

Pre-Budget Submission

Citizens for Public Justice

August 2023

Summary of Recommendations

1. Add rights-based conditions to the Canada Social Transfer.
2. Implement a wealth tax & restore corporate income tax rates.
3. Curb the financialization of housing through investments & regulatory controls:
 - a. End the preferential tax treatment of Real Estate Investment Trusts;
 - b. End various first-time home-buyer incentives;
 - c. Demonstrate strong federal leadership in implementing rent controls and tenant protections from renovictions and demovictions;
 - d. Make critical investments to acquire and build truly affordable, accessible, supportive non-market housing units with a goal of occupying 30% of the rental housing market.
4. Immediately implement CERB repayment amnesty for people with low-income.
5. Adequately fund the Canada Disability Benefit in 2023 to lift people with disabilities out of poverty.
6. Expand eligibility and enhance the adequacy of the Canada Child Benefit.
7. Allocate more funding towards access to healthcare for refugees and migrants.
8. Provide more funding for shelter and affordable housing for refugees and migrants.
9. Reallocate funds from immigration detention, towards community-based alternatives to detention.
10. End all forms of public subsidies for all fossil fuel companies.
11. Provide funding in the amount of two billion dollars for the “Futures Fund” program.
12. Invest more in climate adaptation and mitigation measures internationally.

Introduction

Canada prides itself on being a world leader in human rights, sustainable practices, multiculturalism, and gender equality. In 2022, Prime Minister Trudeau was named Co-Chair of the Sustainable Development Goals Advocates group, stating,

“The Sustainable Development Goals are a path forward for Canada and the world that leaves no one behind. As co-chair of the SDG Advocates group, I look forward to rallying countries, governments, the private sector, and others, to come together to accelerate our progress and continue to raise our voices - and our ambition - on the way to 2030.”

The Rt. Hon. Justin Trudeau, Prime Minister of Canada¹

Leaving no one behind requires Canada to prioritize investments and regulatory controls in line with its human rights obligations, treaty agreements, and international climate and development commitments. Article 2 of the International Covenant on Economic, Social, and Cultural Rights (ICESCR) outlines governments' obligations to progressively realize these rights by utilizing the maximum of their available resources and avoiding any form of discrimination (article 2). Obligations related to ICESCR go beyond spending alone; ESC rights should be given due priority, and the money allocated to these areas must be spent efficiently, effectively and in full.

For Canada, this means targeted investments and regulatory controls that **address longstanding inequities and cultivate corporate and public accountability**, to ensure a **coordinated, coherent path to shared rights, well-being, and resilience**.

Citizens for Public Justice (CPJ) calls on the federal government to build on the success of existing policies and programs to ensure all people, and all of creation in Canada have equal opportunity to thrive. Our rights and well-being are bound up together, and we know that investing in a strong social safety net and a healthy environment is money well spent, with economic, social, and health benefits, as well as downstream savings.

At this time of civil and political polarization, affordability and housing crises, wildfires and flooding, and halfway to the Agenda 2030 deadline, now is not the time for austerity measures. We implore you to advance rights-based policy and budgetary decisions that will contribute to building a more just and sustainable society.

¹ “Prime Minister to co-chair the United Nations Sustainable Development Goals Advocates group,” Prime Minister’s Office, April 6, 2022.
<https://www.pm.gc.ca/en/news/news-releases/2022/04/06/prime-minister-co-chair-united-nations-sustainable-development-goals>

Budget Recommendations

Upholding the Right to an Adequate Standard of Living

1. Add rights-based conditions to the Canada Social Transfer.

Bind CST funding to minimum standards, including support for publicly owned and delivered services, and conditions that ensure income supplements (e.g., Child Support Payments, Child Disability Benefit, child related Employment Insurance benefits and the Canada Disability Benefit) are not deducted from provincial/territorial social assistance.

2. Implement a wealth tax & restore corporate income tax rates.

Curb the influence of extreme wealth, mitigate inequity, and fund critical investments through a progressive tax beginning on net worth over \$10 million, as proposed in the Canadian Centre for Policy Alternatives' Alternative Federal Budget,² and by restoring the federal corporate income tax rate to 20%.

3. Curb the financialization of housing through investments & regulatory controls.

The right to housing requires all levels of government to create the conditions in which all people can access adequate housing, both through investments and regulatory controls. Our current housing crisis is a result of earlier government divestments in affordable housing, compounded by decreased rent controls and tenant protections, and increasing gaps between income assistance and the actual cost of living. The increasing financialization of housing, which treats housing primarily as an investment product rather than a place to live, is also rapidly removing affordable units from the market while generating huge profits for shareholders - tax-free, in the case of Real Estate Investment Trusts (REITs).

Investments in affordable housing and wraparound supports for people experiencing inadequate or precarious housing or homelessness have been demonstrated to provide huge downstream savings. Stable, adequate housing is a foundation on which people build their physical, mental, and economic well-being and is critical to enjoying interrelated rights to an adequate standard of living.

CPJ calls for:

- a. an end to the preferential tax treatment of REITs;
- b. ending various first-time home-buyer incentives, which only serve to inflate the housing market;

² Alternative Federal Budget 2023, <https://drive.google.com/file/d/1r3QPHZwxCUYZkOUBOnKJ4WuST315h1PJ/view>

- c. strong federal leadership in implementing rent controls and tenant protections from renovictions and demovictions; and
- d. critical investments to acquire and build truly affordable, accessible, supportive non-market housing units with a goal of occupying 30% of the rental housing market.

Investments and regulatory controls should prioritize delivering truly affordable, accessible, adequate housing with wrap-around supports to those in greatest need. Distinct strategies and funding are needed for urban and rural Indigenous populations, women and gender diverse people, people with disabilities, racialized people, and people who are 2SLGBTQ+.

4. Immediately implement CERB repayment amnesty for people with low-income.

Many people with low-income being served repayment notices were forced to apply because provincial social assistance policies required it, and/or social workers instructed them to apply. Others applied only to discover later that their forms of income and/or proof of income were ineligible. Requiring people with low incomes to repay CERB with money they simply do not have is ineffective, inefficient, and in contradiction of Canada's human rights obligations.

5. Adequately fund the Canada Disability Benefit in 2023 to lift people with disabilities out of poverty.

Three years ago, the federal government promised a Canada Disability Benefit, recognizing the disproportionate rates of poverty among people with disabilities. While Bill C-22 was passed in June 2023, current engagement timelines released in July 2023 suggest the benefit will not be designed before well into 2024. It is imperative that funding be ready in Budget 2024 to deliver this critical benefit as soon as the regulations have been finalized, using CFLIM-AT low-income thresholds as a minimum standard.

6. Expand eligibility and enhance the adequacy of the Canada Child Benefit.

The CCB is a pillar of Canada's poverty reduction efforts, but current eligibility criteria arbitrarily exclude many of those in greatest need from receiving this critical support. To bring these policies inline with human rights obligations, the government should 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 caregivers to access 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.

CPJ also echoes calls from partners at Campaign 2000 and the Canadian Centre for

Reallocating Funds to Uphold the Rights of Refugees and Migrants

7. Allocate more funding towards access to healthcare for refugees and migrants.

Thousands of refugees and migrants face barriers to accessing healthcare based on their immigration status. One of the main barriers is that provincial eligibility requirements for accessing public health care coverage often exclude migrants based on immigration and employment status (including while they are in between immigration applications). While this is largely a prerogative of provinces, the federal government could support by allocating additional funding, conditional on the fact that provinces expand their eligibility requirements to include all migrants, for the entire duration of their stay in Canada. While economic considerations should not supersede human rights obligations, it is important to note that many of the migrant workers who are actively excluded from health care coverage have been key contributors to Canada's economic growth and post-pandemic recovery – while being excluded from essential rights and services.

8. Provide continued funding for temporary housing for asylum seekers.

As advocates and organizations working across the US-Canada border have highlighted, the additional protocol to the US-Canada Safe Third Country Agreement, put into effect in March 2023, has exacerbated the barriers that refugee claimants face in Canada. Notably, with the removal of temporary housing for refugee claimants near the border, provided while they awaited the results of their hearings, shelters in cities like Toronto, Montreal, and Ottawa have faced overcapacity. The Federal Government must invest in ongoing, sustainable, and comprehensive responses to fill these gaps, including through continued funding to organizations that are responding to critical needs on the ground.

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

Almost all Canadian provinces who hold migrants in provincial correctional facilities have given their cancellation notice for their immigration detention contracts with Canada Border Services Agency (CBSA) within the last two years. Immigration detention is punitive in nature, violates the human rights of refugees and migrants, and has long-lasting detrimental effects. Given Canada's human rights commitments, the Federal Government should lead the way towards a human rights-based approach. Funds that had been directed towards detaining migrants in provincial jails should be reallocated

³ Ibid.

towards community-based alternatives to detention. The vast majority of immigration detentions are justified by CBSA on the grounds of “flight risk” – a concern that individuals will not show up to their immigration hearing. Other forms of support, such as temporary housing and legal aid can more adequately address their needs.

Upholding Canada’s Climate Commitments

10. End all forms of public subsidies for all fossil fuel companies.

All forms of public subsidies to fossil fuel companies, including those to crown corporations, exacerbate the climate crisis by promoting wasteful fossil fuel consumption, and undermining efforts to combat global heating. In 2022 alone, the Export Development Canada (EDC) is estimated to have provided about \$19 billion in financing for fossil fuels through commercially viable loans, which the recent Inefficient Fossil Fuel Subsidies Guidelines does not classify as a subsidy.⁴ Instead of bolstering the fossil fuel industry, Canada's public funds should be redirected towards electrifying our energy grid and investing in sustainable transit solutions.

11. Provide funding in the amount of two billion dollars for the “Futures Fund” program.

The “Futures Fund” program is a vital initiative aimed at supporting economic diversification and clean energy development in Alberta, Saskatchewan, and Newfoundland and Labrador. While the government has made promises regarding this fund, it has not yet been allocated in the budget. Investing in this program will not only foster regional economic growth but also pave the way for a sustainable energy future for these provinces, aligning with Canada's broader climate goals.

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

Canada's recent boost in climate finance for 2021-2026 is commendable. However, given our nation's substantial historical emissions and high per capita emissions rate, there's a pressing need for deeper commitment. It is a matter of justice for Canada to lead the world in channeling more resources into addressing loss and damage, enhancing climate readiness, and bolstering community resilience in regions most vulnerable to the climate crisis.

⁴ Inefficient Fossil Fuel Subsidies Government of Canada – Guidelines, <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/inefficient-fossil-fuel-subsidies/guidelines.html>