

Ottawa

Room 518, Confederation Building
Ottawa, Ontario K1A 0A6
Tel.: 613-996-1119
Fax.: 613-996-0850



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Ottawa

Pièce 518, Édifice de la Confédération
Ottawa (Ontario) K1A 0A6
Tél. : 613-996-1119
Télééc. : 613-996-0850

Constituency

1 - 9711 Fourth Street
Sidney, British Columbia V8L 2Y8
Tel.: 250-657-2000
Fax.: 250-657-2004

Elizabeth May

Member of Parliament / Députée
Saanich—Gulf Islands / Saanich—Gulf Islands

Circonscription

1 - 9711, rue Fourth
Sidney (Colombie-Britannique) V8L 2Y8
Tél. : 250-657-2000
Télééc. : 250-657-2004

Submission in Response to the Poverty Reduction Consultation

To: The Hon. Jean-Yves Duclos

**Minister of Families, Children and Social Development, Employment and Social Development
Canada**

From: Elizabeth May, O.C.

**Member of Parliament
Saanich-Gulf Islands**

Date: June 5, 2017

Dear Minister Duclos,

Thank you for the opportunity to submit my comments on poverty reduction strategies in Canada. I am encouraging my constituents to participate in this discussion, through the online survey, and as well as the virtual town hall on June 5th.

I was heartened to see that your ministerial mandate letter included the development of a Canadian Poverty Reduction Strategy. Personally and as a matter of Green Party policy, we support the adoption of Guaranteed Liveable Income to actually end poverty. I have long advocated for a comprehensive plan to address poverty in Canada.

The Green Party of Canada supports a nationwide Guaranteed Livable Income (GLI) that would apply to all Canadians without a needs test. It is very encouraging to see pilot projects in basic income now proceeding in Ontario and BC (pending the new Horgan government coming to existence).

I also support increasing our low- income housing levels, childcare programs, and removing taxes for Canadians living below the poverty line.

The recent and planned initiatives to support poverty reduction from this government are steps in the right direction. But if this government is genuinely committed to the goal of eliminating poverty, then the time



is overdue for a truly innovative initiative. In this brief, I have outlined three key aspects of a bold poverty reduction plan.

A Guaranteed Livable Income

The Green Party's GLI is a version of the so-called guaranteed annual income (also known as a negative income tax) that has been proposed for many years. It is an idea whose time has come. The principle is to establish an income floor below which no Canadian could fall, but with incentives for recipients to continue working and to earn more.

The GLI would replace federal transfers for social assistance (welfare), disability supports, the Old Age Supplement (OAS) and the Guaranteed Income Supplement (GIS) for the elderly, the Canadian Child Tax Benefit (CCTB) and National Child Benefit Supplement (NCB) for parents with children, and the Working Income Tax Benefit for the poor – all of which are already very GLI-like. In this regard, the Child Care Benefit (CCB) the Liberal Government introduced last summer, replacing the CCTB, the Harper Conservatives' regressive child care benefit (UCCB), and income splitting, could be considered as a step towards a GLI program. The GLI would not impact Employment Insurance (EI), the Canada Pension Plan (CPP), child care subsidies, social housing drug benefits or dental care.

Once started, the biggest challenge in implementing a GLI will be jurisdictional: to get all levels of government to work together on this initiative. In particular, provincial governments would have to use their authority in some areas of income support to collapse programs or to integrate them into a single program. Total federal-provincial spending on income support in Canada reached \$185 billion in 2013, equal to 1/10th of our Gross Domestic Product (GDP). To ensure political, multi-jurisdictional coherence, GLI will be an early agenda item for the Council of Canadian Governments. The Greens have called for the creation of the Council to bring federal, provincial-territorial, municipal and local governments and First Nations, Metis and Inuit people around the table to set national goals.

There is an enormous and persuasive amount of research which demonstrates that the multiplicity of income support programs – overlapping, confusing, and riddled with perverse incentives – is a huge problem. The basic idea of the GLI would be to replace separate federal and provincial programs with a single, universal, unconditional cash benefit delivered through the tax system. Establishing the base amount would depend on the measure of poverty used. The Green Party recommends using the OECD's Low Income Measure (LIM) that has been adopted by Ontario. (Note that about 1/3 of Canadians have a yearly income lower than \$20,000.) As money was earned above the minimum GLI level, it would be taxed back gradually. Benefits like free dental care or prescription drugs for low-income Canadians would continue.

The simplest way to begin the transition to a GLI and to put more income into the hands of the poorest Canadians would be for the federal government to make all tax credits refundable (like the WITB, and GST). This would impact the personal credit, the spousal credit, the caregiver credit, as well as some deductions like the child care expenses deduction (CCED) which would be converted to a credit. In this connection, it should be noted that there has been some useful but limited federal- provincial coordination in select areas in recent years, such as the consolidation of the hodge-podge of tax credits – sales, property, energy – into a more effective monthly payment delivered quarterly through Ontario's Trillium Benefit and Québec's Solidarity Tax Credit. British Columbia has similarly consolidated its Climate



Action Tax Credit with the federal GST credit and provincial HST credit. But so much more action is needed.

The introduction of a GLI payment would provide a regular minimum payment to every eligible Canadian adult and child. The payment would not be “clawed back” by any level of government. The GLI would be designed to be reduced gradually as a recipient earned additional income, in such a way as to be phased out completely once an upper threshold of income earned, say, \$60,000 was achieved. The overall cost of the program would depend on the rate of reduction as the recipient’s employment income increased to the upper threshold.

A National Housing Plan

I was pleased to see the money dedicated to housing in the 2017 budget, and look forward to reviewing the National Housing Plan from the Liberal government to be revealed this year. I do wish that the timing of funds was not back-ended so heavily until after the next election.

The Green Party supports the development of a National Housing Strategy, and calls on the government to:

- Develop a *National Housing Strategy* through [the Council of Canadian Governments](#). Canada is the only country in the OECD without a housing strategy. Any coherent plan must include concrete steps for a seniors’ housing plan, a First Nations plan, a plan for social housing, and for affordable market housing;
- Create a *Housing First Approach*, a one-on-one outreach initiative that houses chronically homeless people and provides immediate support;
- Dedicate funding to the co-operative housing sector to enable more new affordable housing projects to proceed, while extending funding for co-ops whose contracts with the federal government are expiring;
- Retrofit all Canadian homes by 2030 to increase energy efficiency, cut heating and electricity bills, and reduce 80% of building emissions by 2040;
- Implement a [Guaranteed Livable Income](#) to help low-income Canadians and youth reach their dream of affording a home;
- Increase access to social housing for First Nations on and off-reserve, while strengthening enforcement of living and maintenance standards through our proposed Council of Canadian Governments; and
- Ensure a percentage of all newly built units are reserved for affordable housing.

Nation-wide Pharmacare

Canada is the only industrialized country with a universal health care system that does not provide for universal coverage of prescription drugs. By negotiating purchases in bulk and combining administration costs, a single Pharmacare program could make affordable medicine a reality for all Canadians while saving billions of dollars.

Implementing a federally-led Pharmacare program would ensure that all Canadians have access to a universal prescription drug plan by expanding and coordinating the patchwork of public and private schemes that already provide drug insurance to some twenty-two million Canadians. National Pharmacare would also ensure screening of all drugs for safety and effectiveness by requiring that all provinces participate in the Common Drug Review to address drug safety (based on the approach of the University



of British Columbia's Therapeutics Initiative). The Canadian Medical Association's 2015 proposal notes that a pan-Canadian plan would save Canadians \$7.3 billion a year in costs, yet it would only cost the public sector an additional \$1 billion a year.

The Green Party's Pharmacare plan expands and coordinates the patchwork of public and private plans that already provide drug insurance to 22 million Canadians. The program adopts the four key recommendations of the [Pharmacare2020 Report](#) published on July 15, 2015: universal access to necessary medicines, fair distribution of prescription drug costs, safe and appropriate prescribing, and maximum health benefits per dollar spent.

This plan ensures that 2 million Canadians would have access to prescriptive medications that they otherwise could not afford. Moreover, the Green Party's approach will apply greater rigor to drug registration by applying the approach of the UBC Therapeutics Initiative. We will not register drugs that hurt more people than they help. Not only will it improve the health of Canadians, it will save up to \$11 billion annually.

A national Pharmacare program is the missing piece from one of our greatest achievements as a country: universal healthcare.

Nationwide Child Care

Canadian families need access to affordable, high-quality child care as an aspect of early childhood education. There are also clear benefits to maximizing time together for parents with young children. Canadians want a program with flexibility.

The Greens are committed to a high-quality federally-funded child care program in Canada, accessible to any family that wants to place children into early childhood education. Workplace child care has been shown to improve productivity, decrease employee absenteeism, ensure quality care for children (because parents can 'drop in' at any time to see their young children), and permits longer breast-feeding of infants. Work-place child care spaces create other benefits. Emerging literature indicates small children benefit enormously from time with their mothers, especially when very young.

The beneficent spiral of providing workplace child care also includes making it easier for many working Canadians to use mass transit. When parents and children travel to the same destination, the trip can often be made in less time on public transit, enabling parents to spend more time with children.

We propose:

- Restore and revamp the 2005 agreement reached between the federal government, provinces, and territories to achieve a universal access child care program in Canada;
- Create a national Children's Commissioner, as recommended by UNICEF, to ensure children's best interests are considered in policy development and that services across the country are better coordinated;
- Specifically ensure that Canada's universal child care program provides workplace child care spaces wherever possible;
- Tax shift to make advertising directed at children ineligible for corporate tax write-offs;
- Accelerate the creation of workplace child care spaces through a direct tax credit to employers (or groups of employers in small businesses) of \$1500 tax credit/child per year;
- Value the decisions of parents who choose to stay home with children;



- Promote and facilitate access to the Roots of Empathy Program, an effective, award-winning program developed by a non-profit educational organization, to all Canadian children at some point in their elementary school years.

Conclusion

Millions of Canadians are currently living in poverty. In a wealthy country such as Canada, this is unacceptable. Eliminating poverty while supporting healthy communities will pay for itself in reduced health care costs and crime rates. Failure to eliminate poverty will cost our society far more than an effective plan to make poverty history in Canada.

As this government develops its Canadian Poverty Reduction Strategy, I recommend the following:

- Implementing a guaranteed livable income;
- removing taxes for Canadians living below the poverty line;
- Developing a National Housing Plan that includes concrete steps for a seniors' housing plan, a First Nations plan, a plan for social housing, and for affordable market housing ;
- Developing a nation-wide Pharmacare plan;
- Apply a carbon fee and dividend system. (Though carbon pricing is not included in your ministerial mandate, this system will help us fight climate change and poverty at the same time. A carbon fee and dividend system would put a price on carbon and give the revenue back to Canadians on an equal, per capita basis – providing a first step toward basic income for all.)

Again, thank you for undertaking this consultation. I would be more than happy to meet with you and your staff to discuss this important issue further.

Sincerely,



Elizabeth May, O.C.
Member of Parliament
Saanich-Gulf Islands
Leader of the Green Party of Canada

