

WHAT SHOULD THE PRIORITIES BE IN THE UP-COMING BUDGET?

Premier Graham needs to maintain his credibility with the population who voted in the Liberal Party. For this to happen, the current government must deliver on the promises spelled out in “Charter for Change”. From the Common Front for Social Justice’s perspective, the three top priorities in the upcoming budget should be:

1. Include in the 2009-2010 the funds required to **raise social assistance rates to the average for Atlantic Canada**, as was promised in the *Charter for Change*. New Brunswick’s social assistance rates are the lowest in Canada and considerably lower than those in the other three Atlantic Provinces. The 2009-2010 budget needs to contain from \$20 to 30 million dollars to raise the social assistance rates for the 38,657 persons currently on social assistance. These 20 to 30 millions dollars are based on calculations made by the well respected National Council of Welfare research team (See Table 1). The cost of poverty in Canada has been estimated to be \$38 billion. This amount represents over \$1,130 per Canadian. Therefore, the \$20 to 30 million dollars needed to raise the income level of the poorest of New Brunswickers is a good investment. Without a budgetary commitment of this magnitude, the buying-in of New Brunswickers into the Poverty Reduction Plan will be jeopardized.
2. Include in the Department of Social Development budget the money necessary to implement another promise made in the *Charter for Change* which said “**Increase the maximum allowable earnings that can be retained from casual or part-time.**” The Common Front for Social Justice is demanding that the maximum allowable earnings be raised from \$150 or \$200 dollars per month to at least \$350 per month, and thereafter, that 50% of the wages earned be left with the social assistance recipient who is trying to move out of poverty. The calculation of wages earned should be made on an annual basis instead of a monthly basis as it is done presently.
3. Demand that the Minimum Wage Board recommend to Cabinet that the **minimum wage be raised at a faster rate than it is now so that by 2010, it reaches \$10 per hour** and budget for these increases in manpower salaries in the upcoming budget.

Although **Employment Insurance** falls under the Federal government jurisdiction, the Common Front for Social justice is urging the New Brunswick Government to pressure the Federal government to allow access to employment insurance after 360 hours of work in all regions of Canada. Moreover, ask for the EI benefits to be 60% of earnings, based on a worker's best 12 weeks. Also ask for an increase in the period for which benefits can be collected up to a maximum of 50 weeks.

Table 1: Data based on 2007 numbers released by the National Council of Welfare showing how far New Brunswick’s social assistance rates are lagging behind the average of the three other Atlantic Provinces*

Categories studied by National Council on Welfare (NCW)	Average of incomes of NS+PEI+NF&L in 2007	NB incomes from social assist in 2007	NB’s lag compared to the 3 other Atl. prov.	Cost to NB to raise rates to the average of the 3 other Atl. Prov. (\$ lagging x number of cases)
1. Single Employable	\$7,391	\$3,574	\$3,817	\$3,817 x 1,395=\$5,019,355
2. Person with disability	\$9,530	\$8,275	\$1,255	\$1,255 x 6,754=\$8,476,270
3. Lone parent, one child	\$16,431	\$15,451	\$980	\$980 x 1,483*=\$1,453,340
4. Couple, two children	\$21,677	\$18,849	\$2,828	\$2,828 x 1,662*=\$4,700,136

Note: The number of cases which are italicized () in the above table are estimates. The additional cost, using only these estimates, is equal to (\$5,019,355 + \$8,476,270 + \$1,453,340 + \$4,700,136) = \$19,649,101. The number of cases included in table 1 falls considerably below the actual number of social welfare recipients in NB which was 38,657 in February 2009. This signifies that the 20 million dollars requested is a very conservative estimate and should even be as high as 30 million dollars.

HOW COULD THE GOVERNMENT GENERATE MORE REVENUE IF IT CHOOSES TO INCREASE SPENDING?

1. Avoid implementing the tax reform which proposes a reduction in taxes for well-to-do individuals, corporations and businesses. The proposed 10% flat tax will have numerous negative impacts which will hurt many of those at the lower end of the economic scale. Cutting the taxes of the “ well-to-do” and of the very profitable corporations offers no guarantee that this will generate a great deal of wealth or economic activities. On the other hand, increasing the social assistance rates of the poorer segment of the population will create economic activity since this part of the population is in need and will acquire more goods and services whenever they have more money.
2. Collect the \$600 millions of unpaid taxes or non repaid loans to businesses which have been accumulated during the past several years (L’Acadie Nouvelle, February 18th, page 3)
3. Put a process in place to ensure that Federal funds which are offered to the province be promptly requested and invested. L’Acadie Nouvelle reported, on Febraury 18th, that 63 million dollars were awaiting in the Federal coffers for a request by the province of New Brunswick. This is not a good example of competent management.
4. Set up a competent NB lobby group to go after the federal government asking for significant increases the Canada Social Transfers. Set up another lobby group to plan an major Federal-Provincial agreement in the area of social housing.
5. Do away with bonuses to Deputy Ministers as many New Brunswickers going through hard economic times feel that this is not coherent with the obligation of the government to manage the province in the interest to the common good.
6. Stay away from Public Private Partnerships as these have been proven to be more costly to tax payers. They also weaken the government’s capability to retain the competent professionals needed to carry out specialized work of the province.
7. Invest more in preventative health measures in order to curb the rising health costs.