

CITIZENS FOR
PUBLIC JUSTICE



309 Cooper St., Suite 501
Ottawa, Ontario K2P 0G5

Budget 2017: **Delivering the Promise of Justice**

Submission to the Standing Committee on Finance Pre-Budget Consultations
August 2016

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) believes that the Government of Canada must act on its commitments and develop policy that is grounded in the common good. We encourage the government to take a holistic perspective in the preparation of Budget 2017 – one that addresses the needs of the most vulnerable in Canadian society and contributes to the well-being of both people and the planet.

Canada is among the seven wealthiest countries in the world; yet 1 in 7 Canadians live in poverty.¹ Fortunately, the Minister of Families, Children and Social Development has been mandated to develop and implement a Canadian Poverty Reduction Strategy. A federal plan is essential to addressing poverty and its contributing factors.

Canada ranks 3rd among OECD countries in per capita emissions² of greenhouse gases (GHGs), and these emissions are *rising*, contributing to global climate change. The Minister of the Environment and Climate Change is currently developing a pan-Canadian Climate Action Plan. An ambitious plan is imperative to fulfil Canada's commitment to the Paris Agreement on climate change.

CPJ's recommendations for Budget 2017:

1. Develop and implement a comprehensive National Anti-Poverty Plan.
2. Create a National Housing Strategy with not less than \$2 billion per year in new funding.
3. Shift to a low-carbon economy through a just transition of the Canadian economy from fossil fuels to renewables.
4. Partner with First Nations, Métis, and Inuit governments and organizations to develop focussed Indigenous infrastructure development strategies.

¹ CPJ, *On the Margins: A Glimpse of Poverty in Canada* (October 2015); cpi.ca/sites/default/files/docs/files/OnTheMargins.pdf

² OECD.Stat, "Greenhouse Gas Emissions" (2014); https://stats.oecd.org/Index.aspx?DataSetCode=AIR_GHG.

CPJ Budget 2017 Recommendations

Recommendation 1

Develop and implement a comprehensive National Anti-Poverty Plan through broad, meaningful consultation that includes accountability measures and mechanisms, is legislated, and is fully funded.³

Poverty marginalizes 4.9 million people in Canada, excluding them from full participation in society. The impact on their individual lives is devastating, and the ripple effects often damage entire communities.

The government must develop a national plan that reflects the voices and complex needs of those living the reality of poverty, as well as the perspectives of those active in efforts to end poverty in Canada.

The Dignity for All campaign, which CPJ co-leads, has developed a model National Anti-Poverty Plan for Canada⁴ based on years of extensive consultation and collaboration with social policy, anti-poverty, and faith-based organizations. It outlines a comprehensive national strategy that includes six inter-connected policy areas:

- **Income security:** Includes the Canada Child Benefit (indexed), Employment Insurance reform that expands eligibility, and improvements to Old Age Security and Guaranteed Income Supplement;
- **Housing/homelessness:** Includes a National Housing Strategy and funding for infrastructure development in Indigenous communities, particularly safe housing and improved water quality;
- **Health:** Includes negotiating a new ten-year health accord and a National Pharmacare program;
- **Food security:** Includes a National Right to Food Policy and improvements to Nutrition North;
- **Jobs and employment:** Includes national minimum wage standards that reflect a living wage, reinstating the federal minimum wage to \$15/hour, and funding for Indigenous education, skills training in renewable energy, and economic development; and
- **Early childhood education and care:** Includes a national childcare program that is universal, publicly funded, high quality, and regulated.

CPJ calls for a national plan that is accountable, with mechanisms in place to measure success. Legislating the plan would ensure that it is not ignored or vulnerable to changing governments. It would also allow Canada to address our own Charter of Rights, as well as our international legal obligations.

³ Poverty policy costing is outlined in the 2016 Alternative Federal Budget (CPJ is a contributor): www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/03/AFB2016_Main_Document.pdf. An initial \$15 billion funding commitment for the CPRS would include action on housing, childcare, health, income security, food security and employment supports. Some of these funds have already been committed to the Canada Child Benefit, affordable housing, and EI reform.

⁴ *Dignity for All: A National Anti-Poverty Plan for Canada* (February 2015); www.dignityforall.ca/sites/default/files/docs/DignityForAll_Report-English-FINAL.pdf

Recommendation 2

Create a National Housing Strategy that has clear goals, timelines, and monitoring provisions, and that is supported by legislation and funding of not less than \$2 billion per year in new funding (matched by provinces and territories).

Increasing numbers of people in Canada are spending 50% or more of their income on housing,⁵ while many others are experiencing periods of homelessness or housing insecurity. People who are already vulnerable, such as those who are unemployed, low-waged, disabled, newcomers, members of single-parent families, Indigenous peoples, or seniors, are often those most affected. CPJ is particularly concerned that refugees and refugee claimants are adequately housed as they face the multiple challenges of settlement.

We applaud the federal government's commitment to invest \$2.3 billion in affordable housing over two years, and their plan to consult with stakeholders to develop a National Housing Strategy. However, increased and long-term funding of \$2 billion per year are needed for improvements to existing housing and additional developments to meet the current need.

In order to minimize energy costs this strategy should also include provisions for energy efficiency retrofits for existing low income housing, while also ensuring that new units are energy efficient.

Recommendation 3

Shift to a low-carbon economy through a just transition of the Canadian economy from fossil fuels to renewables.

Climate change is causing food insecurity, degraded environmental services, damaged infrastructure, poorer human health, lost economic opportunities, and forced relocation in Canada and internationally.⁶

The principles of a just transition are that "the burden of change that benefits everyone will not be placed disproportionately on a few; ... those most vulnerable to change will be protected; ... [and] the process of change will increase social justice for workers, women, the poor, and all oppressed groups."⁷ CPJ therefore calls for:

- a. Significant investments⁸ in renewable energy technologies (such as wind, solar, geothermal, tidal, biomass, and micro-hydro), energy efficiency, and public transportation.⁹**

Investments in renewables, energy efficiency, and transit would create more diverse, well-paying jobs, reduce GHG emissions, enhance Canada's competitiveness in international clean energy markets, and ease the move from the boom and bust pattern of natural resource development.

⁵ Housing Rental Index; rentalhousingindex.ca and Raising the Roof, *Beyond Housing First: A Holistic Response to Homelessness in Canada* (2015); homelesshub.ca/sites/default/files/2015_HousingFirstReport_EN-WEB.pdf.

⁶ IPCC's Working Group II on Impacts, Adaptation, and Vulnerability (2014); www.ipcc.ch/pdf/assessment-report/ar5/wg2/ar5_wgii_spm_en.pdf.

⁷ Labor Network for Sustainability, "A Just Transition" (N.D.); www.labor4sustainability.org/post/a-just-transition.

⁸ Over the next five years: **\$1.35 billion** in renewable energy technologies, **\$1.8 billion** in energy efficiency, and **\$9 billion** in public transportation. Detailed allocations in the 2016 Alternative Federal Budget and Green Budget Coalition recommendations.

⁹ Additional climate action recommendations in: *A Public Justice Vision for Canada's Climate Action Plan: Submission to Environment and Climate Change Canada* (June 1, 2016); cpi.ca/public-justice-climate.

Investing immediately is the lowest-cost option. The Organization for Economic Cooperation and Development estimates that every dollar we fail to invest in clean energy now will cost us more than four dollars after 2020.¹⁰

b. Corresponding funding for skills development and retraining programs and for job creation for energy workers and vulnerable populations in renewable energy, energy efficiency, building retrofits, green manufacturing, and public transit.

A just transition requires income supports, advanced skills retraining opportunities, apprenticeships, and social supports both to move workers and their families from traditional energy, manufacturing, and forestry sectors and integrate marginalized groups into the new, low-carbon economy.^{11, 12}

Research by the Green Economy Network indicates that “by investing up to 5 per cent 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 GHG emissions by 25 to 35 per cent.”¹³

c. The immediate elimination of all subsidies to the fossil fuel sector and implementation of a coordinated carbon tax of at least \$30/tonne CO₂ eq, with planned regular increases to at least \$160 by 2030.

Canadians currently emit CO₂ “free of charge,” without any accounting for the cost of carbon pollution in the consumer price of products and services.¹⁴ And, the federal government provides over \$2.1 billion annually in subsidies to the oil and gas sector,¹⁵ which encourage fossil fuels development. This spending is contrary to Canada’s Paris Agreement commitments and the health and well-being of Canadians.

Not only does a carbon price provide a source of revenue to government, but it drives sustainable innovation and ensures that both businesses and consumers make more efficient use of our resources.

CPJ recommends a carbon price that is economy-wide and coordinated across Canada (otherwise, carbon-intensive sectors will have an advantage over low-carbon producers¹⁶) and high enough to achieve emissions reductions. The income from a carbon tax should be divided equally between carbon tax rebates to low-income families to help cover the carbon tax’s impact, and funding for programs that will reduce Canada’s GHG emissions.

¹⁰ The Organisation for Economic Co-operation and Development and the International Energy Agency, *OECD Green Growth Studies: Energy* (2011); www.oecd.org/greengrowth/greening-energy/49157219.pdf

¹¹ CCPA, “Making a Just Transition,” (January 2015); www.policyalternatives.ca/publications/commentary/making-just-transition#sthash.RKWkEyEH.dpuf.

¹² CCPA BC Office, “Just Transition: Creating a green social contract for BC’s resource workers,” (January 2015); www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2015/01/ccpa-bc_JustTransition_web.pdf.

¹³ Green Economy Network: One Million Climate Jobs; greeneconomynet.ca.

¹⁴ Macleans, “Econ 101: What you need to know about carbon taxes and cap-and-trade,” (September 2012); www.macleans.ca/economy/business/why-the-difference-between-carbon-taxes-and-cap-and-trade-isnt-as-important-as-you-think.

¹⁵ Including indirect subsidies like income tax cuts and royalty tax programs. Oil Change International and Overseas Development Institute (ODI), “G20 subsidies to oil, gas and coal production: Canada,” (November 2015); <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9988.pdf>.

¹⁶ Ecojustice, “Essentials of a Carbon Tax for Canada,” (2015); www.ecojustice.ca/wp-content/uploads/2015/01/Essentials-of-a-Carbon-Tax-for-Canada.pdf.

Recommendation 4

Partner with First Nations, Métis, and Inuit governments and organizations to develop focussed Indigenous infrastructure development strategies that are responsive to the unique needs of Indigenous communities (on and off reserve and in Inuit and northern contexts).

CPJ calls on the federal government to dedicate immediate funding to address safe housing, water quality, and education, and also in resilient infrastructure in areas vulnerable to melting permafrost and rising sea levels and upgrades to emergency preparedness and response systems.

The federal government has made a commitment to invest \$8.37 billion over five years in Indigenous communities. This includes \$3.5 billion for investments in green and social infrastructure, including housing, water systems, health facilities, childcare facilities, community buildings, and shelters for those escaping violence. This has been considered a “significant first step” by some, as it has increased overall investments, along with a commitment to eliminate the 2% funding cap.¹⁷

Immediate infrastructure development strategies can go part of the way in addressing the Truth and Reconciliation Commission Calls to Action focussed on improving child welfare, education, and health outcomes in Indigenous communities.¹⁸

Over the next five years, an additional \$500 million per year (\$2.5 billion total) are needed for Indigenous education, skills training, and economic development to enable Inuit, First Nations, and Métis peoples to fully participate in employment and economic development opportunities. A further \$250 million per year are required for investments in ecosystems that function as natural infrastructure¹⁹ and \$514 million per year should be provided to Indigenous and Northern Affairs Canada (INAC) for First Nations green infrastructure.²⁰

¹⁷ Assembly of First Nations statement (March 22, 2016); www.afn.ca/en/news-media/latest-news/16-3-22-afn-national-chief-says-federal-budget-a-significant-step-in-c.

¹⁸ Truth and Reconciliation Commission of Canada: Calls to Action (2015); www.trc.ca/websites/trcinstitution/File/2015/Findings/Calls_to_Action_English2.pdf.

¹⁹ Green Budget Coalition, “Recommendations for Budget 2016: Infrastructure and Climate Change Adaptation,” (2016); greenbudget.ca/wp-content/uploads/2016/01/GBC-Infrastructure-and-Climate.pdf.

²⁰ Green Budget Coalition, “Recommendations for Budget 2016: Green Infrastructure for First Nations Communities,” (2016); greenbudget.ca/wp-content/uploads/2016/01/GBC-FN-Infra.pdf.

Citizens for Public Justice

Faith | Justice | Politics

501-309 Cooper Street, Ottawa, ON K2P 0G5

cpj@cpj.ca

facebook.com/citizensforpublicjustice

twitter.com/publicjustice

T: 1.800.667.8046, 613.232.0275

www.cpj.ca