

CITIZENS FOR
PUBLIC JUSTICE



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Budget 2016:

Making Real Change for the Common Good

**Submission to the Standing Committee on Finance Pre-Budget
Consultations**

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Citizens for Public Justice seeks human flourishing and the integrity of creation as our faithful response to God’s call for love and justice.

We envision a world in which individuals, communities, societal institutions, and governments all contribute to and benefit from the common good.

Our mission is to promote public justice in Canada by shaping key public policy debates through research and analysis, publishing, and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God’s call for love, justice, and the flourishing of Creation.

Executive Summary

Citizens for Public Justice (CPJ) is a faith-based organization that works to promote public justice in Canadian federal policy. We believe that the federal government has a moral commitment to develop policy that is grounded in the common good, giving priority to addressing the needs of the most vulnerable in Canadian society and for ensuring that Canada contributes to the well-being of people and the planet.

CPJ makes the following recommendations for the 2016 Federal Budget:

- 1. Take measures to eradicate poverty in Canada.**
 - a. Develop a national anti-poverty plan that includes broad consultation, firm timelines and measures, and public accountability mechanisms.**
 - b. Implement the Canada Child Benefit ensuring that there are no clawbacks or deductions of social assistance or income supports.**

- 2. Implement measures consistent with Canada's climate change goal of limiting global warming to 1.5°C over pre-industrial levels.**
 - a. Immediately eliminate federal subsidies to the fossil fuel industry.**
 - b. Introduce a harmonized carbon tax.**
 - c. Invest in a green economy.**

Recommendation #1 calls for the 2016 Federal Budget to commit to the development and implementation of a national anti-poverty plan, or Canadian Poverty Reduction Strategy, which involves initiation of a consultation process with stakeholders, and includes built-in timelines and targets, measures of progress, and accountability mechanisms. In addition, we expect to see the Canadian Child Benefit (CCB) included in the budget, with provisions established with provinces and territories that there are no clawbacks or deductions of social assistance or other income supports.

Recommendation #2 calls for the 2016 Federal Budget to initiate strong action on climate change through the implementation of measures to reach our stated goal of limiting global warming to 1.5°C over pre-industrial levels. This will include immediately eliminating federal subsidies and tax breaks to the fossil fuel industry, introducing a harmonized tax on carbon, and making strong investments in developing a green economy, which would involve renewable energy investments, clean infrastructure, and green jobs.

Recommendation 1: Take measures to eradicate poverty in Canada.

As [CPJ reported](#) in October 2015, 4.9 million people in Canada live in poverty. That is 14.6% of us, or 1 in 7 people. The impact of poverty is far-reaching, hitting communities hard across Canada. Some groups are hit harder than others. Poverty rates for Indigenous people are at 25.3%, while the national poverty rate for Indigenous children is a staggering 40%. And some First Nations communities are seeing up to 64% child poverty. Meanwhile, poverty rates for single parent-led families and new immigrants are more than double the national rate at 34.5% and 34.2% respectively.

Most provinces have developed or have committed to developing poverty reduction or poverty elimination strategies. More and more municipalities are doing the same. Recently, Edmonton released its [poverty reduction strategy](#), with Mayor Don Iveson setting the goal of ending poverty in his city in a generation. However, the missing partner in the effort to end poverty in Canada has been the federal government.

a. National Anti-Poverty Plan. Citizens for Public Justice has worked in collaboration with social policy, anti-poverty, non-profit and faith-based organizations since 2009 through the [Dignity for All campaign](#) to promote the development and implementation of a comprehensive national anti-poverty plan. We were encouraged to see in the Prime Minister's [mandate letter](#) to Minister Jean-Yves Duclos, Minister of Families, Children and Social Development, a commitment to a Canadian Poverty Reduction Strategy that would "align with and support existing provincial and municipal poverty reduction strategies."

The development of a national anti-poverty plan must start with a consultation process involving stakeholders. The plan must establish clear targets and timelines, along with a commitment for adequate resources and strong accountability mechanisms to ensure the plan's full implementation and evaluation. The [Dignity for All National Anti-Poverty Plan](#) offers a model that can serve as a starting point this discussion.

CPJ recommends that Budget 2016 include the commitment by the federal government to initiate the process for developing a national anti-poverty plan that would be comprehensive in scope, would be legislated, and would include funding allocations.

b. Canada Child Benefit. Further, we are pleased with the federal government's commitment to the new Canada Child Benefit (CCB), which is a strong income security measure that will be an important component to addressing child poverty. It is essential that the CCB is implemented in a way that ensures that those who need it most are able to access the [full benefit](#).

CPJ recommends that in Budget 2016 the federal government implement the CCB and work with provinces and territories to ensure that families living in poverty receive the full benefit. This can be done by establishing provisions that prevent clawbacks for those receiving social assistance or other income support benefits.

Recommendation 2: Implement measures consistent with Canada’s climate change goal of limiting global warming to 1.5°C over pre-industrial levels.

In September 2015, Citizens for Public Justice played a central role in the development of [On Promoting Climate Justice and Ending Poverty in Canada](#). This statement is rooted in a need for “a spiritual and moral, even ecological transformation” and is supported by 65 Canadian churches and faith-based organizations, including the Canadian Council of Churches, which represents over 85% of Canadian Christians. In this statement, faith community leaders call on the Government of Canada to “establish more stringent and ambitious emission targets in Canada by working with all levels of government to put in place a range of policies which could include: a price on carbon emissions, developing and promoting a national renewable energy policy, ending fossil fuel subsidies, and encouraging through public policy the creation of an increasing number of high quality, sustainable jobs in the renewable energy sector.”

Climate change has caused significant challenges to the global community and the earth itself. The adoption of the Paris Agreement by the 195 countries party to the UN Framework Convention on Climate Change in December 2015 signaled a global recognition of the need to change the way humanity structures and sustains the economy.

While Canada’s greenhouse gas emissions reduction target (30% of 2005 levels by 2030) remains the weakest in the G7, Environment Minister Catherine McKenna sent strong signals regarding Canada’s climate action ambition when she declared Canada’s support for limiting global warming to 1.5°C over pre-industrial levels.

At CPJ, we recognize that the development of a strong climate action plan requires the active participation of many stakeholders, and we respect the process that is currently underway with the provinces. We commend the work that has been done in several jurisdictions to reduce GHG emissions, most notably the coal phase-out in Ontario and the BC carbon tax. Still, we believe that it is imperative that the federal government play a strong leadership role. The Government of Canada must build on work that has already been done by setting ambitious goals, establishing concrete measures that will reduce Canada’s GHG emissions, and supporting a just transition to a clean economy.

a. End Subsidies. We were pleased to see a pledge to “fulfill our G20 commitment and phase out subsidies for the fossil fuel industry” in the 2015 Liberal platform. This represents over \$1 billion annual federal subsidies and special tax breaks to the Canadian fossil fuel industry that, contrary to our stated climate change goals, encourages the exploration, development, refining, and export of oil, coal, and gas.

CPJ recommends that Budget 2016 include the immediate elimination of federal subsidies to the fossil fuel industry.

b. Price Carbon. While several measures would aid the process of decarbonization, what is most urgently needed is a price on carbon. BC, Quebec, Alberta, Ontario, and Manitoba have

already set a price, or are in the process of pricing carbon, through various mechanisms. Even the large oil and gas companies have expressed their support for a predictable price on their product.

CPJ recommends that Budget 2016 include the introduction of a harmonized carbon tax set at a starting rate of at least \$30/tonne of GHG emissions and a commitment to increase it over time to a level consistent with limiting temperature increases to 1.5°C. Such a measure would generate about \$15 billion per year in government revenues.

c. Invest in a green economy. The federal government has expressed a clear intent to invest in depleted infrastructure across the country, and it has the opportunity to do so in a way that meets the service needs of communities, while simultaneously addressing economic and environmental challenges. Research by the [Green Economy Network](#) indicates that “by investing up to 5% of the annual federal budget in renewable energy, energy efficiency, and public transportation, over five years Canada could create one million new jobs while reducing our annual greenhouse gas emissions by 25 to 35%.”

CPJ recommends that Budget 2016 include significant investments to put Canada on a course to 100% renewable energy by 2050 in keeping with our COP 21 commitments.