



BC SOLUTIONS BUDGET 2006

S U M M A R Y

BC Finance Minister Carole Taylor is in the fortunate position of deciding how to allocate billions of dollars in available surpluses over the coming years. Indeed, available surpluses are substantially larger than the government has officially acknowledged. This is good news, because despite a strong economy and low unemployment, not all British Columbians are benefiting from good times and the province has many pressing and unmet needs. Many of those left behind are women, in particular women with children.

In this year's *BC Solutions Budget* we set out a budget for women's equality, rejecting tax cuts and debt reduction in favour of enhancing public services in a manner that improves women's ability to enjoy a healthy standard of living, to make real choices about their personal and family lives, and to participate fully in society.

Women and the Economy

When we look at the total work (paid and unpaid) of a society, women perform, on average, slightly more work than men. But almost two-thirds of the work done by women is not counted at all in conventional economic statistics. Unpaid work, including caring for children and elders, preparation of meals, and cleaning – all of which is vital to our economy and society – is invisible and uncounted, its contribution to our well-being taken for granted in discussions of public policy.

This fundamental inequity spills over into the paid labour market, where women still come away with less, even after adjusting for hours worked, education and experience. Women are less likely to be in “good jobs,” are more likely to be in part-time, temporary or other precarious employment, and tend to have lower wages than men even when they are working on a full-time, full-year basis. Women are more likely to be poor and represent the majority of people on social assistance.

An important reason for this is that the caring work done by women poses challenges to their ability to participate in the labour market on equal terms. Families with sufficiently high incomes can purchase some or all of these household services (cleaners, cooks, dining out, live-in caregivers, etc.). But, of course, many families cannot do this, and the need for unpaid work does not go away.

Public sector choices can also have effects at the household level. When tax cuts precipitate spending cuts, it is often the case that high-income families receive a windfall that more than enables them to pay privately to replace lost services. But low-income families will lose more in services than they receive in tax cuts, while still needing to deal with additional care work.

Women and the BC Budget

The broad-based cuts to the provincial budget between 2002 and 2004 are a clear demonstration of the relationship between budgets and equality for women. For example:

- Job losses in the public sector were a double blow to women – who make up the majority of public sector workers and who also rely disproportionately on those public services.
- Cuts to income assistance benefits and eligibility affect women disproportionately, in particular single mothers.
- Provincial policies have made it harder for women to get higher education, a well-known path to equality in the labour market.
- Cuts to women’s centres and legal aid undermined important supports needed by women to leave abusive relationships and retain custody of their children.

In the face of large surpluses, the provincial government needs to restore funding in these areas, and focus on creating an overall anti-poverty strategy, increasing access to high quality child care, and ensuring that all British Columbians have equitable access to services.

One area that merits increased attention is the need for advocacy at various levels. Everyone needs an advocate at some point, such as when confronting our complex legal system. We believe that the concept of advocacy should be expanded and extended to people

on social assistance, seniors, people navigating the health system, people with disabilities and mental health challenges, recent immigrants, and to workers (particularly immigrant and precarious workers).

Special mention must be made of the unique advocacy role played by women’s centres throughout the province. These centres often serve as a hub for many advocacy functions, particularly in smaller communities where the local women’s centre may be the first and only place a woman can go when needing help to flee abuse, navigate the legal system, maintain custody of a child, fight for social assistance, or confront an unfair employer. These centres urgently require restored and increased public support.

We also recommend new and restored public bodies with a mandate to defend human rights and advocate for equality. We call for the creation of a Women’s Advocate, to be engaged in the collection of data, tracking what is happening in specific communities, setting benchmarks, and issuing reports that hold the government accountable. Women’s interests would also be served by the re-establishment of the BC Human Rights Commission, as well as by a full Ministry of Women’s Equality to speak to these issues at the Cabinet table and throughout the provincial bureaucracy.

Solutions Budget Framework

For several years running, the BC government has greatly underestimated its available revenues at budget time, resulting in much lower than expected deficits or higher than expected surpluses at year-end. In fact, the past four BC budgets have understated the province’s budget position by a combined \$7.9 billion. Low-balling budget estimates not only precludes public debate – leading to a *de facto* policy of debt reduction – it also erodes public confidence in the reliability of government forecasts, as has been the case federally.

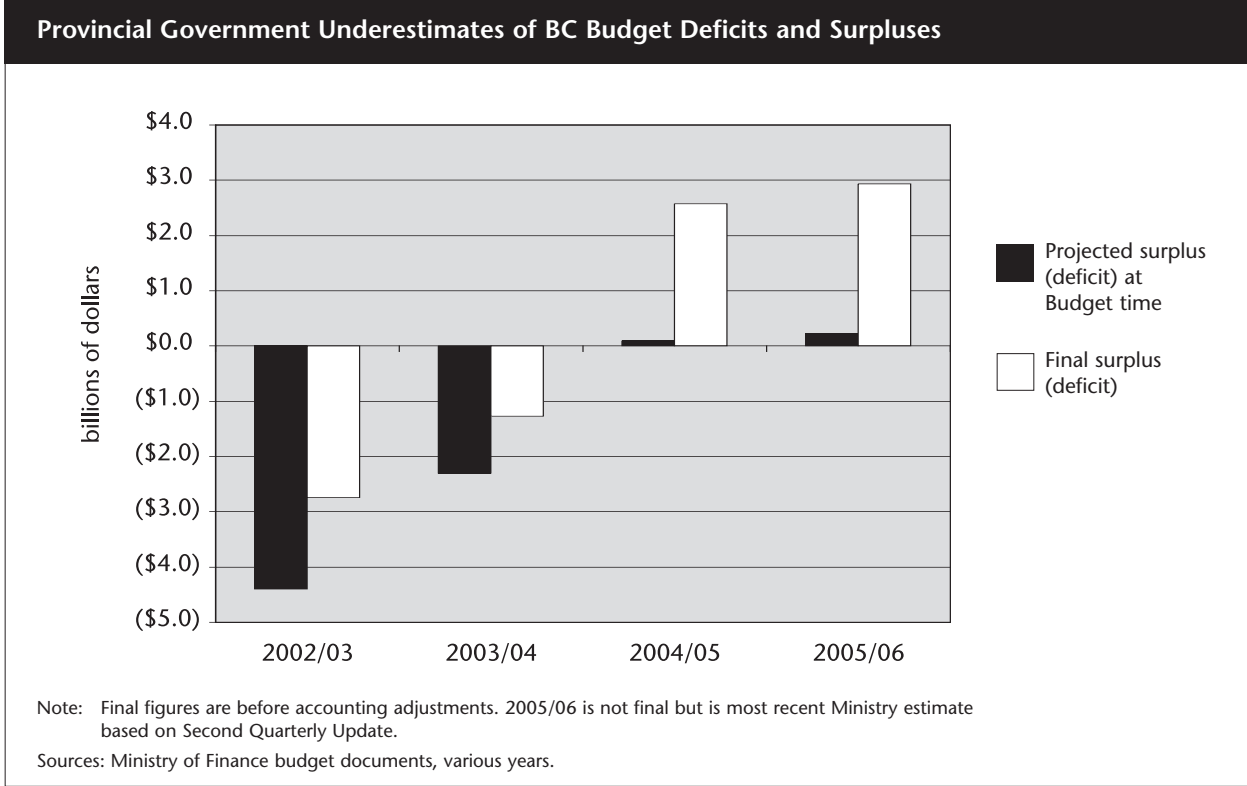
Based on Ministry of Finance forecasts of economic growth over the next two years, we estimate surpluses of \$2.8 billion in 2006/07 and \$3.9 billion in 2007/08. We call on the government to reject calls for further tax cuts or debt reduction as the best use of coming surpluses.

Our framework of social reinvestment is designed to meet BC’s pressing needs and to avert continued reduction of the public sector. By simply using available surpluses over the coming years, the provincial government could take meaningful steps to make BC a more just and equitable place to live. Spending all available revenues would enable BC to:

- Implement an early learning and child care program for children aged two to five, and a before-and-after-school care program up to age 12. This amounts to \$1.5 billion in new operating funding by 2008/09, and includes pay increases for early childhood educators. We also allocate \$600 million over three years for capital

costs to build 135,000 spaces (half full-time and half part-time).

- Provide an additional \$500 million per year increase to K–12 and post-secondary education in BC (an increase of \$1.5 billion above 2005/06 levels by 2008/09).
- Fight poverty by immediately raising income assistance benefits. Total benefits for the poor would rise by a total of 50% by 2008/09. This measure would cost about \$500 million above current levels.
- Address the crisis at the Ministry for Children and Families by increasing the budget 30% by 2008/09. Increased funding for MCFD must include more money for family supports, so that poor and Aboriginal women can see a reduction of the apprehension of their children.
- Reinstate a Child, Youth and Family Advocate and create a new Women’s Advocate as



independent, arms-length public bodies. In addition, we re-establish the BC Human Rights Commission and a full Ministry of Women's Equality.

- Increase funding for women's centres and other support programs, including legal aid, through a 15% increase in funds for protection of persons and property in 2006/07.
- Fund progressive health care reforms, including wait list reduction strategies and community care services. We increase the health care budget by 15% over three years, plus an additional \$200 million per year in capital spending for new long-term care facilities.
- Create 2,000 new units of social housing per year.
- Provide \$120 million in new annual funding to fight the pine beetle epidemic.

These expenditures are ultimately conservative in that they accept the tax cuts and downsizing of government since 2001. By returning revenues (relative to GDP) to levels in 2000/01 or 2001/02, much more could be achieved, such as a much more substantial reduction in K-12 class sizes, further expansion of early learning and child care, elimination of post-secondary tuition fees, and an acceleration of public transit projects.

This *Solutions Budget* illustrates what we can do if we work together. It is possible to address pressing problems in our society and economy. The size of forecast revenues tells us that funds are available to do so; the real challenge is the political will. These types of changes will enhance opportunities available to women, and will boost participation in the community, while creating a stronger foundation for our children and taking better care of our elders. Moving in this direction, we all benefit – men, women, children, communities, society and the economy.



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