

Written Submission for the Pre-Budget Consultations in Advance of the 2025 Federal Budget

Submitted by Daily Bread Food Bank

August 2, 2024

Summary of Recommendations

Recommendation 1: Allocate additional funding to top up the Canada Disability Benefit (CDB) to \$500 per month per recipient, to advance the legislative objectives of Bill C-22: The *Canada Disability Benefit Act*.

Recommendation 2: Mitigate barriers to CDB access for low-income people with disabilities by improving and investing in accessibility and outreach measures, including:

- A) A full launch of automatic tax filing for all Canadians;
- B) Funding for non-profits to support benefit uptake;
- C) Training for Service Canada staff to support eligible recipients in successfully applying; and,
- D) Addressing barriers to applying for the Disability Tax Credit (DTC).

August 2, 2024

Mr. Peter Fonseca, Chairman of the House of Commons Standing Committee on Finance and MP for Mississauga East-Cooksville
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Dear Mr. Chair and esteemed members of the Standing Committee on Finance,

On behalf of the Daily Bread Food Bank, our clients, and our member agencies, I thank you for the opportunity to participate in this pre-Budget process as you plan the next steps of Canada's economic recovery from the ongoing challenges of inflation and the cost-of-living crisis.

For context, Daily Bread works on the frontlines to serve people facing food insecurity while simultaneously advancing long-term solutions to end hunger and poverty. We run innovative programs to support individuals living on low incomes, serve hundreds of thousands of food bank clients each year, and distribute fresh, shelf-stable, and cooked food and meals to 132 member agencies and 207 meal programs across Toronto. Meanwhile, through research and advocacy, Daily Bread advances evidence-based policy solutions aimed at tackling the root causes of poverty and realizing the right to food in our communities.

Over the past years, our network of food banks has been under incredible strain as we face record growth in demand for our services month after month. **Before the pandemic, we were seeing an average of 65,000 food bank visits per month, and in May 2024, we were at over 350,000.** As we highlighted in our [Who's Hungry 2023 report](#), with the rising costs of living affecting more and more people, 1 in 10 Torontonians now access food banks, double the rate of the previous year. Sadly, this is not an issue that uniquely affects Toronto—across the country, food banks are at a breaking point as more individuals fall into food insecurity and poverty without an adequate social safety net to support them.

Evidence shows that income support programs like the Canada Child Benefit (CCB) and expanded senior's benefits have reduced the severity of poverty and food insecurity in Canada for these groups.¹ Thus, income-based solutions are essential to eliminating food insecurity because they ensure that people can afford their basic needs, like food and housing.

Unfortunately, income supports for people with disabilities are deeply inadequate in every province and territory across the country, leaving people well below the poverty line and keeping their right to food out of reach.² We at Daily Bread see firsthand how people with disabilities are overrepresented among our chronic food bank clients and face some of the worst levels of food insecurity. More support is needed to ensure people with disabilities can live a dignified life, where their basic needs are met.

¹ Brown, E.M., & Tarasuk, V. (2019). Money speaks: Reductions in severe food insecurity follow the Canada Child Benefit. <https://doi.org/10.1016/j.yjmed.2019.105876>

² Laidley, J. & Tabbara, M-D. (2024). *Welfare in Canada, 2023*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2023.pdf

This is why our community of food banks, clients, organizational partners, and over 27,000 supporters have come together over the past year and a half to call for a fully funded and accessible Canada Disability Benefit (CDB). If implemented correctly, this Benefit could lift over a million of our most vulnerable Canadians living with disabilities out of poverty while drastically reducing food insecurity.

While we were grateful to see the historic all-party support for Bill C-22 in June 2023 and subsequent announcement of the CDB in Budget 2024, we know that the Benefit as it is currently designed is deeply inadequate to achieve the legislative objectives of the Bill. We at Daily Bread therefore offer the following recommendations for your urgent consideration ahead of Budget 2025-26, in alignment with the goals and timelines enshrined in Bill C-22 and Budget 2024, in which CDB payments are set to flow in July 2025.

Recommendations

Recommendation 1: Allocate additional funding to top up the Canada Disability Benefit (CDB) to \$500 per month per recipient, to advance the legislative objectives of Bill C-22: The *Canada Disability Benefit Act*.

[The Parliamentary Budget Officer's report](#) released in November 2023 mapped models and scenarios for the CDB's rollout that ranged, pending eligibility and uptake, from \$2.5 billion to \$20.5 billion per year. Over the past year, our national coalition of food banks, disability organizations, partners, and supporters had called for the Benefit be funded between \$10 billion and \$12 billion per year to achieve the legislative objectives of Bill C-22 and ensure that hundreds of thousands of Canadians living with disabilities would have adequate incomes to be lifted above the poverty line, thus enabling a life of dignity.

Instead, Budget 2024 announced funding levels lower than the lowest-cost scenario from the PBO, at only \$1 billion per year over six years. This allotment, which results in a maximum payment of \$200 per person per month starting in July 2025, falls short of the stated goals of the legislation and is deeply inadequate to improve the lives of people with disabilities living in poverty.

In fact, Minister Khara (Minister of Diversity, Inclusion and Persons with Disabilities) admitted on record last month at a federal committee hearing that upon program maturity in 2027-8, **only 25,000 people would be lifted out of poverty**. This is 1.7% of the approximately 1.5 million people with disabilities currently living in poverty, a far cry from the hundreds of thousands the government said would be lifted out of poverty through the CDB in 2022.

We call on the Government of Canada to meaningfully address this shortfall and fund the benefit to a level that would provide recipients at least \$500 per month to advance the legislative objectives of Bill C-22—with a view to fully lifting people with disabilities out of poverty through progressive increases in the coming years. This increase would signal meaningful progress in advancing the fundamental human rights of people with disabilities and is something Canadians of all stripes wish to see and celebrate, as evident from various national polls that demonstrate broad support for a fully funded CDB.³

³ Angus Reid Institute. (2024). Canada Disability Benefit: Nine-in-ten support benefit, but most doubt federal government will get it done. https://angusreid.org/wp-content/uploads/2024/04/2024.04.08_Canada_Disability_Benefit.pdf

Recommendation 2: Mitigate barriers to CDB access for low-income people with disabilities by improving and investing in accessibility and outreach measures.

According to the proposed regulations, to apply for the CDB, eligible recipients first need to file their taxes and possess a Disability Tax Credit (DTC). Therefore, in addition to a yet unknown application for the CDB, eligible recipients need to also go through two other administrative processes that require substantial and costly applications with financial and medical documentation before they can even apply for the CDB. Relying on administrative records to determine eligibility and issue payments presents challenges because tax filing for many Canadians is onerous, and barriers prevent low-income people with disabilities from accessing the benefits to which they are entitled. We therefore call for the following accessibility measures:

- A) **Automatic Tax Filing For All:** We commend the government on the long-awaited launch of CRA's automatic tax filing pilot earlier this week and urgently call for the full implementation of automatic tax filing for all Canadians before the launch of the CDB in July 2025, to mitigate barriers to benefit access. Federal and provincial governments in Canada increasingly use the tax system to both establish eligibility for benefits and deliver them, yet we know that individuals living in poverty are less likely to file their taxes compared to others.⁴ As a result, low-income Canadians too often miss out on critical rebates and programs they need and are entitled to, like the CDB. Automatic tax filing was promised to all Canadians four years ago in the 2020 Throne Speech—it is time to see that promise fulfilled.
- B) **Funding for Non-Profits to Support Benefit Uptake:** Frontline organizations have both the experience and community trust necessary to support people with disabilities through government processes. That is why we call for funding to enable non-profits to scale up critical community outreach in support of CDB uptake. While ESDC's Social Development Partnership Program is a start, outreach needs to meet people where they frequent, including food banks, libraries, shelters, community health centers, and settlement agencies. Funding for non-profits and other community organizations to offer year-round tax clinics, public education resources, and hands-on benefit application and navigation support will help increase benefit uptake.
- C) **Training for Service Canada Staff:** We also recommend that Service Canada staff are provided with proper training to adequately support eligible CDB recipients in successfully applying for the benefit, in their language of choice, and on their first attempt. These staff should be patient and diverse individuals who are not only fluent in the benefit application process but trained to understand and support people with lived experiences of disability and poverty.
- D) **Addressing Barriers to Applying for the Disability Tax Credit (DTC):** Finally, we call for Budget 2024's \$243 million funding allotment to cover the expenses of DTC medical forms to be dispensed in a way that ensures no upfront costs for low-income people. We also urge the federal government to pursue and invest in additional avenues for CDB eligibility given the known barriers and limitations of the DTC. Not only is the DTC onerous and costly to apply for, but it uses a much more limited definition of disability than the definition used in Bill C-22, thus creating concerning misalignment with the Government of Canada's own legislative obligations.

⁴ Robson, J and Schwartz, S. (2020). "Who Doesn't File a Tax Return? A Portrait of Non-Fileers." *Canadian Public Policy* 46:3, 323-339. <https://www.utpjournals.press/doi/full/10.3138/cpp.2019-063>

Conclusion

On behalf of Daily Bread, our member-agencies, and our clients, we thank you and the members of the Committee for your work, time, and attention to this crucial matter. There is still time for our government to course-correct and ensure that the CDB improves the lives of the 1.5 million people with disabilities living in poverty, however this will require urgent action and investment through Budget 2025.

We would welcome the opportunity to appear before the Committee for your pre-Budget study this Fall to further discuss the recommendations outlined above. Our network of food banks and coalition of partners from across the country are ready to provide a roadmap that supports a prosperous, fully funded, and vibrant rollout of the CDB program that is capable of lifting people with disabilities out of poverty and advancing their fundamental right to an adequate standard of living.

Best wishes to you and the Committee as you work to form recommendations for Budget 2025.

In partnership,

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