

Unifor Submission to the 2022 Federal Budget Consultation Process

August 2021

About Unifor

Unifor is Canada's largest private sector union representing 315,000 workers nationwide in every major sector of the economy including advanced manufacturing, natural resources, transportation, telecommunication, health care, retail, hospitality and many others. On behalf of these members, their families and communities, Unifor welcomes the opportunity to share the organization's priorities for Budget 2022.

Reorienting Canada for a Fair, Inclusive and Resilient Economy

Unifor recommends government design budget 2022 to reorient Canada's economy towards social justice and ensure a fair, inclusive and resilient recovery from the COVID-19 economic crisis. Canada's government must address the numerous crises that were present long before COVID-19 arrived and exacerbated by the pandemic including inequality, precarious work and climate change. To that end, Unifor has developed the following 12 recommendations.

1. Reform Employment Insurance for Adequacy and Responsiveness

Unifor welcomed recent federal efforts to make Canada's Employment Insurance system more responsive to the needs of unemployed workers. The pandemic laid bare the deficiencies of EI¹, including its inaccessibility to most workers, particularly those with low income. Special relief measures, delivered to millions of laid off workers during the pandemic, filled the void.

Returning to the system that existed before the pandemic is not an option. Unifor has prepared a comprehensive set of recommendations to reform the EI program². This includes recommendations to:

- Expand EI Eligibility, including standardizing the entry requirement to 360 hours and base the qualifying hours and duration for existing claims on the most favourable time period;
- Enhance EI Benefits, including increasing the income replacement rate to 75% of previous earnings from current 55% and raise the ceiling on insurable earnings; and
- Improve EI Administration, including by reinstating federal contributions to the program.

¹ See Ricardo Tranjan's article Towards an Inclusive Economy: Synching EI to the Reality of Low Wage Work': at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2019/06/Towards%20an%20Inclusive%20Economy.pdf>

² Unifor's program, entitled Securing An Inclusive, Equitable And Resilient Employment Insurance Program For Workers In Canada is available at: <https://buildbackbetter.unifor.org/ei>

2. Further Raise the Minimum Wage and Establish a Low-Wage Commission

As the federal government looks to implement a \$15 national minimum wage policy, government must ensure that wages for the lowest paid workers in federally-regulated sectors provide for an adequate standard of living. To that end, Unifor recommends that government:

- Tie the minimum wage to 60% of the median wage for full-time workers;
- Establish a federal Low-Wage Commission that is:
 - Independent and includes members from key stakeholder groups including government, community groups, labour unions and employers;
 - Tasked with researching minimum wage policy in Canada and its impacts on workers, business and the economy; and
 - Required and equipped to provide government with recommendations on additional wage policy measures that are responsive to current and specific economic and social conditions.

3. Create a National Public Transit Strategy

Local transit systems are vulnerable to service reductions, cuts and privatization when operations are dependent upon fare box revenues. The federal government's \$3 billion permanent public transit fund is encouraging since robust investment in public transit infrastructure is an effective way to support the development of good, green jobs and stimulate economic recovery.

However, this funding is still 5 years off, and many transit agencies face significant operational challenges including deteriorating finances and ridership that plummeted during the pandemic.

Unifor recommends that government:

Design and implement a National Public Transit Strategy to build and maintain affordable and accessible public transit in cooperation with all levels of government and key stakeholders including transit agencies, unions, community groups and riders;

Ensure this national strategy encompass worker and passenger safety, equity, accessibility, environmental protection, employment quality, economic development and growth and support local jobs and procurement; and

Accelerate the timeline to implement the Public Transit Fund.

4. Invest in Passenger Rail

Unifor is encouraged by recent movement on VIA Rail's High Frequency Rail Line project between Quebec City and Toronto. The investments in separate rail lines and new passenger train cars will provide improved service along the corridor, further increasing train capacity, reliability and revenues. However, it is critical that everyone has access to affordable and accessible transportation service in order for a greater number of people and communities across the country to stay connected. This is more pressing due to the recent closure of all Greyhound bus service operations in Canada and an important reminder why transportation services are essential and need to stay within the public realm.

Unifor recommends that government:

Make significant investments in expanding passenger rail routes and service frequency across Canada to increase passenger volume and fare revenue, boost employment and stimulate economic growth; and

Ensure passenger rail investments include Canadian content requirements and factor in the utilization of Canada's workforce, expertise and resources early in the planning stages.

5. Keep the Pharmacare Promise

The government committed to implementing universal, public pharmacare, including the pledge to implement the measures outlined by the Advisory Council on the Implementation of Pharmacare in 2019. However, we still have not seen any concrete movement on this important health program, with no new funding or measures provided in the 2021 budget.

Prior to the COVID-19 pandemic, more than 8 million Canadians did not have prescription drug coverage and an estimated 3 million Canadians did not take medicines prescribed by their doctors because they could not afford them. The pandemic has made the problem worse for laid off workers and unemployed workers who do not have drug benefits to carry them through the crisis.

Unifor recommends that government:

- Keep its promise and immediately institute a national, universally accessible pharmacare program in consultation with provinces and territories; and
- Provide immediate funding and coordinate with the provinces and territories to ensure that all laid-off workers become eligible for coverage under existing provincial drug plans as an emergency measure.

6. Reorient Long-Term Care to Improve Service

Seniors deserve to live in dignity and with proper care. Canada's long-term care system, responsible for delivering that care, is an important segment of the health care sector. It is broken and needs fixing. The federal government must work with the provinces and territories to establish care standards, remove the profit from care, and provide substantial funding to provinces and territories to support these measures.

Unifor recommends that government:

- Work in partnership with the provinces and territories to establish minimum standards of daily care and a comprehensive workforce strategy. Federal funding should be tied to adherence to the principles of the Canada Health Act;
- Phase out for-profit long-term care homes and transition toward community-based, publicly-owned or non-profit homes; and
- Immediately bring Revera – currently owned by the Public Sector Pension Investment Board – under public ownership.

7. Ensure Public Programs are Under-pinned by Good Jobs

As the government makes critical investments in social infrastructure, it must take the broader view that public programs should improve the quality of life for those that use them and for those who deliver them. Government must lead in building good jobs – that ensure stability, security, decent income, access to benefits, equity and diversity in hiring – into all government programs and investments.

Unifor recommends that government:

- Mandate entry-level pay in any broader public sector (BPS) job must not be lower than a living wage;
- Ensure all workers are covered by strong health benefits agreements either through public programs such as medicare and pharmacare (which includes portability of benefits) and/or through privately-purchased supplemental health benefits; and
- Consider implementing Community Benefit Agreements (CBAs) in forthcoming infrastructure projects to increase local employment opportunities and skills development, including among vulnerable and disenfranchised communities.

8. Design and Implement a Just Transition Program

While the recent announcement of a public consultation on people-centred principles for just transition legislation and the establishment of an advisory body was a promising start, workers are already being impacted by the shift towards a carbon-neutral economy.

Unifor recommends that the government:

- Establish a federal Just Transition fund dedicated to funding supports for workers impacted by the shift towards clean technology and a net-zero emissions economy, including pension bridging, voluntary severance, income insurance, retraining and relocation support, and local transition centres;
- Conduct detailed labour market assessments of sectors that will be impacted by the shift to a net-zero economy in order to develop a publicly accessible inventory of workers' demographics, skills and potential employment opportunities; and
- Establish and operate dedicated transition centres in impacted communities serving as a single entry point for workers to access all available supports and programs. This should be designed in line with the recommendations from the Task Force on Just Transition for Canadian Coal Power Workers and Communities.

9. Continued Support for Canada's Transitioning Auto Industry

Canada is poised to grow its domestic footprint for electric vehicles. Historic investments in EV assembly in recent months emphasize the importance of active government investment policy. Despite this success, governments must attend to the needs of workers and businesses in transition. Investment attraction efforts targeting battery production must also include lucrative component parts such as e-motors and power electronics, among others. Canada must be an active manager of the transition to ZEV manufacturing, not a passive enabler. This requires industrial, environmental and labour market policy synchronization, stakeholder dialogue and targeted assistance measures where needed. Such an approach to transition-centred industrial policy in auto can provide inspiration to other sectors as well.

Unifor recommends that government:

- Allocate appropriate funding toward a Zero Emission Vehicle Industrial Strategy Council, responsible for identifying and mapping Canada's supply chain limitations, coordinating dialogue among key stakeholders, forecasting future product development needs and advising government on strategic action; and
- Introduce a national vehicle trade-in program that provides a one-time financial incentive to car buyers who trade-in older, higher polluting vehicles and purchase newer, more fuel-efficient alternatives.

10. Regulate to Save Local News

Unifor supports Bill C-10 and the federal government must make the passage of this bill a top priority.

The amended Broadcast Act must ensure that media content providers and distribution platforms pay their fair share to ensure a vibrant stream of Canadian content including dedicated local news funding.

Unifor recommends that government:

- Mandate the CRTC to create a mechanism in which Canadian content “charges and expenditures” assigned to domestic and foreign media companies are distributed to all local television and radio stations, including those belonging to major networks, in order to sustain local news;
 - The distribution of these funds must be calibrated to employee headcount or payroll expenditure of news gathering and production staff.
- Immediately enact legislation to force digital media giants to fairly compensate all domestic media companies for the news content published or shared on their platforms and ensure these platform-to-media arrangements are fully transparent to the public.

11. Build Clean Water Infrastructure in Indigenous Communities

In February of this year, Canada’s Auditor General found that the Federal Government has provided inadequate support to Indigenous Communities to access safe drinking water.

The report found that 43% of water systems in indigenous communities were at medium to high risk of failing to provide clean water, if they weren’t already. That these advisories remain 6 years after this government promised to end them is unacceptable. Government must act immediately to remedy the problem and ensure every person in Canada has access to safe and clean drinking water.

Unifor recommends that government:

Provide the immediate funding necessary to build clean water infrastructure in communities that have been deprived of that infrastructure;

Update the funding formula to include adequate funding for on-going maintenance and care and to fix structural inadequacies.

12. Implement Tax Reform

Canada’ billionaires saw their wealth increase by \$78 billion in the first year of the pandemic³, but low income Canadians are left struggling. Advocates, including Unifor, have been calling for a number of tax changes that could have a significant impact on this disparity by reducing income inequality and funding public services.

³ See Alex Hemingway’s article ‘One year later: Canadian billionaire wealth up by \$78 billion at <https://www.policynote.ca/the-rich-and-the-rest-of-us/>

Unifor recommends the federal government:

Implement a 1% tax on household assets over \$20 million, redistributing an average of \$7 billion annually;

Close the numerous tax loopholes that enable high income earners to accumulate even more wealth, including the stock option loophole, the business entertainment expense deduction, the capital gains loophole and the dividend gross-up and credit tax break. Closing these loopholes could raise government revenue by \$20 billion annually; and

Clamp down on tax havens to ensure profits that are accumulated in Canada are taxed in Canada. It is estimated this would raise \$8 billion annually.

Conclusion

Budget 2021 began to chart a path toward recovery for workers across the country but the job of reorienting the economy toward fairness, equity and resilience is not done. The recommendations for budget 2022 highlighted above are the next stage in the process and can help to end the crises of inequality, precarious work and climate change that existed long before the pandemic.

For a full list of Unifor's recommendations to build back better visit <http://buildbackbetter.unifor.org>.

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