



Imagine Canada Statement on Budget 2011

OTTAWA, Monday, June 6, 2011 - The federal budget documents tabled today offer some encouragement to the charitable and nonprofit sector, recognizing its "essential role in the Canadian economy and society through the valuable services provided to Canadians."

Imagine Canada is pleased to see the government's commitment to take steps to strengthen government - community partnerships and looks forward to engaging with the Minister of Human Resources and Skills Development over the coming months in support of this goal. Imagine Canada is also pleased with the reiteration of the government's commitment to ask the House of Commons Standing Committee on Finance to move forward with the study of charitable donation incentives called for in a motion introduced by MP Peter Braid and adopted in the last Parliament. "We look forward to being active partners in the discussions about these issues and we encourage the Finance Committee to carry out this study at the earliest opportunity so that new measures could be implemented in the next federal budget," said Marcel Lauzière, President and CEO of Imagine Canada.

There is an urgent need to enhance the financial sustainability of charities and nonprofits as they respond to growing and changing demand now. Imagine Canada is disappointed that the budget provides no new major cross-cutting initiatives to strengthen the financial sustainability of the sector. "The measures proposed by Imagine Canada, including the Stretch Tax Credit, would have helped address this need for charities across the country at little cost to the federal government," said Lauzière. Imagine Canada will continue to push for the adoption of this important measure.

Millions of Canadians across the country – and countless communities around the world – rely on the services and supports of Canada's charities and nonprofits. The sector, which generates over \$100 billion in economic activity, contributes 7 percent to Canada's GDP.

While the vast majority of charities carry out their activities in an honest, open and accountable manner, Imagine Canada supports the government's desire to empower the Canada Revenue Agency to ensure compliance. "Canada needs a strong and fair regulator to defend the integrity of the system," said Lauzière. "Abuse by a few organizations can tarnish the reputations of charities across the country. At the same time, however, any new measures need to be examined carefully to ensure that they are effective and do not adversely affect the work of charities in good standing." With this in mind, Imagine Canada encourages the federal government to work closely with stakeholders on the implementation of any new measures.

- 30 -

Imagine Canada is a national charitable organization whose cause is Canada's charities and nonprofits. It strengthens the sector's collective voice, acts as a forum and meeting place and creates an environment in which organizations contribute to building stronger communities.