House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** National Union of Public and General Employees

or

( ) **an individual** **Name:** _____

Topic: Infrastructure

*Recommendation 1: Please provide a short summary of your recommendation.

Increase spending on public infrastructure, including municipal infrastructure like water, sewers, and transit, passenger rail, quality affordable childcare, and renewable energy projects.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

As a first step, return the federal corporate income tax rate to the 2008 level of 19.5%. After 10 years of corporate tax cuts, it is clear that they have failed to deliver the promised results. Instead of investing, many corporations have hoarded what they saved through tax cuts. They are now sitting on $600 billion of “dead money”.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

In addition to creating jobs, additional spending on infrastructure would help meet urgent needs. It would be a step towards reducing the “infrastructure deficit” which in many communities is growing. Affordable quality childcare has been shown to have significant economic as well as social impacts.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Canada's economic recovery is stalling. As the $600 billion in “dead money” that accumulated as a result of corporate income tax cuts shows, these tax cuts have proven to be ineffective. Spending on physical and social infrastructure is a proven way of stimulating economic activity – as the federal government acknowledged when it increased infrastructure spending temporarily immediately after the 2008 economic downturn. Reversing some of the corporate tax cuts and using a portion of the restored revenues for physical and social infrastructure would reflect that reality.

Topic: Employment, labour markets and unions

Recommendation 2: Please provide a short summary of your recommendation.

Improve access to Employment Insurance and the coverage it provides through the following changes:
• reduce the number of hours needed to qualify to 360
• benefits for all recipients should be based on their best 12 weeks
• to give people sufficient time to find work that makes use of their skills, eliminate the requirement that Employment Insurance recipients accept jobs with lower wages after only six weeks of job search
• renew the Extended Employment Insurance Benefits Pilot Project and only phase-out regions when unemployment rate falls below 8% for 12 consecutive months

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Employment Insurance is funded through premiums paid by employers and employees. Enhanced coverage would mean that the federal government would have to ensure Employment Insurance premiums were used for their intended purpose – providing support for people who are unemployed - instead of raiding it to pay for other programs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Unemployed workers will benefit directly, but there is an indirect benefit to the communities with high levels of unemployment.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Employment Insurance was intended to provide support when workers were laid off. Expanding coverage and reversing the trend of the last 20 years will move us back towards that goal. In practical terms, expanded coverage will help families struggling to make ends meet after layoffs. Ensuring families can afford necessities helps cushion the impact of layoffs on businesses in the community, which, in turn, prevents further jobs losses.

Topic: Poor, poverty and income inequality

Recommendation 3: Please provide a short summary of your recommendation.

Expand the Canada Pension Plan (CPP) to improve retirement security for the 60% of Canadian workers with no workplace pension plan and the one-third of Canadians between 24 and 64 with no personal retirement savings. This would produce savings.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Helping Canadians have enough to live on in their retirement reduces costs to government in two ways. The number of people needing transfers and other programs that are intended to assist seniors living in poverty is reduced. As well, when seniors have enough to eat properly and live active lives, costs to other public services, like the health care system, are reduced. And an expansion of CPP would be funded through equal contributions from employers and employees.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All Canadians would benefit from the expansion of CPP. Both older and younger workers would see increased benefits, with the latter, due to the length of time they will have been contributing at the higher rate, seeing the greatest increase.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Higher incomes and consumption by seniors would help the economy. An expansion of CPP benefits would also help the funded status of workplace pension plans.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided