

CITIZENS FOR
PUBLIC JUSTICE



CITOYENS POUR
UNE POLITIQUE JUSTE

Seeing inequity, climate change, and systemic barriers through a public justice lens

Submission to the Standing Committee
on Finance Pre-Budget Consultations

August 2024

Summary of Recommendations

1. Implement an extreme wealth tax.
2. Increase the inclusion rate for capital gains to 100% and adjust the capital purchase price for inflation.
3. End the preferential tax treatment of Real Estate Investment Trusts.
4. End all forms of public subsidies to fossil fuel companies and reallocate public funds towards electrifying the energy grid and investing in sustainable transit solutions.
5. Implement an excess profit tax on polluters in the oil and gas sector.
6. Invest in the creation of one million new non-market and co-op housing units over the next decade.
7. Redesign and expand the Public Land Acquisition Fund to increase non-market, affordable rental housing.
8. Implement a Homeless Prevention and Housing Benefit for households experiencing chronic homelessness and those at risk of homelessness.
9. Housing - Indigenous specific
10. End various First-Time Home Buyers' initiatives.
11. Immediately implement CERB repayment amnesty for people with low-income and deliver all income support withheld while waiting for CERB repayment.
12. Adequately fund the Canada Disability Benefit to lift people with disabilities out of poverty and expand eligibility beyond the proposed Disability Tax Credit.
13. Expand eligibility for the Canada Child Benefit.
14. Implement a Canada Child Benefit End of Poverty Supplement (CCB-EndPov) targeted to families in deep poverty.
15. Develop a framework for a federal guaranteed livable income.
16. Create accessible pathways to permanent residency for undocumented migrants.
17. Implement a comprehensive community-based plan to address the housing and settlement needs of refugee claimants.
18. Transition to open work permits for migrant workers.
19. Reallocate funds from immigration detention towards community-based alternatives to detention.
20. Incentivize Heat Pumps and Home Energy Retrofits for Low-Income Canadians
21. Fund a Youth Climate Corps with a Jobs Guarantee in the Green Economy
22. Prioritize Funding for Transit Operations
23. Invest in a just and sustainable transition that supports workers and communities.
24. Invest more in climate adaptation and mitigation measures internationally.

Introduction

Citizens for Public Justice (CPJ) is a national charitable organization “inspired by faith to act for justice.” We apply intersectional, rights-based approaches to federal policy research, public education, and advocacy related to poverty in Canada, refugee and migrant rights, and climate justice.

This pre-budget consultation occurs during a looming federal election and multiple crises in affordability, health care, and climate change. Fortunately, there are equitable, humane, and evidence-based solutions which can generate revenue and savings for reinvestment in our collective well-being.

Budget Recommendations

Generate needed revenue while addressing inequity and climate change

Tax policies that prioritize people and the environment over personal and corporate profits are essential for combating wealth inequality and ensuring that wealthy corporations and individuals contribute fairly to the public good.

1. Implement an extreme wealth tax of 1% on net wealth over \$10 million, 2% on net wealth over \$50 million, and 3% on net wealth over \$100 million, combined with steep exit taxes so that the wealthiest can't avoid the tax by leaving the country. This tax would not apply to 99.5% of the population.
2. Treat capital gains like worker incomes. Increase the inclusion rate for capital gains to 100% and adjust the capital purchase price for inflation. Over half of capital gains accrue to those with the highest 1% of incomes.
3. End the preferential tax treatment of Real Estate Investment Trusts.
4. End all forms of public subsidies to fossil fuel companies, including those extended to crown corporations, and reallocate public funds towards electrifying the energy grid and investing in sustainable transit solutions.
5. Implement a one-time windfall profits tax of 15% to taxable income over \$1 billion in the oil and gas sector in 2022, similar to the Canada Recovery Dividend that was applied to the banking sector.

Uphold people's right to an adequate standard of living

Canada should prioritize investments in areas that close wealth and health gaps, ensuring an adequate standard of living for all. Such investments in income supports, housing, health, infrastructure, and employment consistently lead to downstream savings.

6. Invest in the creation of one million new non-market and co-op housing units over the next decade through low-interest, long-amortization loan financing for a minimum of 100,000 non-

market homes per year on a cost-recovery basis. 50,000 should be targeted for those experiencing core housing need and homelessness and have rents permanently set at no more than 30% of household income.

7. Redesign and expand the Public Land Acquisition Fund, investing \$10 billion to bring more private land into public ownership for the construction of non-market, affordable rental housing.
8. Implement a Homeless Prevention and Housing Benefit for households experiencing chronic homelessness and those at risk of homelessness.
9. Close the gap on Indigenous housing by investing \$3 billion per year into the Urban, Rural and Northern Indigenous Housing Strategy.
10. End various First-Time Home Buyers' initiatives.
11. Immediately implement CERB repayment amnesty for people with low-income and deliver all income support withheld while waiting for CERB repayment.
12. Adequately fund the Canada Disability Benefit to lift people with disabilities out of poverty and expand eligibility beyond the proposed Disability Tax Credit to include anyone enrolled in an existing disability income support program.
13. Expand eligibility for the Canada Child Benefit (CCB). Repeal s.122.6(e) of the Income Tax Act that ties eligibility of the CCB to immigration status; enable different government agencies to share information required for access to benefits, such as birth certificates; and expand the circle of people able to attest to residency, and ensure that kinship, customary care, and families caring for children outside a formal care arrangement have access to the CCB.
14. Implement a Canada Child Benefit End of Poverty Supplement (CCB-EndPov) targeted to families in deep poverty.
15. Develop a framework for a federal guaranteed livable income.

Addressing systemic barriers facing refugees and migrants

16. Create accessible pathways to permanent residency for undocumented migrants.

The federal government has delayed implementing a regularization program for undocumented migrants to apply for permanent resident status. These migrants are integral to Canadian communities, often having lost their temporary authorization unknowingly or due to fraudulent immigration consultants. Regularization offers economic and humanitarian benefits, reducing the threat of deportation, exploitation, and lack of access to essential services like health care. It also enhances wages, productivity, purchasing power, and tax contributions. The federal government should implement a regularization plan aligned with the Migrant Rights Network's proposals.¹

¹ "Regularization in Canada" at <https://migrantrights.ca/wp-content/uploads/2022/07/MRN-Brief-Regularization-July-2022.pdf>

17. Implement a comprehensive community-based plan to address the housing and settlement needs of refugee claimants.

The Federal Government's sporadic and inadequate funding fails to provide sufficient housing or settlement support for the increasing number of asylum claims, leaving many racialized asylum seekers vulnerable to homelessness and exploitation. The government must end its deadly negligence and work with civil society organizations to implement a comprehensive plan for timely and adequate support for refugees.

18. Transition to open work permits for migrant workers.

Canada increasingly relies on low-wage migrant workers through the Temporary Foreign Worker Program. These workers often receive employer-specific work permits, limiting their labor mobility within the country. A senate committee study on temporary migrant workers highlights that the inability to change employers has denied migrant workers basic workplace rights, and has given way to a power imbalance that facilitates rampant abuse.² Addressing this acute power imbalance necessitates transitioning to open work permits, consistent with the Open Work Permits Now Campaign.³

19. Reallocate funds from immigration detention towards community-based alternatives.

We recommend that the federal government shift from costly carceral solutions for immigration detention to alternatives to detention (ATDs). The 2024 Federal Budget includes amendments to the Corrections and Conditional Release Act and the Immigration and Refugee Protection Act that would allow federal penitentiaries to hold immigration detainees. Civil society organizations have raised concerns, stating this proposal contradicts Canada's human rights obligations and reverses progress made by all 10 provinces canceling their immigration detention contracts with the CBSA between 2022 and 2023. Immigration detention violates the rights of predominantly racialized and/or psychosocially disabled detainees, with most detentions justified by CBSA due to "flight risk." ATDs, like temporary community-based housing and legal aid, can address this concern while upholding immigrants' and refugees' rights.

Upholding Canada's Climate Commitments

20. Incentivize Heat Pumps and Deep Energy Retrofits for Low-Income Canadians.

Heat pumps and deep energy retrofits, such as upgrading insulation, sealing leaks, and installing energy-efficient windows and doors, can each reduce household energy consumption by up to

² The Standing Committee on Social Affairs, Science and Technology, "Act Now: Solutions for Temporary and Migrant Labour in Canada," <https://sencanada.ca/en/info-page/parl-44-1/soci-temporary-and-migrant-labour/>

³ "Open Work Permits Now Declaration" at <https://www.openworknow.ca/>

50% and provide green job opportunities.^{4 5} This not only lowers energy bills for low-income families but also contributes to national GHG emission reduction targets, with buildings accounting for about 18% of Canada's total emissions.⁶

21. Fund a Youth Climate Corps with a Jobs Guarantee in the Green Economy.

The transition to a low-carbon economy could create up to 24 million jobs globally by 2030.⁷ As of April 2024, the unemployment rate for young people aged 15-24 in Canada was approximately 12.8%,⁸ compared to the national unemployment rate of around 6.1%.⁹ Investing in training and employment programs for youth aligns with the principles of a just transition for workers laid out in the sustainable jobs act.

22. Prioritize Funding for Transit Operations.

To address the public transit "death spiral," it is crucial to prioritize funding for transit operations rather than purchasing new equipment. Studies show that every dollar invested in public transit operations generates about \$4 in economic benefits.¹⁰ This includes reduced transportation costs, increased access to employment and education, and enhanced public health through decreased air pollution and fewer private vehicle collisions.¹¹ Improved transit accessibility also leads to higher employment rates and better educational outcomes for marginalized

⁴ U.S. Department of Energy, "Pump Up Your Savings with Heat Pumps," <https://www.energy.gov/articles/pump-your-savings-heat-pumps>.

⁵ American Council for an Energy-Efficient Economy, "Residential Deep Energy Retrofits," <https://www.aceee.org/sites/default/files/publications/researchreports/a1401.pdf>.

⁶ Government of Canada, "Annex: Homes and Buildings," <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/healthy-environment-healthy-economy/annex-homes-buildings.html>

⁷ International Labour Organization, "24 Million Jobs to Open Up in the Green Economy," <https://www.ilo.org/resource/news/24-million-jobs-open-green-economy-0>.

⁸ Statistics Canada, "Snapshot of Employment Among Youth in Canada," <https://www.statcan.gc.ca/o1/en/plus/6351-snapshot-employment-among-youth-canada>.

⁹ Statistics Canada, "Unemployment Rate Unchanged at 6.1% in April," <https://www150.statcan.gc.ca/n1/daily-quotidien/240510/dq240510a-eng.htm>.

¹⁰ American Public Transportation Association, "Transit Facts," <https://www.publictransportation.org/transit-facts/#:~>

=PUBLIC%20TRANSPORTATION%20HAS%20A%20POSITIVE,million%20in%20increased%20business%20sales.

¹¹ Canadian Urban Transit Association, "The Economic Impact of Transit Investment in Canada," chrome-extension://efaidnbmninnbpcjpcglclefindmkaj/https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf.

communities.¹² In Canada, current public transit services reduce net GHG emissions by between 6.1 and 14.3 megatonnes annually, which is equivalent to taking three million cars off the road.¹³

23. Invest in a just and sustainable transition that supports workers and communities.

Allocating \$2 billion to the "Futures Fund" initiative is essential for promoting economic diversification and clean energy development, ensuring a just transition in fossil fuel-dependent provinces.¹⁴ This investment establishes a foundation for a fair, inclusive, low-carbon economy that upholds the rights of workers and communities in fossil fuel-dependent regions, addresses historical and current inequities, and emphasizes social protection.

24. Invest more in climate adaptation and mitigation measures internationally.

Canada must commit \$1.8 billion annually to gender-responsive, community-led, and grant-based funding for global mitigation and adaptation efforts in the Global South.¹⁵ This is a crucial step towards aligning Canada's emissions reduction initiatives with its fair share of global climate finance contributions based on the country's significant historical emissions and high per capita emissions rate.¹⁶ Strengthening Canada's inadequate financial pledge to the UN's Global Loss and Damage Fund is essential for maintaining Canada's climate leadership internationally.¹⁷

¹² Urban Institute, "Driving to Opportunity: Understanding the Links among Transportation Access, Residential Outcomes, and Economic Opportunity for Housing Voucher Recipients," chrome-extension://efaidnbmnribpcajpcglclefindmkaj/https://www.urban.org/sites/default/files/publication/22461/413078-Driving-to-Opportunity-Understanding-the-Links-among-Transportation-Access-Residential-Outcomes-and-Economic-Opportunity-for-Housing-Voucher-Recipients.PDF.

¹³ Canadian Urban Transit Association, "The GHG Reduction Impact of Public Transit," chrome-extension://efaidnbmnribpcajpcglclefindmkaj/https://cutaactu.ca/wp-content/uploads/2021/01/issue_paper_52_-_the_ghg_reduction_impact_of_public_transit.pdf.

¹⁴ Liberal Party of Canada. "Ensuring Workers and Communities Prosper as We Move to Net-Zero." <https://liberal.ca/our-platform/ensuring-workers-and-communities-prosper-as-we-move-to-net-zero/>.

¹⁵ AidWatch Canada. "Corrected December 2019 Climate Report." December 2019. PDF file. <https://aidwatchcanada.ca/wp-content/uploads/2019/12/Corrected-December-2019-Climate-Report.pdf>.

¹⁶ Climate Action Network Canada. "Canada's Fair Share Towards Limiting Global Warming to 1.5°C." <https://climateactionnetwork.ca/resource/canadas-fair-share-towards-limiting-global-warming-to-1-5c/>.

¹⁷ Rana, Uday. "Canada's \$16M COP28 climate aid may last 'less than an hour' in a crisis: experts." Global News, 1 December 2023, <https://globalnews.ca/news/10142353/canada-cop28-climate-aid-damage-fund/>.