

The Honourable Bill Morneau
Minister of Finance
House of Commons
Ottawa, Ontario
K1A 0A6
fin.2018pbc-cpb2018.fin@canada.ca

August 2, 2017

Dear Honourable Bill Morneau,

Re: Pre-Budget Consultations 2018

St. Stephen's Community House conveys our support of you as the Finance Minister and your party's investment in Building a Strong Middle Class which continues to invest in people's lives at various stages, mending the social safety net, reducing inequality, helping communities to innovate and change and aiming for all residents of Canada to thrive and succeed. We also support the government for taking a step forward with Canada's first Gender Statement, which serves as a basis for open, transparent discussions regarding the role of gender in developing policies. We also applaud your effort to engage with communities across Canada to build a National Poverty Reduction Strategy. In this spirit, we urge you to look at all investment decisions with a lens of poverty reduction.

St. Stephen's Community House is a non-profit multi-service agency in downtown west Toronto (University-Rosedale, Spadina-Fort York, Toronto-St. Paul's) with locations in North York (Willowdale). We serve a range of low-income Ontarians, including children and their families, youth, seniors, newcomers, people who are homeless and under-housed and people on social assistance. St. Stephen's continues to speak out on poverty and affordable housing issues for and with our participants and others in this increasingly socially and economically divided City. This letter includes a number of recommendations for Budget 2018, informed by our participants that in many cases reflect commitments made by the Liberal Party Platform.

- Adopt an agenda to address underemployment and enhance equity. \$15/hr minimum wage for workers in federally regulated industries. Enhanced medicare program that includes pharmacare, dental care and rehabilitation services. Good jobs strategy. Access to post-secondary education, university, community college and apprenticeship. Enhancements to the Working Income Tax Benefit (WITB)
- We welcome Budget 2017's 10 year commitment to early learning and child care funding. We note, however, that building a universal, affordable, high quality system will require greater resources. Therefore, we call for funds to be bolstered and investment accelerated

such that ECEC funds ramp up over 10 years to represent at least 1% of GDP, consistent with international benchmarks.

- Access to high quality and affordable child care for families is critical. The social and economic benefits of non-profit, high quality, affordable child care has been well documented (Martha Friendly, 2008 Why Canada Can't Work without Good Child Care; Childcare Resource and Research Unit, 1997 In the Public Interest: The Social and Economic Benefits of High Quality Childcare; Nayar Consulting, 2011 An Opportunity for Every Child). According to the Social Planning Toronto's recent report on demographic change (June 2017), Toronto has the highest childcare fees for infants, toddlers and preschool children in the country and is unaffordable for over 75% of families. A national childcare strategy would allow the government to assist the families most in need as well as the middle class who are not eligible for fee subsidies and find it extremely difficult to pay full fees. One infant child in care costs nearly \$20,000 per year. That is a considerable burden for modest and middle income families. According to the 2016 census data, the population of children 5 – 9 years has increased by 5.4% in Toronto. As per the Youth Employment Expert Panel – we recommend increased investment in youth employment for the most vulnerable. The Skills Link program should focus on wrap around services to ensure youth succeed. Canada Summer Jobs and entrepreneurship should be promoted as well as innovation funding. The government should create urban indigenous healing and employment hubs that include distance learning and mentorship.
- Immediately fully index Canada Child Benefit (CCB) to inflation. Increase CCB base amount to reduce child poverty by 50% by 2020. Ensure uptake of the CCB in First Nations communities. Re-examine eligibility for CCB to ensure parent's immigration status is not a barrier.
- Labour standards to address the precarity of current employment for youth and adults, we recommend amending the labour code to increase job standards, rights and security for employees and regulate temporary placement agencies and ensure gender equality.
- We urge your government to decrease poverty by improving income security programs. Index OAS to the average industrial wage and salary. Increase GIS top-up by \$1000 year for lowest income seniors. GIS top-up income exemption extended by \$3000 for single seniors and senior couples. Expand Canada Pension Plan replacement rate to 50%.

There is no indication that the federal government intends to make additional investments in the Canada Social Transfer to improve the adequacy of provincial and territorial social assistance benefits. Given that the 5% of people in Canada who receive social assistance make up 40% of those living in poverty, increasing investment for social assistance through the Canada Social Transfer, and requiring the provinces and territories to use those funds for this purpose, would be an important contribution to ending poverty in Canada.

- We applaud the \$5 billion National Housing Fund to address critical housing issues investing to help repair public housing which is badly needed. There is also a high need for affordable housing and supportive housing for those suffering with mental health and addictions. A commitment of 1 per cent of the federal budget each to build affordable housing would provide needed resources that all levels of government should be committed to.

All of these investments are critically important and necessary, and have been welcomed by housing advocates across the country. However, advocates have also noted that the size of the investment is not close to meeting the need, particularly given thirty years of disinvestment by the federal government in affordable housing. As well, the funding needs to be made available during the government's current mandate.

- More access to therapy to help people living with mental health issues and addictions. Mental health issues such as depression, anxiety, bi-polar disorder, schizophrenia to name some, to live successful and productive lives. We urge the federal and the provincial governments to increase the number of supportive housing units for people living with mental illness and addictions and for those that are homeless or at risk of becoming homeless. These affordable, supportive units will provide a secure and safe place to live as well as provide the support services such as counseling they need.
- Enabling the Non-profit sector to flourish rather than restraining it by harmonizing regulations and legislation with the provincial governments is recommended. More alignment with the provincial government such as the Voluntary Sector Initiative is needed to ensure the non-profit sector thrives. Although CRA's role is to provide guidance with policies, it does not provide support for growth and development. We urge your government to set aside a proportion of funds / grants for the non-profit sector specifically for research, development and innovation and to conduct a review of the legislative and regulatory barriers that currently exist.
- We urge you to implement the recommendations from the Truth and Reconciliation Commission. This government has made promises to achieve reconciliation with Indigenous peoples and to address the poverty Indigenous peoples are living in. We look forward to seeing these investments making concrete improvements in the lives of Indigenous peoples and allow Indigenous control over Indigenous lives. These goals will not be achieved without Canada's compliance with the Canadian Human Rights Tribunal order that it immediately cease discriminating against Indigenous children by properly funding Indigenous child and family services.
- Advocates had hoped that the Budget would close tax loopholes that disproportionately benefit higher income Canadians, as the government pledged during the 2016 election campaign. We recommend that the 2018 budget take meaningful action to close tax loopholes and move to increase tax fairness.

We are pleased with your government's commitment to decrease poverty and setting targets to report back on to the public. Your government's poverty reduction strategies support and align

with the provincial and municipal poverty reduction strategies and we welcome any opportunity to engage with your government on the poverty reduction strategies.

Please feel free to contact us at sbill@sschto.ca

Sincerely,



Bill Sinclair
Executive Director



Howard Green
Chair of the Board

cc. Adam Vaughn MP – Spadina Fort York, Parliamentary Secretary to the Minister of Families, Children & Social Development (Housing & Urban Affairs)

Chrystia Freeland MP – University Rosedale, Minister of Foreign Affairs

Carolyn Bennett MP – Toronto St. Paul's, Minister of Indigenous & Northern Affairs

Ali Ehsassi MP - Willowdale

