House of Commons
Chambre des communes
Canada

**House of Commons Standing Committee on Finance – Pre-budget Consultations 2013**

**This brief is submitted by:**

(●) **an organization** **Organization name:** Citizens for Public Justice Ottawa, ON 613-232-0275

**or**

( ) **an individual** **Name:** _____

**Topic:** Children, youth and families

## *Recommendation 1: Please provide a short summary of your recommendation.

Despite recent progress, Statistics Canada's latest data indicates that the percentage of children living in low income has increased. Children living with single mothers continue to suffer from disproportionately high levels of poverty.

We propose that the government of Canada take steps to assist low-income children and their families by increasing the National Child Benefit (in combination with the Canadian Child Tax Benefit) to $5,400 per child (2012 dollars, indexed to inflation) for low- and modest-income families. This would lift approximately 174,000 children out of poverty.

**Expected cost or savings:** From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount $174 million/year (net)

Immediately

**Federal funding:** Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This change could be primarily financed by eliminating the non-progressive Universal Child Care Benefit, and the non-refundable Child Tax Credit and Children's Fitness Tax Credit.

The additional $174 million could be funded by eliminating other inequitable, ineffective tax expenditures that do not benefit people living in low income, such as the non-refundable Public Transit Tax Credit, the Children's Art Credit, and/or the Mineral Exploration Tax Credit.

In place of the UCCB, a new earmarked transfer payment to provinces and territories for affordable childcare should also be explored.

**Intended beneficiaries:** Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The CCTB/NCBS increase would bring the child poverty rate down by an estimated 15% and lift approximately 174,000 children out of poverty. This would have significant and positive long-term health, education, and economic impacts, both for low-income children and families, as well as society as a whole.

**General impacts:** Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Raising children and their families out of poverty will yield many long-term gains such as better health and improved school performance, both of which will result in later adult productivity and strengthened social outcomes.

**Topic:** Energy and the environment

## Recommendation 2: Please provide a short summary of your recommendation.

In 2009, Canada committed to reduce our greenhouse gas (GHG) emissions 17% from our 2005 level by the year 2020. However, in 2012, Environment Canada suggested that there is a 113 million tonne gap between what is predicted for 2020 and our stated target.

In order to improve our performance, we recommend a harmonized carbon tax set at $30 per tonne of GHG emissions starting July 15, 2014. This would serve as a market-friendly way of guiding Canadians to change consumer habits and encouraging Canadian industry to engage in full-cost accounting of economic activities.

**Expected cost or savings:** From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount $15 billion in annual revenu

Immediately

**Federal funding:** Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Such a carbon tax would increase government revenues by about $15 billion per year.

Half of the income from the tax should be passed on to low-income families in the form of a rebate to help cover the carbon tax's impact. We recommend an initial rebate level of $300 per adult and $150 per child, clawed-back as family income levels rise and ending after reaching a ceiling of $100,000.

The remaining income from the carbon tax should fund programs that will reduce Canada's GHG emissions such as investments in research and development, energy efficiency, and renewable energy.

**Intended beneficiaries:** Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

A properly designed and implemented carbon tax would benefit all Canadians by providing a cleaner environment, thus providing health benefits, increasing public security from catastrophic weather events, and allowing us to respect our international commitments. The carbon tax refund would be structured to ensure that low-income Canadians would not be negatively affected. Higher-income Canadians already enjoy more possibilities to adjust their behaviours without affecting basic needs (e.g. travelling less by plane or investing in home energy efficiencies) than do low-income families.

**General impacts:** Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Additional investments in new, green technologies will be of value to the Canadian economy, stimulating our struggling industrial sector. Establishing a carbon tax is a more transparent and economically efficient strategy for meeting Canada's international GHG reduction targets than a cap-and-trade system and less intrusive than government regulation of specific sectors.

**Topic:** Health

## Recommendation 3: Please provide a short summary of your recommendation.

On June 30, 2012, drastic cuts to the Interim Federal Health Program (IFHP) came into effect. Fortunately, government-sponsored refugees were spared the impacts of these cuts. We recommend that Budget 2014 rescind these health care cuts to privately sponsored refugees awaiting approval in Canada. By reinstating coverage for privately sponsored refugees for medication, eye care, dental care, prosthetic devices, wheelchairs, and other critical health services, the federal government can realize cost savings, achieve greater equity, and simplify our health care system.

**Expected cost or savings:** From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount $20 million/year

Immediately

**Federal funding:** Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The $20 million in annual additional expenditures for the IFHP could be easily covered by eliminating some of the unnecessary tax expenditures identified in Recommendation #1, such as the Public Transit Tax Credit, the Children's Art Credit, or the Mineral Exploration Tax Credit. Reinstating full health coverage under the IFHP is a much better use of these funds as it would have a profound impact on health outcomes for refugees and save taxpayers the costs of expensive hospitalization for conditions left untreated due to the IFHP cuts.

**Intended beneficiaries:** Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

There are obvious benefits across the Canadian population from increased coverage for preventative care. An ounce of prevention is worth a pound of treatment. Under the current program, additional costs are being incurred by provinces, charities, and sponsors. Sponsorship agreement holders have been exposed to great financial liability. These volunteer-driven organizations and churches are unable to handle unpredictable health care costs. Refugee claimants – people whose healthcare needs are oftentimes great due to the incredible hardships they have endured – would also benefit.

**General impacts:** Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Most residents of Canada receive supplemental health care coverage from their employers, schools, or social assistance programs. Providing all refugees with that same level of care raises the bar for health care, creates more equality, and continues to solidify our international reputation as a compassionate and welcoming country to those in need. Doctors and hospitals have also faced a great deal of confusion under the IFHP cuts and as a result, some are simply denying care. Reinstating IFHP coverage for all refugees would end the confusion reigning now in the health care sector.

Please use this page if you wish to provide more explanation about your recommendation(s).

As a national, non-partisan, ecumenical organization of people inspired by faith to act for justice in Canadian public policy, Citizens for Public Justice (CPJ) believes that we all have a responsibility to set aside self-interest for the sake of the common good.

As those entrusted as stewards of Canada's collective financial resources, we urge you to keep your dual responsibility to promote human dignity and safeguard God's creation in mind as you make your recommendations for the 2014 federal budget.

Our recommendations would not require any new expenditures by the federal government. Recommendation #2 would result in increased federal revenues. Recommendations #1 (net cost $174 million/year) and #3 ($20 million/year) could be funded by reallocating existing tax expenditures that disproportionately benefit those who least need tax relief. Inequitable and ineffective tax expenditures such as the Children's Arts and Fitness Tax Credits, the Public Transportation Tax Credit, or the Mineral Exploration Tax Credit could be reinvested to fund the more targeted initiatives we have identified in our recommendations. According to reports from the Frontier Centre for Public Policy, the Fraser Institute, and the government's own calculations, eliminating these three alone would free up $300 million annually. This is more than enough to cover the $194 million in total additional annual costs as identified in recommendations #1 and #3.

If implemented, our recommendations would assist Canada in:

1. Fulfilling our collective responsibility to care for the least advantaged in society, including low-income children and refugees.

2. Safeguarding the integrity of creation and encouraging more responsible, sustainable resource use.

3. Being fiscally responsible, as they would save government and taxpayers significant amounts of money in the long-run by (i) reducing the direct and indirect costs that result from poverty, poor health, and environmental degradation; and (ii) stimulating positive economic growth.

*Please note that at least one recommendation must be provided