



Canada Social Report

Federal Policy Monitor

April 2015



CANADA SOCIAL REPORT



The [Caledon](#) Institute of Social Policy regularly scans for the release of federal government policies and programs that impact areas of interest, including income security, disabilities, health, housing, poverty reduction, recreation, seniors and youth.

Monitors can be searched on the Canada Social Report website by date and category.

ABORIGINAL PEOPLES

Five Vancouver Island First Nations, the governments of BC and Canada reached a major reconciliation milestone in the BC treaty process with the signing of the Agreement-in-Principle. The Agreement-in-Principle contains 27 chapters covering issues including governance, taxation and lands. Processes for transition from the *Indian Act* to self-government are also set out in the Agreement-in-Principle.

<http://news.gc.ca/web/article-en.do?nid=960429&tp=1>

The federal government announced that it will allocate \$13.5 million over five years to enhance access to addiction supports for prescription drug abuse for First Nations living on-reserve across the country.

<http://news.gc.ca/web/article-en.do?nid=963479>

BUDGET HIGHLIGHTS

The Parliamentary Budget Officer released the Expenditure Monitor 2014-15 Q3. In brief:

- Spending levels for the first nine months of the year show spending restraint. The broadest measure of government operating spending – Direct Program Spending (DPS) – is 3.5 percent lower in the first three quarters of 2014-15 compared to last year.
- Spending on Internal Services is again reduced, and the Government is well positioned to attain its \$850 million targeted savings in this spending category.
- Spending by Canadian Border Services Agency has increased 21 percent over last year's 3rd quarter, due to implementation of the Beyond the Border Action Plan, and a one-time severance payment resulting from contract negotiations.
- Aboriginal and Northern Development Canada transfers and payments to First Nations have decreased compared to last year as a result of ongoing negotiations on Specific Claims, and a reduction in transfers to other governments.

http://www.pbo-dpb.gc.ca/files/files/Expenditure_Monitor_2014_15Q3_EN.pdf

The Parliamentary Budget Officer released its *Pre-Budget Outlook*. It forecasts:

- the Government's Budget would be in surplus in 2014-15 and roughly balanced over the remainder of the outlook, assuming that crude oil prices increase gradually from \$US50 to \$US66 per barrel by the end of 2020
- PBO projects that real GDP growth will slow from 2.5 percent in 2014 to 2.0 percent in 2015 and then average 1.8 percent over 2016-20
- PBO expects Canada's terms of trade (export prices relative to import prices) to deteriorate by 8.5 percent in 2015 Q2 (year-over-year)



- simulating the impact of lower oil prices on the Canadian economy using its macroeconomic model, PBO's results indicate that the impact on real GDP is ultimately negative though modest, reducing real GDP by 0.4 percent in 2016 and 0.5 percent in 2017
- real gross domestic income (GDI), which measures domestic purchasing power and is a more relevant indicator of economic well-being, is estimated to decline by 2.6 percent annually, on average, over 2015-2019.

<http://www.pbo-dpb.gc.ca/files/files/PreBudgetOutlook2015.pdf>

Budget 2015 social policy-related highlights include:

- increasing the Tax-Free Savings Account annual contribution limit to \$10,000, effective for 2015 and subsequent years
- reducing the minimum withdrawal factors for Registered Retirement Income Funds to permit seniors to preserve more of their retirement savings to better support their retirement income needs
- supporting seniors and persons with disabilities by introducing the Home Accessibility Tax Credit to help with renovation costs to make their homes safer and more accessible, so that they can live independently and remain in their homes
- enhancing access to post-secondary education by expanding the eligibility for Low- and Middle-Income Canada Student Grants to students in short-duration programs
- making the Canada Student Loans Program work for families by reducing the expected parental contribution under the needs assessment process
- providing \$150 million over four years, starting in 2016-17, to support social housing in Canada by allowing social housing providers to prepay their long-term, non-renewable mortgages without penalty
- improving access to print materials for the visually impaired
- providing \$5.7 million over five years to help secure new market access for Canadian seal products
- ensuring veterans and their families receive the support they need by: providing a new Retirement Income Security Benefit to veterans with moderate to severe disabilities; expanding access to the Permanent Impairment Allowance for veterans with disabilities; enhancing the Earnings Loss Benefit for part-time Reserve Force veterans with disabilities; creating a new tax-free Family Caregiver Relief Benefit to recognize caregivers; and increasing the level of individualized support to veterans
- extending Employment Insurance Compassionate Care Benefits from

six weeks to six months to better support Canadians caring for gravely ill and dying family members.

<http://www.fin.gc.ca/n15/15-044-eng.asp>

In the after-Budget period, the Parliamentary Budget Officer released a statement based on adjustments to likely oil prices and their impact on Budget 2015. PBO concluded: "On balance, our judgement is that the economic and fiscal outlook presented in Budget 2015 is relatively optimistic and that there is downside risk to the medium-term outlook over 2017-18 to 2019-20."

http://www.pbo-dpb.gc.ca/files/files/2015-04-28_FINA_Opening_Remarks_EN.pdf

DEMOGRAPHICS

Statistics Canada released an infographic entitled "The Faces of Volunteers in Canada." Data cover the age, sex and education level of volunteers as well as hours volunteered and the volunteering rate. Data are primarily from the 2013 General Social Survey on Giving, Volunteering and Participating.

See: <http://www.statcan.gc.ca/pub/11-627-m/11-627-m2015001-eng.htm>

Statistics Canada reports that data from the General Social Survey (GSS) from 2009-13 and the Canadian Community Health Survey (CCHS) from 2009-12 showed average life satisfaction across the country was 8 on a scale of 10 over this period. By combining GSS and CCHS responses over several years, a new study examines the life satisfaction of nearly 340,000 Canadians, making it possible to compare results reliably across CMAs. The study also covers the population living outside CMAs, distributed across 58 economic regions across the country.

<http://www.statcan.gc.ca/daily-quotidien/150420/dq150420-eng.pdf>

This month's issue of Statistics Canada's *Canadian Megatrends* examines the country's population movements over time, from a largely rural setting a century and a half ago to a highly urbanized society today.

<http://www.statcan.gc.ca/daily-quotidien/150420/dq150420-eng.pdf>

DISABILITY

The federal government announced support to help employees return to work following a disabling injury or health issue. Under the Workplace Opportunities: Removing Barriers to Equity (WORBE) program, the National Institute for Disability Management and Research will receive \$125,000 for a project that will improve return to work and disability management programs in federally regulated private-sector industries. WORBE is providing up to \$500,000 annually for projects that aim to improve the representation of people with disabilities, women, Aboriginal peoples and members of visible minorities in federally regulated workplaces.

[hyperlink](#)



On April 29, the federal government tabled the *Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled*. The Treaty will give Canadians with print disabilities more and improved access to material from around the world in a variety of languages. It will also increase opportunities to import and export accessible versions of print materials, while ensuring the continued protection of authors' rights. These changes will help schools, libraries and charitable organizations that work with the visually impaired to reduce their costs. Once the Marrakesh Treaty is in force, Canada will be one of the first G7 nations to fully implement it, giving Canadians greater opportunities to fully participate in society and the economy.

<http://news.gc.ca/web/article-en.do?mthd=tp&ctrtpage=1&nid=967199&ctrtp1D=1>

EMPLOYMENT

Statistics Canada reported that employment increased by 29,000 in March, driven by gains in part-time work. The unemployment rate was unchanged at 6.8 percent. Over the first quarter, employment gains totalled 63,000 (+0.4 percent), the result of more part-time work.

<http://www.statcan.gc.ca/daily-quotidien/150410/dq150410-eng.pdf>

Statistics Canada released a study detailing the relationship between local employment rates and age of retirement. It states that workers in economic regions that had a higher unemployment rate were expected to retire two years earlier, on average, than workers in economic regions with a lower unemployment rate. In 2007, for example, workers in the economic regions with higher unemployment rates, 9.7 percent on average, were expected to retire at 62.7 years of age. Conversely, workers in economic regions with lower unemployment rates, 3.9 percent on average, were expected to retire at 64.2 years of age. Workers in regions with higher rates of unemployment had a lower expected age of retirement in every year between 1991 and 2007.

<http://www.statcan.gc.ca/daily-quotidien/150422/dq150422-eng.pdf>

In its February 2014 report on Employment Insurance (EI), Statistics Canada stated that the number of people receiving regular EI benefits rose by 2.0 percent (+9,900) to 509,800 in February, following five months of little change. Compared with 12 months earlier, the number of beneficiaries was down slightly (-0.7 percent or -3,500). In February, the number of beneficiaries rose notably in several provinces compared with a month earlier, with Alberta experiencing the largest increase (+15.6 percent), followed by Saskatchewan (+4.9 percent) and Prince Edward Island (+3.7 percent). The change in the number of regular EI beneficiaries reflects various situations, including people becoming beneficiaries, people going back to work and people no longer receiving regular benefits.

<http://www.statcan.gc.ca/daily-quotidien/150423/dq150423-eng.pdf>

FAMILIES

Statistics Canada released *Grandparents living with their grandchildren*,

2011. Among its findings were that, in 2011, 8 percent of all grandparents ages 45 and older lived in the same household as their grandchildren. Overall, there were about 7 million grandparents in private households in 2011. The vast majority (88 percent) lived with at least one middle-generation person ("multigenerational households"). About half of grandparents living with their grandchildren had at least some responsibility for household payments, suggesting that many provided some financial support to their grandchildren.

<http://www.statcan.gc.ca/daily-quotidien/150414/dq150414-eng.pdf>

GOVERNANCE

The *Fiscal Monitor, February 2015*, reported a budgetary surplus of \$4.6 billion in February 2015, down from the budgetary surplus reported for February 2014 of \$5.2 billion. Revenues decreased by \$0.6 billion, or 2.2 percent, reflecting decreases in most tax revenue streams. Program expenses increased by \$0.3 billion, or 1.7 percent, reflecting increases in major transfers to persons and other levels of government. Public debt charges decreased by \$0.4 billion, or 16.3 percent, largely reflecting lower Consumer Price Index adjustments on Real Return Bonds.

<http://www.fin.gc.ca/n15/15-043-eng.asp>

The Office of the Auditor General's *Spring 2015 Report* focused on seven areas. Three social policy-related areas – tax-based expenditures, health services for remote First Nations and preparing male offenders for release – resulted in the following conclusions:

tax-based expenditures

"While the Department of Finance Canada had appropriate practices to analyze new tax measures, to monitor existing tax-based expenditures, and to share information with the Canada Revenue Agency, overall we concluded that the Department fell short on managing tax-based expenditures. We reached this conclusion because these expenditures were not systematically evaluated and the information reported did not adequately support parliamentary oversight."

http://www.oag-bvg.gc.ca/internet/English/par_oag-_201504_03_e_40349.html#hd2c

health services for remote First Nations

"Overall, we concluded that Health Canada did not have reasonable assurance that eligible First Nations individuals living in remote communities in Manitoba and Ontario had access to clinical and client care services and medical transportation benefits as defined for the purpose of this performance audit."

http://www.oag-bvg.gc.ca/internet/English/par_oag-_201504_04_e_40350.html#hd2c

preparing male offenders for release

"We concluded that Correctional Service Canada (CSC) provided correctional interventions to offenders in custody to support their rehabilitation and safe reintegration into the community, but did not ensure that these



interventions were provided in a timely manner. Most offenders did not complete their programs by the time they were first eligible for release. Although CSC has improved the timeliness of delivering correctional programs to offenders, it has not ensured that offenders were assessed for earlier release on parole. CSC has not developed guidelines to prioritize the delivery of other correctional interventions, such as employment and education. Nor has it developed structured tools to objectively assess the impact of these interventions on reducing an offender's risk to reoffend and his readiness for safe release."

http://www.oag-bvg.gc.ca/internet/English/parl_oag-_201504_06_e_40352.html#hd2c

Minister of State (Finance) response: "The Auditor General has stated that 'Finance Canada does a good job of analyzing new tax measures and monitoring existing ones.' The Government monitors and evaluates tax expenditures on an ongoing basis to ensure that they meet their objectives effectively.

"The Government provides extensive information to both parliamentarians and Canadians through its annual Tax Expenditures and Evaluations report and its companion reference document, Tax Expenditures: Notes to the Estimates/Projections. These reports contribute to transparency and accountability.

"In fact, international organizations have recognized the high quality of Canada's reporting on tax expenditures. Canada is also one of a handful of countries that publish evaluations of tax expenditures on a regular basis.

"Going forward, the Government will continue to look for ways to reduce the federal tax burden for all Canadians while publishing the *Tax Expenditures and Evaluations* report every year, making it available to parliamentarians and all Canadians."

<http://www.fin.gc.ca/n15/15-048-eng.asp>

INCOME SECURITY

The Parliamentary Budget Officer released *Update of PBO's Tax-Free Savings Account Analysis*. It concluded that: "Irrespective of new changes, high wealth and older households are projected to receive relatively larger benefits than lower net worth, younger counterparts. The contribution limit increases proposed in Budget 2015 would accentuate these distributional disparities. By 2045, high wealth households are projected to gain 2.3 percent of income, as compared to 1.7 percent under the status quo. Low- through middle-wealth households are not projected to be materially affected by the proposed changes."

http://www.pbo-dpb.gc.ca/files/files/Budget_2015_Analysis_TFSA_changes_EN.pdf