

# **Consultation on Budget 2024**

**Submitted to  
House of Commons Standing Committee on Finance (FINA)  
August 4, 2023**



## **Recommendations**

**Recommendation 1:** Announce a package of measures to alleviate the cost-of-living crisis facing Canadian workers that increases investment in public services, dramatically expands the federal government's role in developing non-market (community, social, and co-op) housing, and imposes a 25% windfall profits tax on large profitable corporations, with the revenues funding an extension of the grocery rebate.

**Recommendation 2:** Accelerate the implementation of national, public pharmacare by immediately allocating \$3.5 billion to establish an essential medicines formulary, and introducing the bulk purchasing plan without delay.

**Recommendation 3:** Budget \$5 billion in 2024-25 to establish an annual government contribution of 20% of Employment Insurance program costs.

**Recommendation 4:** Building on the climate-focused investment tax credits announced in Budget 2023, include job-quality requirements in Budget 2024's decarbonization investments to ensure low carbon jobs are safe, well-paid, and afford workers a say at work through access to a union.

## **Introduction**

The [Canadian Labour Congress](#) (CLC) advocates on national issues on behalf of all workers in Canada. It brings together approximately 55 national and international unions representing more than 3 million unionized workers. The CLC also unites 12 provincial and territorial federations of labour and over 100 local labour councils across the country.

## **Affordability Pressures**

Canada's housing strategy is woefully inadequate to cope with existing demand and anticipated needs associated with rapid population growth. Canada urgently needs greater ambition in its efforts to provide affordable, high-quality and non-market housing for low-income, homeless and precariously-housed populations, including Indigenous Canadians, survivors of domestic violence, and people living with disabilities.

The CLC recommends the government allocate \$20 billion a year in capital funding to the National Housing Co-investment Fund to build a minimum of 100,000 new units per year, in conjunction with provincial partners and other public contributions. In addition to accelerating the rollout of the National Housing Strategy's Federal Lands Initiative, the government should introduce a dedicated five-year, \$10-billion Public Land Acquisition Fund to acquire additional land for the construction of non-market, affordable rental housing. In order to assist the community housing sector to acquire existing affordable rental buildings, Ottawa should create a \$20-billion Housing Acquisition Fund in order to maintain supply of affordable housing for low- and modest-income households.

Rising food prices continue to outstrip headline inflation, which has continued to moderate. Accordingly, the CLC recommends imposing a windfall profits tax on large food retailers and using the revenues to fund an extension of the [grocery rebate](#).

## **Care Economy**

As an urgent priority, the CLC calls on the federal government to convene a care economy commission tasked with planning, coordinating, and overseeing the necessary investments, policy changes and regulatory reforms needed to systematically

strengthen care work and care services in Canada. This includes developing a comprehensive and integrated care economy workforce strategy to address understaffing, immigration, credentials, and data collection. Ottawa should work with provinces and territories to institutionalize workforce strategy roundtables that resist privatization and market-based approaches to delivering care services, promote public management, and support public and not-for-profit delivery. These roundtables would focus on childcare, health care, and long-term care, including representation by unions, employers, researchers and policy experts, and end users.

The CLC urges the federal government to work with provincial and territorial counterparts, unions, employers and regulators to develop a national strategy to ethically recruit, register and retain Internationally educated nurses (IENs) and other health care professionals (IEHPs) in the Canadian health care system. The strategy should emphasize access to full and flexible employment, equal pay for equal value, culturally appropriate and safe working conditions and opportunities for professional growth.

The federal government should accelerate current plans to introduce a national, public pharmacare program in Canada, realigning with implementation timelines contained in the [Final Report](#) of the Advisory Council on the Implementation of National Pharmacare in order to bring in full universal public pharmacare by 2027. This should entail:

- passing enabling legislation by the end of 2023;
- implementing the initial phase of establishing an essential medicines formulary immediately (\$3.5 billion); and
- implementing the bulk purchasing plan by the end of 2023.

## **Employment Insurance**

Since 2019, the federal government has committed to creating an [EI system for the 21<sup>st</sup> century](#) that works for everyone. After a global pandemic, followed by disastrous floods and the worst forest-fire season on record, with tens of thousands displaced from their homes and jobs, Canadians are waiting to see the results of years of departmental consultations on EI reform. Canada's first [National Climate Change Adaptation Strategy](#), released in June, makes no mention of an accessible, adequate Employment Insurance program, much less the [EI Disaster Assistance Benefit](#) promised in the 2019 Liberal party platform.

The CLC calls on the government to introduce an annual government contribution of 20% to EI program costs. This will help pay for improvements, while minimizing EI premium increases (currently at 40-year lows).

We call on the government to commit to the following:

- Setting a universal 360-hour/12-week qualifying threshold for Regular and Special Benefits;
- Providing up to 50 weeks of Regular EI;
- Raising the ceiling on insurable earnings and substantially increase the 55% benefit rate;
- Ending the 50-week restriction on combined special benefits and regular benefits, which disproportionately punishes women; and
- Extending EI access to all migrant workers.

## **Sustainable Jobs and Environmental Transition**

The CLC welcomes the introduction of the Sustainable Jobs Act, and calls for important improvements before passage, including ensuring a strong voice for workers through their unions in the [Sustainable Jobs Partnership Council](#). As well, the Act should require the partnership council, secretariat and jobs plans to provide transition supports for workers including EI supports, skills recognition, training, relocation, mental health, and family supports and other assistance programs. In general, governments should be strengthening social protections for workers in sectors at risk due to climate change.

Investments in decarbonization throughout Budget 2024 should include job quality strings, building on climate-focused investment tax credits (ITCs) announced in Budget 2023. Job quality requirements will ensure low carbon jobs are well-paid, safe, afford workers a say at work through access to a union, and ensure that green investments are made in consultation with workers.

The [Futures Fund](#), announced for Alberta, Saskatchewan, and Newfoundland should be expanded to cover all of Canada's provinces and territories and expanded to \$6.5 billion. These investments must be made in consultation with workers and unions.

Canada must also commit to spending previously-allocated climate initiatives which will help Canada meet its climate ambitions and create good jobs. For example, since 2016-17, allocated but unspent funds [reportedly](#) amount to over \$7 billion which could be supporting good jobs and decarbonization.

## **Skills Training and Labour Force Development**

Despite the accelerating digitalization of work and the transition to net zero emissions, little effort has been made to systematically harness [social dialogue](#) in anticipating and meeting skills training needs. The government should establish a permanent “tripartite plus” [advisory council](#) to provide advice and recommendations to the minister with respect to skills development and labour-market policy. Working with provincial and territorial counterparts, the federal government should also foster sector-level dialogue between unions, employers and labour-market intermediaries to anticipate and address skills needs.

The government should prioritize broad access to vocational education, training and apprenticeship opportunities for all workers, with targeted incentives to increase opportunities for disadvantaged and underserved groups including women, Indigenous workers, youth, lower skilled workers, workers with disabilities, newcomers to Canada and workers of colour.

Budget 2024 should build on the apprenticeship requirements accompanying the new green economy investment tax credits by introducing a mandatory requirement for contractors to hire apprenticeships on all federal procurement and infrastructure projects. This would also apply to national defence and shipbuilding procurement policy, and the maintenance of federal government real assets.

Strong literacy, numeracy and digital skills are the foundation for lifelong learning; the government should ensure core funding for literacy organizations and invest in a new national workplace literacy program delivered in partnership with trade unions.

## **Human Rights**

The Government of Canada must coordinate and expand investments in anti-racism efforts. Budget 2024 should commit to implementing the recommendations of the United Nations Committee on the Elimination of Racial Discrimination with respect to its recent periodic reports on Canada, including reform of federal laws, policies and regulations to bring them into compliance with the United Nations Declaration on the Rights of Indigenous Peoples. The federal government's recently released UNDRIP Action Plan must also come with increased funding commitments for full implementation of the Declaration. Canada should withdraw from the Canada-US Safe Third Country Agreement that puts refugee claimants' lives at risk. The CLC also calls on the government to allocate \$10 billion annually to fully fund the new Canada Disability Benefit.

## **Labour Law and Employment Standards Reform**

The March 2022 [Supply and Confidence Agreement](#) between the NDP and Liberal Party committed the government to introducing federal anti-scab legislation by the end of 2023. This legislation should be enacted no later than fall 2023.

The CLC urges the government to reform the Temporary Foreign Worker Program and International Mobility Program by replacing tied work permits with open permits, establishing a pathway to permanent residency for all low-wage migrant workers who want to apply, and substitute permanent immigration in place of low-wage, temporary migration. The government should also address the extreme precarity of undocumented workers by expanding regularization opportunities for people working in Canada without status.



The federal government should provide leadership and crack down on employee misclassification, which costs taxpayers and workers millions of dollars annually in payroll tax fraud. The government should also adopt the recommendations contained in the [report](#) of the expert panel on modernizing federal labour standards, including anti-reprisal protections for non-unionized workers taking collective action in the workplace, and piloting sectoral bargaining in the federally-regulated private-sector.

The proposed *Artificial Intelligence and Data Act* ([Bill C-27](#)) omits government and key employers from regulation, despite the fact the federal government is a leading adopter of artificial intelligence. The legislation also falls short of European Union's AI Act, while the US administration has done far more to call attention to address digital surveillance and employee data extraction in the workplace. Above all, the Government of Canada must improve public transparency and consultation with unions and civil society organizations in order to safeguard human rights and civil freedoms at risk from AI.

## **Fair Taxation**

Tax abuse by multinational corporations includes both criminal tax evasion and abusive tax avoidance, as well as other forms of tax planning. Corporate tax abuse, specifically the shifting of corporate profits into tax havens, has resulted in billions of dollars in lost public revenue. These practices undermine the spirit and intent of Canada's tax laws, and erode the fiscal capacity of public authorities and public trust. In 2020, Canada's losses to tax abuse were [estimated](#) at USD\$3.3 billion per year. Canadians for Tax Fairness estimates that tax havens costs Canada between CDN\$10 and \$25 billion a year. Canada should follow Australia's [lead](#) in enhancing tax transparency by introducing public country-by-country reporting requirements for multinational enterprises and their subsidiaries, including tax residency, ownership breakdown and entity type.

## **International**

Canada should provide a targeted contribution in support of the United States government's [Multilateral Partnership for Organizing, Worker Empowerment, and Rights](#)

(M-POWER), a global initiative to strengthen and support for unions and workers' rights, ensuring that workers have the right to organize and bargain collectively. Internationally, we call on Canada to support fiscal and monetary policies that address enormous investment gaps in public services and social infrastructure, promote expanded social protection systems, advance strategies to address informal employment, eliminate tax evasion and avoidance, and promote a global social protection fund for the poorest countries.

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