



SUBMISSION

TO

THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
2014 PRE-BUDGET CONSULTATION DISCUSSION

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EXECUTIVE SUMMARY

We thank you for the opportunity to present this Brief, and we would welcome the opportunity to appear before the Standing Committee on Finance (contact ncwc@magma.ca).

As the Government of Canada is preparing its budget for the coming year, many Canadians are struggling with economic insecurity. Many are living in poverty, are homeless, or are in precarious circumstances because of work insecurity, health issues, or inadequate income.

Education is necessary to assist in overcoming the cycle of poverty; higher education does lead to greater economic security in general. NCWC strongly believes in a **National Child Care Initiative** to meet the needs of all parents and children, with special emphasis on early childhood education. Disadvantaged students should be assisted with special initiatives to keep them in school, and students should be encouraged to pursue post-secondary education whether it be specialized training, college, or university. Lower income and even middle income students are having difficulty with record high post-secondary tuition, and many are graduating with huge debt loads.

For many people the cost of **housing** is a major financial burden, and they are essentially one or two paycheques away from being homeless. More than 25% of people spend more than the recommended 30% of their income on shelter. According to the Canadian Alliance to End Homelessness, upwards of 200,000 people experience homelessness every year. They estimate that “the total annual cost of homelessness to the Canadian economy is \$7.06 billion, including the cost of emergency shelters, social services, health care, and corrections.” As many as 1.3 million have been homeless in the last five years, according to the 2013 report “*The State of Homeless in Canada*.” NCWC strongly urges the Government of Canada to develop a **National Housing Strategy** to address the lack of adequate and affordable housing for all.

The World Bank’s new report “*Climate-smart development: adding up the benefits of actions that help build prosperity, end poverty and combat climate change*,” was released in July 2014. “**Climate change** poses a severe risk to global economic stability, but it doesn’t have to be like this,” said World Bank Group President Jim Yong Kim. “At the World Bank Group, we believe it’s possible to reduce emissions and deliver jobs and economic opportunity, while also cutting health care and energy costs. This report provides powerful evidence in support of that view.” NCWC urges the Government to commit to initiatives to combat climate change which will provide positive economic and human outcomes.

NCWC strongly believes in the principles of the Canada Health Act and a one-tiered system. The Canadian Medical Association recently recommended that all levels of government prioritize eliminating poverty in Canada. The CMA states that: “Twenty per cent of **health care** spending goes to care for diseases that can be attributed to low income and poor housing. Child poverty produces disease throughout the life cycle, impairs educational attainment and presages employment vulnerability.”

NCWC strongly believes that **poverty eradication** must be a priority in the 2014 federal budget. In spite of a commitment by the House of Commons in 1989 to eliminate child poverty by 2000, there are still one million children living in poverty (and another three million

adults.) A report for the Canadian Centre for Policy Alternatives in 2013 states that: “As the most vulnerable members of the community, children have a fundamental right to protection and survival.”

As more people enter their senior years, it is evident that many will be increasingly unable to deal with higher living expenses on an even lower income. Many women have lower CPP pensions than men, and two out of three GIS recipients are women. For over two-thirds of Canadian seniors their main source of income is the CPP and OAS. Lower interest rates have adversely affected those who relied on investment income to supplement their pensions. Addressing the issues of **adequate retirement security** must be of prime importance in any upcoming budget.

NCWC strongly urges the Government to act to make poverty history; to invest in a National Energy Strategy and work to combat climate change; to establish a National Housing Strategy and a National Child-Care Initiative; and to modify all federal income security programs to be more inclusive and provide for the most vulnerable.

1. *Balancing the federal budget to ensure fiscal sustainability and economic growth.*

In summer 2014 the World Bank released a report entitled “**Climate-smart development**” which describes “*efforts by the ClimateWorks Foundation and the World Bank to quantify the multiple economic, social, and environmental benefits associated with policies and projects to reduce emissions in select sectors and regions.*”

Jim Yong Kim, President of the World Bank Group, states that: “*The report’s findings show clearly that the right policy choices can deliver significant benefits to lives, jobs, crops, energy, and GDP – as well as emissions reductions to combat climate change.*”

Calo Koch-Weser, Former Secretary of State, Federal Ministry of Finance, Germany, and Vice President of Deutsche Bank, added his voice to say: “*Climate change and its multitude of effects ALREADY threaten developing economies and our economic system as a whole. But along with these threats, there are policy and investment opportunities that, if appropriately pursued, can bolster development and support prosperity while safeguarding our climate, natural resources, and food systems..... Decision makers must take note of the economic and social risks of climate change, and should turn to this report to help shape the conversations that, ultimately, can turn the tide against these negative impacts.*”

Recommendations:

That the Government:

- *Work to combat climate change in order to produce economic opportunities, health benefits, and positive impacts.*
- *Commit to decreasing emissions from short-lived climate pollutants (SLCPs).*
- *Promote and support clean transportation, industrial energy efficiency, and more energy-efficient buildings and appliances.*

2. Supporting families and helping vulnerable Canadians by focusing on health, education and training.

NCWC urges the government to support the principles of the Canada Health Act and a one-tiered system. The poorest Canadian has the right to have access to the same quality of health care as the wealthiest, with treatment available on a timely basis. NCWC strongly believes in a National Child Care Initiative to meet the needs of all parents and children, with special emphasis on early childhood education. We believe that this is the most cost-effective contribution that can be made to ensure that all Canadian children can benefit from later education programs and ensure that Canada will have the necessary well-educated young people entering the workforce in future. Education and skills development should be given increased emphasis, as they are of prime importance in developing lives of self-sufficiency. Investment in this area also results in an economy with higher productivity.

Recommendations:

- *That the Government establish a National Child Care Initiative.*
- *That disadvantaged students receive special assistance/incentives to continue their education.*
- *That post-secondary students receive increased assistance such as tax credits and lower interest rates.*
- *That the Government encourage the provincial/territorial governments to broaden areas or categories of work where apprentice training could be provided, to develop programs to attract a larger number of female applicants, and to publicize the availability of existing and proposed apprentice training programs.*
- *That the Government vigorously combat climate change in order to positively impact the health of all.*
- *That the process of accreditation of health-care professionals trained in other countries should be made more accessible, while ensuring a uniform standard of competence.*
- *That midwives be more widely accepted and utilized.*
- *That proactive approaches re preventative medicine be more widely used and healthy lifestyles be encouraged, thus reducing health care costs as the population ages.*

3. Increasing the competitiveness of Canadian businesses through research, development, innovation, and commercialization.

The development of new environmental technologies, specifically, those that combat climate change can not only stimulate real economic opportunities but play a major role in producing a healthier environment, ultimately reducing health costs. Canada could play a major role as an environmental leader by decreasing our reliance on fossil fuels and oil and gas and increasing our use of solar and wind power.

Recommendations:

That the Government:

- *Support research programs and industrial incentives in order to develop and change to alternate energy sources, such as solar and wind power, for widespread use in industry, transportation, and heating.*
- *Vigorously commit to increasing alternate environmentally-friendly energy sources.*
- *Commit to and actively encourage real change in public energy consumption patterns, energy conservation, and energy efficient technologies.*
- *Vigorously commit to decreasing our reliance on fossil and hydrocarbon fuels and nuclear power.*

4. Ensuring prosperous and secure communities, including through support for infrastructure.

Prosperous and secure communities are healthy communities. Measures to combat climate change will result in greater health benefits for us all, especially children and older persons who are most susceptible to illness.

However, good quality affordable housing is also needed in order to ensure prosperity and security, and not just for families, but for anyone living on a low or modest income – singles, the mentally or physically challenged, immigrants, students, and seniors. . Poverty, poor housing, poor nutrition, and poor education all contribute to long-term poor health with resultant higher health care costs.

To assist those who have lost their jobs, employment insurance (EI) must provide more inclusively for those who need it. Statistically, fewer and fewer women over 45 are qualifying for EI, and because they have traditionally earned less than men are at greater risk of becoming a welfare or homeless statistic. EI should be an effective and compassionate response to the evolving challenges and circumstances facing the unemployed.

Recommendations:

- *That the Government immediately establish a National Housing Strategy.*
- *That the EI program be available to those who have paid into it with fewer exclusionary provisions.*
- *That all federal income security programs be modified to better protect those who are low-income.*

5. Improving Canada's taxation and regulatory regimes.

Tax relief has always concerned our members since NCWC is most concerned with those segments of society which are the most vulnerable and most at risk – lower income Canadians, women, children, and the elderly. We strongly urge income tax relief for the working poor, single-parent families (women-led), the disabled, and the elderly and to strive to alleviate the effects of poverty providing adequate, affordable, and

available housing for those in need. However, NCWC strongly opposes any general reduction of income taxes which would threaten our social, health, and education programs.

Recommendations:

- *That all be taxed equitably, including corporations many of which are now under-taxed.*
- *That the federal government work with the provinces so that all persons and families receiving benefits are not penalized by having benefits cancelled out.*
- *That gender-based analysis be used in the design and implementation of new tax measures.*

6. Maximizing the number and types of jobs for Canadians.

The Senate Report *“In From the Margins”* (Dec. 2009) stated that *“Employment is no longer a sure route out of poverty.”* People need employment that enables them to support themselves and their families adequately.

Repairing our roads and bridges will provide increased highway safety and create jobs; creating a National Housing Strategy will also create jobs and provide much needed accommodation for those who are homeless or at risk of being homeless. In referring to the recently released report from the World Bank entitled *“Climate-smart development,”* Ban Ki-moon, UN Secretary General, states: *“There is a growing momentum for action on climate change because it is good for people’s well-being, job creation and business opportunities.”*

Recommendations:

That the Government:

- *Invest in our roads and bridges.*
- *Create a National Housing Strategy.*
- *Invest in combatting climate change in order to produce economic opportunities, health benefits, and positive impacts.*