

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



Recommendation 1: Ensure fair credit and end predatory lending.

- **Lower the criminal rate of interest of predatory installment loans.**
 - Lower the interest rate of installment loans further to 30% or 20% plus Bank of Canada rate, whichever is lower. Include all associated costs such as insurance.
- **Support fair lending alternatives:**
 - Create a federally funded Fair Credit Benefit so that all low-income people have access to low-cost credit options in case of an emergency.
 - Support postal banking and other low-cost alternatives.
- **Enhance financial inclusion:**
 - Implement the commitment made in the federal budget 2024 to lower the NSF fee to \$10.
 - Expand the no-fee accounts to more low-income people.
 - Eliminate overdraft fees and banks must offer overdraft protection to all customers.

Recommendation 2: Affordable and healthy homes

- Ensure that the Canadian Renter's Bill of Rights as announced in the federal budget 2024 sets National Tenant Rights Standards and each province/territory must be required to enter into a bilateral agreement with the federal agreement and demonstrate how they are bringing their legislation up to the National Tenant Rights Standards to receive federal funding. These include:
 - A national lease structure that gives tenants security of tenure and limits rent increases
 - Rent control - no loopholes
 - Ban on unaffordable rent increases
 - Ban fixed term leases*(in most circumstances)
 - Ban no fault evictions
 - National Fund to help tenants avoid eviction
 - Maintain units for healthy/safe living and harassment free
 - Right to organize, without threat to eviction
 - Landlord disclosure and contact information
 - Meet with tenant groups to review the effectiveness annually
- Ensure that any public money given to private developers is used to create housing for people who are in core housing need.
- All green infrastructure retrofit partnerships from government agencies such as the Canadian Infrastructure Bank or CMHC must include affordability and anti-eviction covenants so that the money for retrofits does not lead to unfair rent increases and evictions.
- Ensure that the fund that enables co-ops, non-profits, land trust organizations, and tenants to acquire at-risk apartment buildings on sale is adequately funded and sustained.
- Stop financialized landlords from buying more affordable housing. Set limits to how much housing they can acquire.
- Regulate banks, CMHC and public pension funds to stop financing corporate landlords who purchase with the intent to increase rents and displace people.
- Mandate disclosure of property ownership across all provinces.
- Mandate rent control in all provinces to disincentivize landlords from evicting long-term tenants and help maintain the units.
- Immediately plug the tax loophole in the Income Tax Act that gives massive tax exemptions to Real Estate Investment Trusts (REITs) or require them to convert 20% of each building to social housing to ensure public dollars or tax incentives go to tenants who need it the most.
- Fund social housing to ensure that low-income people have access to affordable homes.

Recommendation 3: Provide affordable, high-speed internet to all low-income people.

- The federal government should provide affordable, high speed internet access by making the Connecting Families Program universal to include all low-income people and fixed-income seniors at \$10/month and 50/10 Mbps speed.
- Make the program mandatory for all telecoms.

Recommendation 4: Modernize EI

- Bring back the temporary changes made to EI at least until the EI reform process is complete.
- Fund EI. For the last 30 years, the federal government has not been funding EI.
- Make EI Accessible for all workers and lower the hour requirement consistently across the country to 300 hours or 12 weeks of insurable work, whichever is better for the worker.
- Expand the qualifying period to at least 2 years making it easier to allow hard working people who have paid into the system to use it.
- Raise the benefit rates for all workers to 75% of earnings; and raise benefits to 100% of earnings for low wage workers.
- Increase accessibility for all workers.
- Expand EI to include 'quit/fire,' 'refuse work,' or school attendance.
- Develop permanent ways for precarious workers to access EI, including the self-employed.
- Ensure better support for educational opportunities as many workers might have to transition from their jobs to another sector.

Recommendation 5: Canada Disability Benefit

- All persons with disabilities should be able to access the new Canada Disability Benefit, not limited to those who have a valid DTC certificate;
- Ensure that the Benefit is adequately funded.
- Ensure that there are no clawbacks by provinces and territories.
- Engage persons with disabilities actively in the decision making process.

Recommendation 6: Stop grocery gouging

- Tax excessive profits made by grocery chains.
- Cap the price on essential food items, something that many countries in Europe have done.
- Act on the commitment made in the 2021 Liberal re-election platform to start a national school meal program.
- Take measures to ensure that other smaller grocery stores are able to compete.

Recommendation 7: Tax the rich

- Introduces an excess profits tax,
- Introduces a wealth tax
- Closes many tax loopholes used by the wealthiest that drain money out of the public purse.

Background information

ACORN Canada is a national, community union with over 177,000 members in 30 neighbourhood chapters across 10 regions and 6 provinces. For more information, please visit www.acorncanada.org

ACORN members would like the federal government to prioritize the following issues while preparing the Budget for 2025.

1. Fair banking/ End predatory lending: ACORN is encouraged to see that the lowering of the criminal interest rate of predatory installment loans to 35% APR (from 48% APR) will come into effect from January 1, 2025. The announcement made by the federal government to lower the Non-Sufficient Fund (NSF) Fee to \$10 is also an extremely positive step as NSF hurts the poorest. However, the interest rate of installment still remains high and does not include associated costs such as insurance. Moreover, in the absence of fair credit alternatives, low-to-moderate income people will continue to be forced to rely on predatory lenders. Therefore, following actions are needed.

- Further lower the interest rate of installment loans to 30% or 20% plus Bank of Canada rate, whichever is lower and include all associated costs such as insurance.
- The federal government also simultaneously needs to create a Fair Credit Benefit so that people have an alternative in case of financial emergencies.
- In addition, the federal government must move fast to enforce the commitment it made to lower the NSF fee.

2. Affordable & Healthy homes

Low-to-moderate-income tenants are bearing the dual burden of housing and climate crisis. Most low-income tenants live in apartment buildings that are least maintained and energy efficient. Further, in the absence of full rent control or no rent control in certain provinces, tenants are under constant threat of eviction. While the federal government has announced millions of public dollars as well as other measures such as exempting developers from GST/HST tax rebate to help build housing supply, these measures do not support in creating affordable housing or housing for people in core housing need.

- Canadian Renter's Bill of Rights announced in federal budget 2024 can be transformative for tenants if it sets National Tenant Rights Standards and requires each province/territory to meet these standards if they access federal funding. The federal government can enter into bilateral agreements with provinces and territories similar to child care agreements to provide affordable child care across the country.
- Further, as the government invests in retrofitting existing buildings, it is important that all green infrastructure retrofit partnerships and agreements from the Canada Infrastructure Bank, the Office of Energy Efficiency, Ministry of Housing, Infrastructure and Communities, or CMHC must include tenant protections. Funding agreements must include:
 - Affordability and anti-eviction covenants.
 - Energy efficiency and mechanical cooling measures.
 - All rental types (townhomes to high-rises)
 - Allowance of other improvements (ex. mold remediation) if needed to upgrade a unit before energy efficiency and mechanical cooling.
 - Require landlords to demonstrate that the retrofits will result in benefits for tenants, particularly in cases where the landlord pays the energy costs.
 - Signed agreements from the landlord made transparent to the tenants in the building
 - Formal tenant participation where independent tenant unions existing in the community and building receive resources to support tenants participating

- Retrofits that are "turnkey" so that no additional work is required - include installation, clean up, painting etc.
- Coordination with trusted local delivery agents.

3. Internet for all

ACORN's Internet for All campaign calls for affordable, high-speed internet for all low-income people. ACORN Canada conducted a national survey which showed that a quarter of respondents said they have sacrificed food in order to pay for internet services. While the federal government launched the Connecting Families program, the program is not universal and suffers from many limitations. It only covers some low-income families and seniors. Some telecoms such as Rogers and TELUS have offer affordable, high-speed internet but it still remains a patchwork of programs.

4. Modernizing EI

The federal government has conducted consultations to seek input from stakeholders on modernizing Employment Insurance - a critical safety net for workers. However, none of the changes have been made yet. Moreover, a set of temporary changes introduced to EI as the pandemic exposed the inherent gaps in the current EI system, have been discontinued starting September 25, 2022.

- While EI reforms are underway, the government must bring back the temporary changes made to EI during the pandemic.
- Introduce changes to modernize EI without further delay.

5. Canada Disability Benefit

Persons with disabilities are forced to live in deep poverty as the assistance across provinces and territories remains abysmal. The federal government announced the Canada Disability Benefit in Budget 2024 but the amount remains far from adequate and the coverage of the benefit is also limited. Moreover, the benefit could be clawed back if the commitments from provinces and territories are not secured.

6. Stop Grocery Gouging

As grocery giants in Canada are on their way to set new profit records, millions of low- and moderate-income people continue to struggle to put food on the table. In fact, food retailers are now earning more than twice as much profit as they did before the COVID-19 pandemic. Grocers are charging much higher profit margins that is leading to escalating food prices - something that the Competition Bureau of Canada confirmed.

The grocery industry is highly concentrated. Canada has three main grocery giants that rule the prices - Loblaws, Sobeys and Metro - each of them with more than 1,000 stores and a range of brands under their banner. This concentration is hurting competition and pushing up the prices.

The federal government must change this tide to ensure food security for everyone.

7. Tax the Rich

Research by Canadians for Tax Fairness shows how corporations are making record profits and low-income people are struggling. Last year, corporations raked in hundreds of billions in pre-tax profits, a substantial increase from 2019 and more than twice the average profit levels of the previous decade. At the same time, their profit margins increased substantially contributing to inflation and income inequality. The richest Canadians have reaped the rewards, with the top one percent seeing their average market income rise significantly from 2019 to 2021, while the bottom half saw no increase at all. Implementing the wealth tax and raising the corporate tax - are both urgently required.