



Maytree

Poverty • Rights • Change

Realizing the right to an adequate standard of living

Written submission for the pre-budget consultations in advance of the 2024 federal budget

Submitted by:

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Foreword

In August 2023, Maytree made the submission entitled “Realizing the right to an adequate standard of living” to the Standing Senate Committee on National Finance with recommendations for the 2024 federal budget. In it we encouraged the Government of Canada to further the right to an adequate standard of living for all people in Canada by strengthening income supports, investing in affordable housing, and improving accountability for human rights.

This submission builds on our initial recommendations by:

- Providing more detail on the rights-based principles that should guide the development of the 2024 budget;
- Expanding on how the Canada Disability Benefit can be designed to meet the needs of people with disabilities;
- Outlining how to enhance income supports for people living in poverty;
- Exploring the full range of tools available to increase affordable housing in Canada, including better using publicly owned land; and
- Encouraging governments at all levels to work together to fulfill Canada’s international and domestic human rights commitments.

The right to an adequate standard of living

Everyone in Canada has a right to an adequate standard of living. The International Covenant on Economic, Social, and Cultural Rights – which Canada ratified in 1976 – defines this concept as having access to food, housing, and social security adequate for a person’s well-being.¹ By committing to fulfill this right, Canada agreed to take continuous, proactive action towards helping everyone achieve an adequate standard of living.

¹ United Nations. (n.d.). *Universal Declaration of Human Rights*. <https://www.un.org/en/about-us/universal-declaration-of-human-rights>.

Guiding principles

Maytree's recommendations are guided by Canada's human rights-based principles for policy development:²

- **Equality and non-discrimination:** Meaning that all individuals are recognized as equal and entitled to human rights, without discrimination. This principle also means recognizing and considering people's differing needs and circumstances.
- **Participation and inclusion:** Meaning that all individuals are given the opportunity to participate, and contribute to, the enjoyment of their rights. This principle also recognizes that the voices of those most affected by decisions should be given consideration.
- **Transparency and accountability:** Meaning that everyone has the right to access information on public policies, decisions, and funds. This principle also means being able to hold those in power accountable for their actions.

Together with these guiding principles, Maytree encourages the federal government to invest the maximum available resources to advance the right to an adequate standard of living, as is required under international law.³ This means exploring all tools available to achieve this goal, including fiscal means, but also legislation, regulations, and collaboration with other governments.

Summary of Maytree's recommendations

Strengthen income supports

1. Develop a Canada Disability Benefit that is accessible to all those who need it, improves income adequacy by accounting for the additional costs associated with living with a disability, and centres dignity and inclusion in

2 Government of Canada. (2017). *Human rights-based approach*. https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/human_rights-droits_personne.aspx?lang=eng.

3 Article 2 of the International Covenant on Economic, Social, and Cultural Rights states that “Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.”

its administration. In the spirit of co-creation, people with lived expertise should be meaningfully engaged in the benefit's design and implementation.

2. Improve support for unattached working-age singles living in poverty by transforming part of the Canada Workers Benefit into the Canada Working-Age Supplement, as proposed by Maytree and Community Food Centres Canada.
3. Further the right to an adequate standard of living for marginalized people by making one-time cost-of-living increases to the GST/HST credit permanent and consider the option to expand the GST/HST credit into the Groceries and Essentials Benefit, as proposed by the Affordability Action Council.

Explore all available tools to increase affordable housing

4. Enhance the Canada Housing Benefit.
5. Redesign National Housing Strategy programs so that they prioritize people in core housing need. The government should also consider creating an acquisition fund for non-profit, co-op, and public housing providers to acquire multi-family rental housing.
6. Provide consistent support for deeply affordable housing programs, such as the Rapid Housing Initiative and Reaching Home.
7. Use publicly owned land to build more affordable housing.

Improve accountability for human rights

8. Align National Housing Strategy programs with the requirements for Canada's housing policy set out in the *National Housing Strategy Act*, 2019.
9. Work with other levels of government to fulfill Canada's international and domestic human rights commitments and develop shared transparency mechanisms.
10. Strengthen agreements with other governments to include human rights-based principles, such as the bilateral National Housing Strategy programs.
11. Review and enhance all data collection and metrics related to Canada's progress on furthering the right to an adequate standard of living. This should include improving the collection and dissemination of information on people with lower incomes, as well as updating key metrics on poverty and housing needed to better reflect the diversity of Canadians' experiences.

The situation: Why an adequate standard of living is out of reach

Rising living costs are disproportionately affecting people with lower incomes.

A recent Statistics Canada study found that the majority (63 per cent) of Canadians in the lowest income households reported that they were very concerned about being able to meet their everyday expenses. By contrast, only 19 per cent of people in the top income quintile shared this sentiment.⁴

However, this situation is not a new one – people with lower incomes often face challenges meeting their income and housing needs. For example:

- Income supports for people receiving social assistance across Canada remain inadequate, as nearly all households who received social assistance in 2022 had incomes below the Market Basket Measure, Canada's Official Poverty Line.⁵
- Just over 10 per cent of households in Canada experienced core housing need in 2021, with over three quarters falling into this situation due to unaffordable housing costs.⁶
- Renters living in poverty were over three times as likely to experience core housing need compared to all renters.⁷

Despite these circumstances, governments have failed to address the urgency of the situation.

While supports like the Canada Emergency Response Benefit helped reduce Canada's overall poverty and core housing need rates during the COVID-19 pandemic, these benefits are no longer available, and there are signs that poverty

4 Uppal, S. (2023). Rising Prices and the Impact on the Most Financially Vulnerable: A Profile of Those in the Bottom Family Income Quintile. *Statistics Canada Insights on Canadian Society*. <https://www150.statcan.gc.ca/n1/en/pub/75-006-x/2023001/article/00002-eng.pdf?st=cewFS5z0>.

5 Laidley, J., & Tabbara, M. (2023). *Welfare in Canada, 2022*. Maytree. <https://maytree.com/changing-systems/data-measuring/welfare-in-canada/>.

6 Statistics Canada. (2022). To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home. *The Daily*. <https://www150.statcan.gc.ca/n1/en/daily-quotidien/220921/dq220921b-eng.pdf?st=U1cDYati>.

7 Thurston, Z. (2023). *Housing Experiences in Canada: Renters who are in poverty, seniors and recent immigrants, 2021*. Statistics Canada. <https://www150.statcan.gc.ca/n1/en/pub/46-28-0001/2021001/article/00025-eng.pdf?st=UOGTOFbK>.

has worsened since. Additional supports like the one-time increase to the GST/HST credit have also helped address rising living costs, yet they will likely not be provided on a permanent basis.

In addition, while the National Housing Strategy comprises a wide range of programs intended mainly to increase the supply of housing, evidence suggests that funding has created few units that would be affordable to people with the lowest incomes.⁸ Moreover, it may take the better part of a decade to see substantial progress on housing supply. In the meantime, low-income families need direct assistance in the struggle to find an affordable place to live.

Taken together, it is clear that those in greatest need require greater support to help realize their right to an adequate standard of living.

The way forward: Maytree's recommended approach

Recommendations to strengthen income supports

1. Develop a permanent Canada Disability Benefit centred on the needs of people with disabilities.

Maytree was pleased to participate in the government's recent consultation about the design of the Canada Disability Benefit (CDB) in future regulations.⁹

As explained in our December 2023 submission, we call on the government to take into account the following access considerations in the design of the CDB:

- **An inclusive definition of disability:** The definition of disability should build on the definition set out in the *Accessible Canada Act*, 2019, to account for societal barriers and an understanding of lived experience. The definitions used by existing federal disability supports, such as the Disability Tax Credit, are overly narrow and should not be used.

8 Blueprint ADE and Wellesley Institute. (2022). *Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs*. (Research report prepared for the National Housing Council Working Group on Improving the National Housing Strategy.) <https://cms.nhc-cnl.ca/media/PDFs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>.

9 Maytree. (2023). *Submission on Canada Disability Benefit Regulations*. <https://maytree.com/wp-content/uploads/Maytree-letter-regarding-CDB-regulations.pdf>.

- **Automatic eligibility:** People with disabilities who qualify for existing disability-related income supports, such as social assistance, the Canada Pension Plan Disability benefit, and the disability tax credit, should be automatically eligible for the CDB. Once a person accesses the benefit, they should not have to reapply each year.
- **Right to appeal through a tribunal:** The government should establish a tribunal-based appeals mechanism similar to those for social assistance programs and the Canada Pension Plan Disability benefit to appeal decisions related to the CDB.

We also urge the government to consider the following benefit design parameters:

- **Maximum amount:** The CDB should aim to, at the very least, eliminate the gap between existing income supports and the Official Poverty Line, and expand on this amount to recognize the additional costs associated with living with a disability.
- **Phase-in:** The CDB should not phase in with employment income, recognizing that all people with disabilities should be able to access support regardless of their labour market attachment.
- **Phase-out:** The CDB should be phased out at a relatively low rate, so that support is gradually decreased as income from other sources is increased. The design of the phase-out should also avoid interactions with other disability-related supports to ensure that people do not face reductions from multiple benefits at the same time.
- **Calculation of income:** Income for determining CDB levels should be calculated based on the individual and not the household, so that it stays with the person who needs it.
- **Payment frequency:** Benefits should be provided monthly, rather than quarterly or yearly.
- **Indexation:** The CDB should be indexed to inflation and adjusted on a quarterly basis.

With these considerations in mind, along with meaningful engagement with people with lived expertise to co-design the benefit, the government should have the necessary information to allocate funding for the implementation of the CDB in its 2024 budget.

2. Improve support for unattached working-age singles living in poverty by implementing the proposed Canada Working-Age Supplement.

Canada's experience with the Guaranteed Income Supplement for low-income seniors and the Canada Child Benefit for families with children shows that investing in income supports without strict eligibility requirements reduces poverty. These types of benefits can also lower barriers to entering the labour market, since they can give important support to find and retain an employment opportunity.

Yet federal benefits that are available to working-age adults, especially those who are unattached, are too low or are tied to work. This situation is of particular concern as working-age singles experience the highest and deepest levels of poverty across Canada.¹⁰

To fill this gap, the government should transform part of the Canada Workers Benefit (CWB) for unattached working-age adults into the Canada Working-Age Supplement (CWAS), as proposed by Maytree and Community Food Centres Canada.¹¹ Implementing the CWAS would require the following parameter changes to the CWB for single individuals:

- Adding a floor benefit to the CWB of \$3,000;
- Providing an employment boost—a phase-in of up to \$1,000 as earnings increase;
- Increasing the maximum yearly benefit to up to \$4,000, combining the floor benefit and the employment boost; and
- Broadening the benefit's eligibility, meaning that it would be provided until yearly net incomes reach \$49,611.

The CWAS would not require developing an entirely new benefit, since it builds off the existing CWB. It would improve income adequacy for the most marginalized unattached single working-age adults and would lift many who do not have employment income above the poverty line.

10 Talwar Kapoor, G., Tabbara, M., Hanley, S., & McNicoll, S. (2022). *How to reduce the depth of single adult poverty in Canada: Proposal for a Canada Working-Age Supplement*. Maytree and Community Food Centres Canada. <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>.

11 Ibid.

3. Further the right to an adequate standard of living for marginalized people by making one-time cost-of-living increases to the GST/HST credit permanent and consider the option to expand the GST/HST credit into the Groceries and Essentials Benefit, as proposed by the Affordability Action Council.

Over the last two years, the federal government made temporary increases to the GST/HST credit to address high living costs for these populations. Now, with inflation stabilizing, low-income Canadians are concerned that the higher support levels will not continue.

Returning to the previous low levels of support will cause the incomes of the most marginalized people in Canada to drop, despite still facing persistent affordability challenges. Making a permanent enhancement would, instead, help them maintain a more adequate standard of living. Moreover, Canada's commitment to the human right to an adequate standard of living requires that the government provide support to the level of its maximum available resources, and the investments made in recent years demonstrate that the government can afford to permanently expand this credit.

Beyond making the increases from previous years permanent, the federal government should consider redesigning the GST/HST credit in line with the Groceries and Essentials Benefit (GEB) proposed by the Institute for Research and Public Policy's Affordability Action Council.¹² Importantly, a redesigned benefit should:

- Increase the annual base amount and remove the phase-in component for unattached single adults, so that all low-income people receive the maximum possible benefit;
- Deliver the benefit on a monthly rather than quarterly basis; and
- Lower the level of net income at which the benefit starts to phase out, so that the bulk of new funding flows to very low-income families, while ensuring higher-income families do not receive reduced support.

This proposal has the potential to further the right to an adequate standard of living for many marginalized people in Canada.

12 Affordability Action Council. (2023). *Groceries and Essentials Benefit: Helping People with Low Incomes Afford Everyday Necessities*. Institute for Research and Public Policy. <https://irpp.org/wp-content/uploads/2023/12/Groceries-and-Essentials-Benefit-Helping-People-with-Low-Incomes-Afford-Everyday-Necessities.pdf>.

Recommendations to explore all available tools to increase affordable housing

4. Enhance the Canada Housing Benefit.

The Canada Housing Benefit (CHB) is the only program in the government's National Housing Strategy that provides direct financial assistance to lower-income renters.

While the recent announcements to increase the CHB in Toronto and to provide an additional \$99 million into the program will improve support for some, the scale of need simply dwarfs the government's current level of investment.

Therefore, the government should explore ways to increase the benefit so that lower-income renters are better able to afford rents in the private market. This approach recognizes that other initiatives to increase affordable housing supply will take time to implement.

In addition, should the government continue to provide a separate top-up benefit for renters with lower incomes through the Canada Revenue Agency, similar to the 2023 top-up benefit of \$500, the government should:

- Increase the top-up benefit amount to reflect rising living costs and provide it on a quarterly basis, similar to other refundable tax credits; and
- Remove the requirement for applicants to attest that they pay at least 30 per cent of their income on rent, since the benefit is already income tested.

5. Redesign housing supply initiatives so that they prioritize people in core housing need. The government should also consider creating an acquisition fund.

Federal programs intended to increase the supply of affordable housing are not creating enough units that would be affordable to people with low incomes. A 2022 report commissioned by the National Housing Council found that only three per cent of the units funded by the Apartment Construction Loan Program would be affordable to low-income households, while just over one-third of the units funded through the Affordable Housing Fund could suit their needs.¹³

13 Blueprint ADE and Wellesley Institute. (2022). *Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs*. (Research report prepared for the National Housing Council Working Group on Improving the National Housing Strategy.) <https://cms.nhc-cnl.ca/media/PDFs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>.

To better target people in greatest need, the government should redesign National Housing Strategy affordable supply programs to prioritize non-profit housing solutions. As a start, the government could increase funding for the new Co-operative Housing Development Program.

Maytree also reiterates calls from many researchers and housing providers for the government to develop a separate acquisition fund for non-profit, co-op, and public housing providers. The fund would be used to acquire rental housing from the speculative market and provide it at more affordable rates, with a goal to reduce core housing need. This approach could be more cost effective and timely than it would be to build new supply and would leverage the expertise of housing providers.¹⁴

Examples of this type of strategy are already occurring across Canada, such as the Rental Protection Fund in British Columbia and the Multi-Unit Residential Acquisition Fund offered by the City of Toronto. The federal government should explore how these models could be created at scale to provide more affordable housing options across Canada.

6. Provide consistent support for deeply affordable housing programs, such as the Rapid Housing Initiative and Reaching Home.

The Rapid Housing Initiative has been successful in providing urgent and deeply affordable housing for people with the lowest incomes. The 2022 report commissioned by the National Housing Council notes that the Rapid Housing Initiative is the only main supply-based program explicitly intended to produce housing for those in greatest need.¹⁵ However, this program is provided on an ad-hoc basis, and the federal government has not yet announced whether there will be another round of funding.

14 Pomeroy, Steve. (2024). *Rethinking Canada's Target for 5.8 Million New Homes by 2030*. Canadian Housing Evidence Collaborative. <https://chec-ccrl.ca/wp-content/uploads/2024/02/Full-rethinking-CMHC-5.8-for-website.pdf>.

15 Blueprint ADE and Wellesley Institute. (2022). *Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs*. (Research report prepared for the National Housing Council Working Group on Improving the National Housing Strategy.) <https://cms.nhc-cnl.ca/media/PDFs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>.

In addition, some Ontario municipalities have expressed concerns that funding for Reaching Home is expected to decrease in the coming years.¹⁶ Reaching Home provides critical support, and consistency is required to ensure the continuity of services needed to end chronic homelessness, in keeping with Canada's commitment to fulfill the right to housing.

7. Explore how the government can better use publicly owned land to build more affordable housing.

Creating more affordable housing will require the government to use all of its available tools towards the pursuit of this goal.

In this regard, Maytree was pleased to see the November 2023 announcement to use federal surplus properties to develop new homes across Canada. However, more can be done to maximize the value of publicly owned land and ensure that units created on it are affordable to those with the lowest incomes.

Maytree recommends that the government work with housing researchers, providers, and other governments to identify publicly owned land that can be used for housing. The government could retain ownership of the land as an asset on its balance sheet, so that as more housing is built, the land will increase in value.¹⁷

Existing providers can be used to operate this housing, and the federal government can use its borrowing power to provide financing at low rates in exchange for developer commitments on keeping rents low over the long term.¹⁸ To ensure that those more likely to experience core housing need are better supported, units designated as affordable should follow best practices in affordability design, such as by tying rents to household size, income, and area rates. This approach would complement the federal government's existing plans to use more public land for housing, while also maximizing its value as an asset.

16 Garton, R. (2023). City of Windsor rails against federal homelessness funding reduction. *CTV News*. <https://windsor.ctvnews.ca/city-of-windsor-rails-against-federal-homelessness-funding-reduction-1.6686205#:~:text=Dozens%20of%20cities%20across%20Ontario,%241%20million%20in%202026%2D2028>.

17 Meredith, T. & Broadbent, A. (2023). Building Housing Like We Did the St. Lawrence Seaway. *Airquotes Media*. <https://www.airquotesmedia.com/quotes/building-housing-like-we-did-the-st-lawrence-seaway-18aug2023>.

18 Ibid.

Recommendations to improve accountability for human rights

To ensure that the impact of these actions can be fully realized, the government must also improve the implementation of human rights considerations both within and across governments. This requires that the government:

- 8. Align National Housing Strategy programs with the requirements of Canada's housing policy, as set out in the *National Housing Strategy Act*, 2019.**

While Maytree applauds the government for recognizing the right to adequate housing in legislation, the suite of programs contained within the National Housing Strategy were not developed with this lens. In line with a human rights-based approach, all programs should be assessed on whether they are doing enough to improve housing outcomes for people in greatest need, and should be accompanied by clear metrics that demonstrate whether Canada is making continual progress toward its goal to end chronic homelessness.

- 9. Work with other governments to fulfill Canada's human rights commitments.**

The federal government should demonstrate greater leadership in federal/provincial/territorial meetings for ministers responsible for human rights. For example, the government could advance a comprehensive plan to fulfill the right to an adequate standard of living and develop a shared transparency and accountability mechanism for progress on human rights.

- 10. Strengthen agreements with other governments to include human rights-based principles, such as bilateral National Housing Strategy programs.**

This could include establishing an accountability framework where all levels of government report publicly on key characteristics about who is receiving support, and the impact funds have made on, for example, reducing core housing need.

- 11. Review and enhance all data collection and metrics related to Canada's progress on fulfilling the right to an adequate standard of living.**

Governments at all levels must improve the collection and dissemination of demographic and income information on people with lower incomes, and this information should be used to inform programs intended to meet poverty reduction targets. In addition, Canada's main metrics for measuring poverty and housing need require review and improvement. In particular, the Market Basket Measure, used as Canada's Official Poverty Line, should be adapted to better

reflect the unique needs of groups such as seniors and people with disabilities.¹⁹ Similarly, the current definition and use of core housing need does not always reflect realities of how people experience housing insecurity, and it should be updated to align with a human rights-based approach to adequate housing, as defined in international law.²⁰

Maytree is pleased to have the opportunity to provide input in advance of the 2024 federal budget. We welcome any questions or comments on our proposed recommendations.

- 19 Griffin, P. & Tabbara, M. (2023). *A fine line: Finding the right seniors' poverty measure in Canada*. Maytree. <https://maytree.com/publications/a-fine-line-finding-the-right-seniors-poverty-measure-in-canada/>.
- 20 DiBelloina, S. & Talwar Kapoor, G. (2023). *Modernizing core housing need: Why the key indicator in Canadian housing policy needs a refresh*. Maytree. <https://maytree.com/publications/modernizing-core-housing-need/>.