has not been renewed. The federal government has failed to introduce even minimal changes to make EI more accessible, equitable and affordable for workers across the country.

Earlier this year, CUPE held a press conference (CUPE demands EI fairness for women workers | Canadian Union of Public Employees) on Parliament Hill calling on the federal government to allow new parents who have been laid off to combine both parental benefits and EI benefits. Women are still more likely to take the majority of a parental leave, which means not being able to combine their parental and EI benefits, which puts them in a vulnerable position if they get laid off before, during, or after maternity leave. Although we have highlighted this issue to the federal government, CUPE was very disappointed that the government chose not to fix the issue in the 2024 budget.

Artificial Intelligence

Artificial Intelligence (AI) has been a hot topic in Canada for the past couple of years. This year it made its debut in the federal budget. $2.4 billion has been allocated to AI, yet legislation addressing AI is only beginning to make its way through the government in the form of Bill 27, Digital Charter Implementation Act.

CUPE has made a submission to the government outlining some concerns that we have with Bill 27, but none of those changes have yet to be addressed including the need to add protections for workers and ensure they and their unions are consulted when AI systems are deployed in the workplace.

The $2.4 billion dollars for AI is proposed for building and providing access to computing capabilities and technological infrastructure for AI researchers, start-ups and scale-ups; $200 million to market and accelerate AI adoption in sectors such as agriculture, clean technology, health care and manufacturing; $50 million for the Sectoral Workforce Solutions Program to support workers who may be impacted by AI, such as creative industries, to provide new skills training for workers in potentially disrupted sectors and communities, among others.

CUPE continues to have concerns with the way AI is being introduced. For this announcement in the federal budget, we believe the Office of the AI and Data Commissioner should be independent of government in order to provide proper oversight; government funding should not subsidize corporate profits and flow toward AI adoption in particular sectors; $50 million for workers affected by AI is completely inadequate given the risks with continued AI growth; any money allocated to training through the Sectoral Workforce Solutions Program must include trade unions in the workplace as a key partner in program development; and lastly, the Canadian AI Safety Institute should include an explicit role for trade unions given that workers will have frontline experience of dealing with AI systems in workplaces across the country.

HEALTH CARE

Pharmacare

Major announcements were just recently made about the beginning of a universal pharmacare program in Canada. Despite this exciting start, the federal budget has not maintained the momentum. CUPE has long advocated for a single-payer, universal pharmacare program. To begin a comprehensive program, Canada would need to allocate at least $3.5 billion eventually reaching $15.3 billion. However, the Liberal government has only committed $1.5 billion over 5 years, starting with $59 million in 2024-2025. While we know this first phase of pharmacare is set to cover some diabetes and contraceptive devices and medication, it is unclear exactly which devices and medications will be available where and when. Currently, people in Canada spend $3 billion annually on contraception and diabetes treatment, while not all of those devices will be covered, and with federal bulk purchasing the cost of treatment should decrease, an average of $300 million per year is far from the $3 billion currently being spent. CUPE will continue to advocate for a comprehensive, universal, single-payer pharmacare program for Canada.

Dental Care

Through the Supply and Confidence Agreement, the NDP was able to secure a dental care program as part of our public health care system. The program is currently means-tested, and no funding was allocated in the budget to provide an expansion to the plan. We expect the plan will continue as is. CUPE will continue to advocate with the NDP for a universal dental care program.

Long-Term Care

Canada witnessed the horrifying reality of a long-term care system in dire need of support when the 2020 pandemic hit. Before, then and after, CUPE continues to demand better hours of care for residents, at least 70 per cent of staff to be permanent and full-time, and to have the conditions and criteria of the *Canada Health Act* applied to long-term care (publicly administered, universal, comprehensive, portable, with no extra-billing or user-fees).

The 2024 federal budget 2024 commits to the Aging with Dignity bilateral agreements made to support provinces and territories in improving long-term care standards. $5.4 billion over five years has been committed. However, the budget does not contain many details on the content of these standards (i.e., no reference to the 4.1 hours of direct care for residents that is necessary for good care). There is no mention of how these standards will be enforced – something CUPE and our allies raised concerns about last year (Health Canada says it won't mandate standards for long-term care homes – Canadian Health Coalition). Lastly, many of the bilateral agreements do not include funding for frontline services or hiring. This raise concerns that federal dollars for long-term care could be used to subsidize private long-term care rather than ensuring needed investments are made in our public care facilities.

Public Health Care

The cost of delivering public health care in Canada is shared between the federal, provincial, and territorial governments. CUPE has been calling on the federal government to increase their share of health care funding from 22% to 35% of total health care spending.

We have been calling on the government to address recruitment and retention issues in the sector which have worsened since the pandemic. In the budget, the Liberal government has reiterated their previous commitments to bilateral agreements, but no new money has been allocated. This is a lost opportunity to invest in one of the most important social programs in the country and ensure everyone in Canada has improved access to high quality public health care.

The Budget proposes two new consultations. The first is a sectoral table on the care economy that will consult and provide recommendations to the federal government on concrete actions to better support the care economy. The second is a series of consultations on the development of a National Caregiving Strategy. CUPE welcomes these new forums for conversation, but we're also hoping that action to support workers in health care will follow quickly. We know that health care is facing an enormous crisis, workers desperately need support and resources, staffing shortfalls and burnout are chronic in this sector. We are open to these consultations but many of the problems and their solutions are well known, we will continue to fiercely advocate to improve the working conditions in health care now.

Indigenous Health

As written in the Truth and Reconciliation Commission's (TRC) Calls to Action, the Federal government, in consultation with Indigenous people, needs to: increase funding for indigenous healing centres; establish measurable goals to identify and close the gaps in health outcomes between Indigenous and non-Indigenous communities; and publish an annual progress report, among the other TRC calls for health care. CUPE calls for the federal government to make good on its commitment to truth and reconciliation for Indigenous health.

ENERGY

CUPE has called on the federal government to prioritize clean energy investments that are publicly owned and operated. While it doesn't go as far as prioritizing public ownership, the Clean Electricity investment tax credit announced in Budget 2023 was designed to be available to public entities. Budget 2024 announces the design and implementation details of this tax credit.

The Clean Electricity Investment Tax Credit is a 15 % refundable tax credit rate for eligible investments in new equipment or refurbishments related to:

- Low-emitting electricity generation systems using energy from wind, solar, water, geothermal, waste biomass, nuclear, or natural gas with carbon capture and storage.
- Stationary electricity storage systems that do not use fossil fuels in operation, such as batteries and pumped hydroelectric storage; and
- Transmission of electricity between provinces and territories.

The Clean Electricity Investment Tax Credit would be available to certain taxable and non-taxable corporations, including corporations owned by municipalities or Indigenous communities, and pension investment corporations. Provided that a provincial and territorial government satisfies additional conditions, the tax credit would also be available to provincial and territorial Crown corporations investing in that province or territory.

Robust labour requirements to pay prevailing union wages and create apprenticeship opportunities will need to be met to receive the full 15% tax credit, but these are limited to male dominated occupations. The Clean Electricity Investment Tax Credit is expected to cost $7.2 billion over five years starting in 2024-2025, and an additional $25 billion from 2029-2030 to 2034-2035. This is less than was expected in the 2023 federal budget.

The 2024 federal budget also proposes to provide $3.1 billion over 11 years, to Atomic Energy of Canada Limited to support Canadian Nuclear Laboratories' ongoing nuclear science research, environmental protection, and site remediation work.

Climate and Just Transition

CUPE has been calling on the federal government to implement climate solutions faster and to do so in consultation with unions to ensure a just transition for workers in carbon-intensive industries. But the federal budget focuses less on just transition for workers and more on carbon pricing and carbon credits, fuel rebates for small and medium sized business, EV stations and zero emission transport, helping farmers who are already facing the effects of a changing climate, and trying to reach net-zero by 2050. The Liberals discuss the need to create new jobs for young workers that are focused on climate, but they do not discuss how they will transition current workers from carbon-intensive work.

This budget announces only $2 billion in net new climate spending over the next five years, with an additional $9 billion that wouldn't start to flow until 2029-2030.

On top of the investments in energy, Via Rail will receive $462 million for operational funding over the next 5 years. A new Crown corporation, VIA HFR-VIA TGF Inc., receives $362 million over the next 6 years to deliver high frequency rail.

The Canada Greener Homes Affordability Program replaces the Greener Homes Grant. The new program is expected to cost $800 million over five years and will target energy efficiency retrofits for lower income households. The previous program spent $2.6 billion over seven years but wasn't targeted. Despite spending less money, the new program will probably have a bigger impact on affordability for low-income families.

CUPE has called for the federal government to eliminate subsidies for fossil fuels, which could have been used to fund much needed climate investments. However, the government shows no desire to move away from fossil fuels and in fact applauded the "golden weld" aka the completion of the Trans Mountain pipeline during the 2024 budget speech.

To reach our goals of slowing climate change and ensuring a sustainable future for generations to come, the 2024 federal budget missed an opportunity to end subsidies to fossil fuel industries, provide funding to municipalities for more investment in public transit, and focus on transitioning workers into climate friendlier work.

Federal Labour Code

The 2024 federal budget promises Right to Disconnect legislation for the federally regulated sector. It allocates $3.6 million over five years to enable the Labour Program at Employment and Social Development Canada to implement legislative amendments to the Canada Labour Code that would require employers in federally regulated sectors to establish a policy limiting work-related communication outside of scheduled working hours. This is expected to benefit up to 500,000 employees in federally regulated sectors.

On worker misclassification, Employment and Social Development Canada and the Canada Revenue Agency will enter into necessary data-sharing agreements to facilitate inspections and enforcement.

Following the recommendations of the arm's length Task Force that reviewed the *Employment Equity Act*, the 2024 federal budget 2024 announces the government's intention to propose legislative amendments to modernize the Act, including by expanding designated equity groups.

CUPE is concerned about the federal government's proposal to spend $3.1 million over two years to review labour disputes in Canada's ports. The proposal says that Labour Canada will conduct this review, and that funding will be sourced from existing departmental resources. In CUPE's experience, the use of scabs and premature back-to-work legislation are the main stumbling blocks to productive collective bargaining in the port sector.

Social Equity

Federal budget documents regularly include a section analyzing new spending, identifying main beneficiaries based on categories such as gender, income level, age, as well as how budget measures impact groups such as Indigenous peoples, 2SLGBTQI+ people, persons with disabilities and Black and racialized individuals. Budget 2024 is missing the impact assessment found in last year's budget that analyzed the GBA+ process used to develop budget measures as well as their expected impact.

Overall, Budget 2024 adds very little new spending compared to previous budgets, and very few new measures are aimed at gender equity or Black and racialized individuals. There is some new spending for Indigenous peoples and people with disabilities, but the level falls far below the need identified. Budget 2024 does have some measures aimed at low-income people, such as the Canada Rental Protection Fund, improvements to Student Loans, and the National School Food Program. The Gender and Diversity statement points out that single parents, Black and racialized people, and new Canadians are more likely to benefit from these measures, even though there are no specific elements to ensure that this help reaches those communities. The budget does include $12 million in funding for projects aimed at combatting hate against the 2SLGBTQI+ community.

The main equity focus of Budget 2024 was intergenerational fairness, and investments in housing and research were the main areas with new spending. As a result, the largest beneficiaries identified in the Statement on Gender, Diversity, and Inclusion is "Specific Industry/Sector/Region", which includes spending that will benefit sectors such as construction and AI research.

Approximately 10% of new spending is targeted towards persons with disabilities. The largest piece of this is the funding for the new Canada Disability Benefit, which will provide up to $2,400/year to around 5,000 people with disabilities. This is a huge disappointment. Advocates were calling for a benefit that provided a maximum of at least $12,000/year to a much larger group of people with disabilities. Chapter 6 in the budget is dedicated to measures related to reconciliation with Indigenous Peoples, and about 15% of Budget 2024's new spending is found in this chapter. This is equal to $9 billion over 6 years. Major investments include expanding On-Reserve Income Assistance to eligible people with disabilities who live in First Nations communities, support for community-led, prevention-based solutions to reduce the number of Indigenous children in care, investments in First Nations K-12 education and education infrastructure, as well as temporary increases to income supports for post-secondary education. Like other areas of Budget 2024 the biggest numbers come in the form of loan guarantees, an approach that has limited benefit in closing physical and social infrastructure gaps.

Investments in housing, health care, and other infrastructure are far below what advocates have identified as necessary. The Assembly of First Nations recently released a report that identified the need for $349 billion in infrastructure investments for First Nations communities to close the gap by 2030. Inuit advocates have identified the need for $75 billion in infrastructure investments, and the Metis National Council is asking for infrastructure investments of $2.7 billion.

The budget acknowledges that 6% of First Nations communities still do not have access to clean drinking water, with 4% who have a project under construction, 1% that are in the design phase, and a final 1% that are still conducting a feasibility study to address their water advisory. Despite this acknowledgement, there is no additional funding provided to ensure long term access to clean drinking water. The Assembly of First Nations has called for $670 million to end boil water advisories and $9,200 million towards wastewater treatment in order to close infrastructure gaps by 2030.

The Assembly of First Nations recommends $3,675 million towards implementing the Calls for Justice from the 2019 National Inquiry into MMIWG2S. The inquiry report advocated for a National Hotline to report MMIWG2S. Budget 2024 proposes to provide the first tangible funding commitment towards this in five years, with $1.3 million over three years, starting in 2024-25, to co-develop a regional Red Dress Alert system with Indigenous partners.

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