## Alternative federal budget 2023: Rising to the challenge

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The French version is not available to date.

## Description

Canada is at a crossroads. We are facing multiple pressing challenges that need immediate action: The ongoing impact of Covid-19, inflation gnawing at stagnant paycheques, a health care system squeezed to the limit, the climate crisis, and the ongoing need to dismantle colonialism and systemic racism.

That's why our team at the Canadian Centre for Policy Alternatives (CCPA) works with experts and people on the frontlines to create our annual plan for deep change. The Alternative Federal Budget (AFB) is a bold approach to addressing the concerns that directly affect Canadians. The AFB advances solutions and places the responsibility for change squarely on the federal government, working with the provinces and territories, to rise to the challenge—because public leadership is needed now more than ever.

This year's AFB tackles affordability, inflation, climate change, inequality, and health care:

- Affordability: The AFB provides non-market and co-op housing, funding support for child care, income support to end food insecurity, equitable access to the labour market, poverty reduction and income security, as well as affordable and accessible post-secondary education. The AFB also takes action to eliminate homelessness;
- Inflation: The AFB tackles inflation through fiscal levers such as using mortgage-regulation tools to moderate house prices by targeting investors as well as providing high-quality public services to reduce what Canadians pay for things like child care, dental care, and prescription drugs;
- Climate change: The AFB slaps stricter national standards on large carbon emitters—including a green strings strategy for federal funding—to make way for a fossil-fuel-free economy by 2040;.
- Inequality: The AFB takes swift measures to cut poverty in half by 2026, to invest in First Nations infrastructure, First Nations climate leadership, direct support for truth, reconciliation, and healing, food security and sovereignty as well as implementing a federal Anti-Racism Act. The AFB also increases taxes on the wealthiest and on corporations reaping excess profits during the pandemic; and
- The care economy: The AFB tackles Canada's health care crisis by adequately funding our universal public health care system and long-term care—saying no to privatization—as well as implementing new national care programs dental care, mental health care, substance use health, and national pharmacare. The AFB also provides a comprehensive plan to ensure health equity for all.

Because we are facing a number of pressing issues in Canada, the AFB goes beyond these key measures and invests in arts and culture, agriculture, inclusive infrastructure, and a review of the immigration program.

## **Child care - Introduction**

Over the past year, the federal government concluded Canada-wide Early Learning and Child Care Agreements and set out action plans, targets, and timetables with all provinces and territories. These agreements add historic levels of new federal funding to provincial and territorial child care budgets, along with funding for Indigenous Early Learning and Child Care, totalling \$30 billion over five years.

The 2021 federal budget indicated that \$3.1 billion would be added to the baseline federal child care budget in the first year (2021–22), with annual increases reaching \$8.4 billion to bring total federal child care funding to \$9.2 billion by year five (2025–26). The federal government has also committed to providing stable, ongoing funding at a minimum of \$9.2 billion annually in subsequent years.

The goal of the provincial and territorial funding agreements is to 'transform' child care affordability, access, and quality across Canada. Transformation is essential, as the current patchwork of programs is inequitable and fails to meet the needs of children, families, educators, communities, or our economy.

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But an effective transformation—moving from patchwork to system—will take time, ongoing federal leadership, and effective use of public funds. The opportunity, and the challenge, is to achieve measurable and visible progress promptly while ensuring that each step along the way is grounded in child care system-building research and evidence.

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