



2011-2012 Pre-Budget Consultation Process

**Submission presented to the
New Brunswick Minister of Finance**

by the

**New Brunswick Advisory Council on
the Status of Women**

January 2011

Introduction

The New Brunswick Advisory Council on the Status of Women (ACSW) welcomes this opportunity to present our views to the New Brunswick Minister of Finance in the 2011-2012 Pre-Budget Consultation Process.

Gender equality is not a “done deal” in our province. Despite some significant gains made over the past decades, women continue to face inequalities in employment, income, health, family responsibilities, experience of violence, access to justice and access to power.¹

Women do more of the unpaid caring work, earn less than men, retire with lower incomes, are more likely to live in poverty, to experience sexual assault and to be injured or killed by an intimate partner. Aboriginal women, women with disabilities and others who are “different” often experience disadvantage in more intense and varied ways. Moreover, getting women’s concerns onto the front burner is hampered by the chronic and severe under-representation of women in government.

This submission highlights some key actions needed if the next provincial budget is to protect and promote equality among women and men and diverse groups of women and men. The level of equality among groups must be a guiding principle in the budget process. An accurate portrait of the current situation and anticipated effects requires data broken down by sex and diversity. Careful consideration must be given to the differential impact of tax measures, public expenditures and spending cuts. Spending priorities should include family-friendly initiatives, particularly in the critical areas of child care and family court services, and the implementation of pay equity.

¹ See for example, NB ACSW, *Status Report 2010: Women in New Brunswick* and updated fact sheets, available online at: www.acswccf.nb.ca/index.php?option=com_content&view=article&id=400&Itemid=58&lang=en ; Statistics Canada, *Family Violence in Canada: A Statistical Profile 2009*, www.statcan.gc.ca/pub/85-224-x/85-224-x2009000-eng.htm

Gender and diversity disaggregated data and fair outcomes

Fair and effective policy-making begins with detailed information and a commitment to fair outcomes for citizens.

The life experiences of females and males of all ages still differ significantly. From the prevalence of sexual and physical violence to income and earnings gaps, the list of gender disparities is long.

Gender is not the only source of inequality: diverse identities interact with and reinforce the impact of gender. Anglophones and Francophones, Aboriginal identity people, immigrants, persons living with disabilities, and lesbian, gay, bisexual, transgender, two-spirited and questioning people (LGBTQQ) encounter different challenges and constraints.

A “gender neutral”, one-size-fits-all perspective is therefore neither appropriate nor effective. If gender is overlooked when it is indeed significant, it is a form of discrimination. Initiatives developed without taking gender into account may have the intended impact on only half of the population.

Equality must become part of the government’s core business. The chronic under-representation of women in government makes the systematic consideration of gender and other diversity all the more crucial for sound decision-making. Women currently make up only 15% of the members of the New Brunswick Legislative Assembly, with slightly better representation at the federal and municipal levels and among judges and other appointed positions of influence.²

The Advisory Council therefore urges the provincial government to ensure that gender-based diversity analysis (GBDA) is conducted in this budget exercise, and in all research, policy development, program delivery and evaluation of initiatives in our province.

Like an environmental impact analysis, GBDA reveals potential impacts and outcomes. It is a systematic way of ensuring that the gendered roles of women and men in society and diversity concerns are taken into account from the conception of a policy or program through the implementation and evaluation stages.³ It’s a tool for revealing possible outcomes for women and for men *in all their diversity* (race, ability, sexual orientation, etc.)

The first requirement for GBDA is that gender- and diversity- disaggregated data be available since it is essential to understanding how the life experiences of women and men are different

² See NB ACSW, *Status Report 2010*, p. 70-74,

www.acswcccf.nb.ca/index.php?option=com_content&view=article&id=400&Itemid=58&lang=en

³ See for example the guide produced by the NB ACSW, *Equity Analysis Guide* www.acswcccf.nb.ca/english/acsw3.asp.

and how initiatives may affect the two groups differently. GBDA also requires high-level commitment, an accountability framework - it has to be part of the workload and evaluation of employees - and have institutional structures to support it (training, tools, resources).

Gender must be taken into account in public decision-making to honour the decades-old constitutional obligations and international commitments to protect and promote women's equality. The Charter of Rights equality guarantees, in effect since 1985, make governments responsible for working to eliminate women's disadvantage in all areas of law, policy and programming, and reinforce commitments made by Canada as a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women in 1981.⁴

An internal document on gender equity was developed by the New Brunswick civil service in the late 1990s but it is not a policy.⁵ The guide "designed to assist departments and agencies develop policies and programs that are equitable to both men and women" and revised by the Women's Issues Branch in 2003 affirms that "gender permeates all facets of our lives, making the need for gender based analysis go beyond those policies that are specifically targeted at women. Policies related to health, finance, the environment, or even transportation all have the potential to either perpetuate gender-based inequities or to alleviate them in some way."⁶

Scholars and equality-seeking advocates urge governments to do gender budgeting, which involves analyzing all public expenditures to ensure that the implications and impacts equitably benefit women and men, girls and boys.⁷

We therefore recommend:

- **That the Department of Finance ensure that gender and diversity-disaggregated data is used and that a gender-based perspective is integrated throughout the budget process.**

⁴ United Nations, *Convention on the Elimination of All Forms of Discrimination Against Women*, General Assembly Resolution 25 (XLIV): 44th Session (1980): Supplement No. 49 (A/RES/44/25, reprinted in 28 I.L.M. 1448). The text of the Convention is available at www.un.org/womenwatch/daw/cedaw/text/econvention.htm

⁵ N.B. Executive Council Office, Women's Issues Branch, *Gender Based Analysis Guide* (2003), www.gnb.ca/0012/Womens-Issues/Genderanalysis2003.pdf

⁶ N.B., Executive Council Office, Women's Issues Branch, *Gender-Based Analysis Guide* (1999, 2003), available at www.gnb.ca/0012/womens-issues/genderanalysis2003.pdf

⁷ See for example, FAFIA's Federal Gender Budgeting Initiative materials, at www.fafia-afai.org/en/fafias_federal_gender_budgeting_initiative; Lisa Philipps, "Gender Budgets and Tax Policy-Making: Contrasting Canadian and Australian Experiences" in Miranda Stewart, ed., *Tax Law and Political Institutions*, Australia, Federation Press, 2006, p. 143-168; House of Commons Standing Committee on the Status of Women, *Towards Gender-Responsive Budgeting: Rising to the Challenge of Achieving Gender Equality*, June 2008, at <http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=13186&Lang=1&SourceId=245162>; Women's Budget Group (U.K.), at www.wbg.org.uk/GBA_How.htm

Differential Impact of Taxation

The tax system is made up of a complex and interconnected array of measures that can be expected to have a different impact on women, men and diverse groups because of their varying status, situation and life experiences. Substantive equality between groups in society must be a guiding principle for fiscal policy development.

Changes to any part of the tax mix – personal and corporate income taxes, consumption taxes, property taxes, deductions, credits and other items – may unfairly distribute the direct burden and benefits among taxpayers, indirectly influence labour force participation and other life choices and can limit the government revenues needed for redistributive spending on programs and services.

Tax policy can help reduce income disparities and alleviate disadvantage, but it can also increase inequality. The social and economic implications of existing tax laws are not neutral: they reward some people and behaviours and punish others, and have a different effect based on class and gender. Tax rules can influence fundamental decisions such as whether to marry, to engage in paid work or to work part-time or full-time. They can have the effect of keeping mothers out of the workforce or out of the home – often without the needed program supports.⁸

On the question of raising additional revenues to address the current government's fiscal challenge, we note the importance of a fair distribution of the tax burden, based on the ability to pay. As we emphasized in our position statement on tax reform, it is important that a significant level of progressivity or graduated tax rates be maintained in our tax system.⁹ Having a higher personal income tax rate for higher income levels means that those who have more money to save or spend on non-essential items will pay a greater share of their income in taxes. Low-income citizens who have little or no income left after paying for food, clothing, shelter and other necessities, will pay a smaller share or no taxes. Progressive tax rates help reduce, to some extent, the wide existing income disparities between and among women and men.

Following the 2008 provincial tax system review conducted by the previous government, personal income tax rates were reduced as of 2009 for all four income brackets and the gradation slightly flattened.¹⁰ This means lower government revenues and disproportionate benefits for higher income individuals, since they stand to keep a larger amount of money in their pockets. The most disadvantaged in our society who have incomes so low that they pay no taxes at all – 41% of

⁸ See for example, Status of Women Canada, Synthesis Paper # 2: Women and Canadian Fiscal Policy in *Synthesis Reports* (December 2006), p. 5, at www.swc-cfc.gc.ca/pubs/pubspr/0662731351/index_e.html; and Monica Townson, *Tax Facts: What Every Woman Should Know*, Ottawa, Canadian Advisory Council on the Status of Women, 1993, p. 1-2.

⁹ NB ACSW, Tax Reform Position Statement (September 2008),

www.acswccf.nb.ca/index.php?option=com_content&view=article&id=400&Itemid=58&lang=en

¹⁰ N.B. Department of Finance, Personal Income Tax, at www.qnb.ca/0162/tax/Personal-e.asp

N.B. women and 27% of N.B. men ¹¹ - get no benefit from tax reductions. Those women who do pay taxes get smaller benefits in absolute dollars and as a percentage of income compared with men, because of their lower average incomes.

We favour increases to personal income tax rates – perhaps a return to the 2008 tax structure - and the restoration of a greater level of progressivity in these rates, as a means of raising additional revenues for public programs and services.

The Advisory Council therefore recommends that the Minister of Finance:

- **Consider the potential impact of any tax changes on government revenue as well as on distribution of income, consumption and property taxes among individuals and businesses.**
- **Ensure that a significant degree of progressivity in the personal and corporate income tax structure is restored and retained. Maintaining graduated tax rates helps reduce the income gaps between and among women and men.**
- **Provide refunds to lower-income individuals to offset the costs of single-rate consumption taxes and adjust this compensation to neutralize the impact of any rate increases. Regressive taxes that are levied at the same rate on all citizens regardless of income level place a heavier burden on those forced to spend all or most of their income on life's necessities.**
- **Make tax credits refundable so that low-income people who currently pay little or no tax also benefit from them.**
- **Tax and benefit measures should be structured for individuals not couples or families. Joint measures that provide benefits to women as part of a couple or family serve to reinforce economic dependency and may discourage labour force participation.**

Priority spending

Tax measures alone cannot eliminate gender inequality. Strong government spending capacity and budgetary allocations that favour substantive equality are the other side of the fiscal equation. Promotion of equitable social and economic development requires adequate public revenues spent directly on programs and services to counter the still severe disadvantages faced by women and diverse groups.

¹¹ Kathleen Lahey, *What About Women? Gender Analysis of Discussion Paper on New Brunswick's Tax System*, July 31, 2008, p. 19 at www.acswccf.nb.ca/english/acsw1.asp

In setting priorities for the upcoming budget, some of the more pressing needs of families should be taken into account. Our province is in need of a comprehensive family policy based on a parent- and family-friendly vision. Initiatives are required to support women and men in their decision to start and expand their family, as well as help in attracting and retaining immigrants and people from other parts of Canada.

Child care

The ACSW has long championed access to quality child care services as the fundamental right of every child. Early learning and child care services must be seen as an essential public service. Our children, families and communities need a comprehensive child care system that ensures access for all to regulated, affordable, inclusive, and high quality child care. A large body of research shows that the first six years of life are crucial to the future educational, career and social success of individuals.¹² Since most children are spending a lot of their time away from their parents, we must ensure that child care offers developmentally appropriate stimulation in a nurturing environment.

Labour force participation and economic growth also depend on the availability of quality child care. Investment in early childhood education leads to major payoffs down the road. We all gain through saving on social expenditures, increased productivity and higher tax revenues. It is estimated that for each \$1 spent on quality child care, there is a \$2 future return to society, while the returns in the case of economically disadvantaged children are even higher.¹³

Through the years, the Advisory Council has heard troubling testimony about long waiting lists, centres in danger of closing, severe shortage of spaces for infants, difficulties accessing adequate care for special needs children, the exorbitant cost for working parents who are not eligible for government subsidies, constant fundraising by parents to purchase equipment and supplies for child care centres, and high turnover of child care workers who leave for better paying jobs in call centres or as teacher's aides.

Canada's commitment to early childhood education and care compares poorly to that of other industrialized nations.¹⁴ Most children in New Brunswick, as elsewhere in Canada, are being cared for in settings that are not held to minimum standards. Informal child care arrangements are often the result of families' lack of choice.

¹² See, for example, Gillian Doherty (May 1997), *Zero to Six: The Base for School Readiness*, Human Resources Development Canada, Applied Research Branch, Strategic Policy; Hon. M. McCain and J.F. Mustard (1999), *Reversing the Real Brain Drain: Early Years Study*, Toronto, Children's Secretariat.

¹³ Gordon Cleveland and Michael Krashinsky, *The Benefits and Costs of Good Child Care*, 1998.

¹⁴ See Jane Beach, et al., *Early Childhood Education and Care in Canada 2008* (University of Toronto Childcare Resource and Research Unit, 8th edition, June 2009), available online at www.childcarecanada.org/

As of late 2009, there were regulated child care spaces for just 19% of New Brunswick children aged 12 and under. Less than 1 in 10 of the available licensed child care spaces are for infants (1,283 or 7%).¹⁵ Services for the children whose parents work shifts, evenings or weekends are virtually non-existent. Inadequate provision is made for children with special needs and requiring after-school care. Child care in non urban areas is limited, especially in flexibility.

When parents do find care conforming to minimum health and safety standards, it now costs on average about \$500 per month for a pre-school age child and \$600 for the under 2 year olds.¹⁶ That represents a significant share of family income. For families with two or more children needing care at the same time, the costs may be prohibitive.

Despite improvements over the past decade, New Brunswick still falls below the national average when it comes to public spending on child care and related quality and access issues. Grants to improve staff wages and tax measures to deliver small subsidies to individuals and families are no substitute for the substantial public investment needed to build a system.

We therefore recommend:

- **That the provincial government invest in building a universally accessible, publicly subsidized, quality early childhood education and care system.**

Family Court Services

The recently reduced level of family court services are another area requiring priority spending. Women are disproportionately affected by family law service restrictions, given their lower incomes and heavier family responsibilities. We know from calls received at our Council office and information provided by women's service providers throughout the province that many women struggling with divorce, custody and other family law issues have little or no access to publicly-funded legal services.¹⁷ As a result, a growing number of women are representing themselves in complicated legal matters, or are failing altogether to access their legal rights and the rights of their children.

In recent years, two review bodies have called attention to a host of problems in New Brunswick's family court system. The 2007 Review Panel on Legal Aid made the case for significantly

¹⁵ N.B. Department of Social Development, cited in NB ACSW, *Status Report 2010: Women in New Brunswick*, p. 44, available online at: www.acswcccf.nb.ca/index.php?option=com_content&view=article&id=400&Itemid=58&lang=en ;

¹⁶ N.B. Department of Social Development, cited in NB ACSW, *Status Report 2010: Women in New Brunswick*, p. 44, available online at: www.acswcccf.nb.ca/index.php?option=com_content&view=article&id=400&Itemid=58&lang=en

¹⁷ See the reports and other documents on the websites of the Canadian Bar Association, www.cba.org/CBA/Advocacy/legalAid/, the National Association of Women and the Law, www.nawl.ca/affil/MAWLsumm.htm and West Coast LEAF, www.westcoastleaf.org/index.php?action=show_cat&category_id=20

increased legal aid funding and upgraded services, noting those in need of civil legal aid are “women facing a fracturing of their family who must resolve issues of custody, support, and property division and in some cases, personal protection from abuse. They are children and parents of children involved in protection or other matters where a just and sensible outcome may determine the shape of their future lives.”¹⁸ In creating the Access to Family Justice Task Force in early 2008, the government of New Brunswick recognized the need for changes leading to more timely access to justice in resolving family law disputes, expanded use of alternatives to family courts and increased access to legal information and legal assistance in family law matters, especially for the poor, single parents and First Nations people.¹⁹

The importance of favouring non-adversarial resolution of family disputes whenever possible is increasingly recognized. For over 35 years, court social workers in New Brunswick provided counselling and mediation/conciliation services for separating couples, including issues such as parenting after separation, custody and access and child and spousal support. Such services complement the judicial side of the court – they help people gain a better understanding of their situation and make plans for living apart that are in the best interests of their children, and often divert disputes from court hearings altogether. Some studies suggest issues settled by a couple through such means, not decided by a judge, “stay settled” longer.

Despite such findings, in the spring of 2009 the provincial government eliminated all the family court social worker/mediator positions and cut funding for Legal Aid services, further limiting access to justice. New services put into place in recent months - a pilot project in the Saint John judicial district and some mediation services for the rest of the province – have yet to be fully tried and tested, but they appear to provide a lower level of service than was previously available. A maximum of 10 hours of mediation services is offered, along with the possibility of a 1-hour consultation with a family advice lawyer, only on matters involving children (custody, child support) . No court representation is provided. Women from Charlotte, Kings and Saint John counties who get an appointment to speak with the Saint John judicial district family advice lawyer must go into the city of Saint John, to the Family Law Information Centre office. Women who call the toll-free line for mediation services in the rest of the provinces are referred to mediators in private practice or with agencies located in 8 municipalities. Clients may be able to access the mediator service by telephone if they cannot attend in person.

¹⁸ Dr. J. Hughes and E.L. MacKinnon, *If there were Legal Aid in New Brunswick... A Review of Legal Aid Services in New Brunswick* (Sept. 2007), p. 37, www.gnb.ca/0062/pdf/5071%20eng%20report.pdf

¹⁹ *Report of the Access to Family Justice Task Force* (presented to Minister T.J. Burke, Jan. 2009; Report tabled June 2009), p. 2, www.gnb.ca/0062/FamilyJustice/FinalReport-e.pdf

The new toll-free line for mediation services outside the Saint John district and the Saint John area Family Law Information Centre project are not well known since they have not been publicized. We were dismayed to learn this month that one transition house in the Saint John district had not been notified about the Saint-John based services, even though the Centre opened in September 2010. Moreover, there remain questions about the training provided to the new mediators and to legal aid lawyers expected to use collaborative family law, the screening for cases involving violence, the options for women leaving violent situations, and the geographic and linguistic gaps in services.

We therefore recommend:

- **That the New Brunswick government increase the funding allocated to civil Legal Aid and family court mediation services. Enhancing spending should address the following concerns: timely access to quality services for mediation, legal information, advice and court representation, transportation barriers to accessing services in rural areas, the lack of gender-based analysis of legal aid spending and the need for a large-scale media campaign to ensure that people are aware of the new services.**

Pay Equity

The scheduled implementation of pay equity in the civil service must be completed as well as the payment of adjustments to workers in designated groups, including home support, child care centers and transition houses, whose positions have been evaluated to ensure fair pay for the value of their work. Given that only about 25% of all New Brunswick employees are paid using a formal gender-neutral process of evaluating jobs, implementation of pay equity must be extended to the private sector in the province, as a matter of human rights.

We therefore recommend:

- **That the New Brunswick government complete the implementation of pay equity in the civil service, the payment of adjustments to workers in designated groups whose positions have been evaluated to ensure fair pay for the value of their work and extend the right to pay equity to private sector employees.**

CONCLUSION

Respecting a commitment to gender equality requires action in all aspects of public decision-making, especially the budget process.

We urge the Minister of Finance to:

- Ensure that gender- and diversity-disaggregated data is used and that a gender-based perspective is integrated throughout the budget process.
- Consider the potential impact of any tax changes on government revenue as well as on distribution of income, consumption and property taxes among individuals and businesses.
- Ensure that a significant degree of progressivity in the personal and corporate income tax structure is restored and retained. Maintaining graduated tax rates helps reduce the income gaps between and among women and men.
- Provide refunds to lower-income individuals to offset the costs of single-rate consumption taxes and adjust this compensation to neutralize the impact of any rate increases. Regressive taxes that are levied at the same rate on all citizens regardless of income level place a heavier burden on those forced to spend all or most of their income on life's necessities.
- Make tax credits refundable so that low-income people who currently pay little or no tax also benefit from them.
- Tax and benefit measures should be structured for individuals not couples or families. Joint measures that provide benefits to women as part of a couple or family serve to reinforce economic dependency and may discourage labour force participation.
- Invest in building a universally accessible, publicly subsidized, quality early childhood education and care system.
- Increase the budget allocated to civil Legal Aid and family court mediation services. Enhancing spending should address the following concerns: timely access to quality services for mediation, legal information, advice and court representation, transportation barriers to accessing services in rural areas, the lack of gender-based analysis of legal aid spending and the need for a large-scale media campaign to ensure that people are aware of the new services.
- Complete the implementation of pay equity in the civil service, the payment of adjustments to workers in designated groups whose positions have been evaluated to ensure fair pay for the value of their work and extend the right to pay equity to private sector employees.