

Food Banks Canada Disappointed by Lack of Response to Skyrocketing Food Insecurity

Wednesday March 29th, 2023

In last year's federal budget, Food Banks Canada was encouraged by the direction of government funding. This year, unfortunately, there is no other choice but to be disappointed with a budget that fails to demonstrate an understanding of how severe poverty and food insecurity are in this country.

Over the last year, food banks have been faced with unprecedented rates of visits as people in Canada are struggling with poverty in a way that food banks have never seen before. One of the biggest challenges for everyone is the cost of housing – a non-negotiable expense that often takes-up most (or all) of a household's income. Apart from a critical and needed future investment in Indigenous housing, **this year's budget contained no other new housing commitments to address this urgent crisis.**

The government's key contribution to improving affordability in the budget is a **one-time increase to the GST credit that has been loosely labeled as a 'Grocery Rebate'**. This payment will provide **less than \$500 for families and roughly half that for seniors and people without children**. As with previous GST credits, only those who have filed taxes will be eligible for the credit. To cut through the spin –the new credit is simply a repeat of last year's GST credit payment, which had virtually no impact on food insecurity, as it bypasses the systemic policy failures that cause food insecurity at its root.

This unfortunate failure to relieve the burden placed on so many, shows us that there is a clear lack of understanding when it comes to poverty in Canada. The problem far too many are facing is not that they cannot afford groceries, but that they **don't have enough income leftover once they've finished paying for other fixed costs** like unaffordable housing, rising utilities, and other basic necessities.

Beyond the lack of action on the root causes of food insecurity and poverty, the budget did include a few minor commitments worth noting. Those include **commitments towards easier/automatic tax filing, dental care, and Indigenous housing**. See details below.

Tax Filing

- The federal government will **increase the number of eligible Canadians for File My Return** to two million by 2025.
 - This program helps a limited number of low-income Canadians with simple tax situations to easily file taxes over the phone. The reality of this, however, is that **only those who have previously filed tax returns can qualify for this program**.
- Starting next year, the CRA will **pilot a new automatic tax filing service** that will help vulnerable Canadians, who currently do not file their taxes, to receive the benefits to which they are entitled.
 - This is **a long-time advocacy objective of Food Banks Canada** as each year, billions of dollars in benefits that should be going to low-income individuals are never claimed, since many do not file their income tax returns.

Healthcare

- \$13.0 billion over five years, starting in 2023-24, and \$4.4 billion ongoing to Health Canada to **implement the Canadian Dental Care Plan**.
 - The plan will provide **dental coverage for uninsured Canadians with annual family income of less than \$90,000**. The plan would begin providing coverage by the end of 2023.

- \$75 million ongoing to Health Canada to establish an **Oral Health Access Fund**.
 - This fund will address oral health gaps among vulnerable populations and reduce barriers to accessing care, including in rural and remote communities.

Housing

- Commit an additional \$4 billion, over seven years, starting in 2024-25, to **implement a co-developed Urban, Rural, and Northern Indigenous Housing Strategy**.
 - While this commitment is a welcomed one, the investments don't start immediately and are spread out over many years, therefore, it **does nothing to help the significant number of Indigenous people who are struggling with inadequate housing today**. Moreover, it is an exact copy from last year's budget where they promised \$4 billion over seven years.
 - As our country's top affordability issue is housing, **the lack of immediate investments in housing presents a massive gap in the federal budget this year**.

Indigenous and Northern

- \$10 million in 2023-24 to top up the **Local Food Infrastructure Fund (LFIF)** to strengthen food security in Northern, rural, and Indigenous communities across Canada.

We welcome this increased funding to support food banks and other community organizations in remote and Northern communities across the country. Overall, the above proposed actions are the only notable changes among a number of inadequate steps in the alleviation of poverty in Canada. While we commend these minor actions which can be part of a bigger plan towards a Canada where no one goes hungry, they fall short of an adequate response to a tidal wave of food insecurity that can only be met with a concerted effort to patch up a social safety net that is growing bigger holes by the day.

In short, this budget can be summed up as a missed opportunity by the federal government when it comes to tackling poverty and food insecurity in Canada.

If we have any hope of reducing the number of people relying on food banks, Canada's federal government must demonstrate the **courage to commit real investments towards reducing the root causes of food insecurity, which means addressing low incomes and poverty**.

This will include changing Canada's housing system through the introduction of rent assist programs and the development and acquisition of affordable housing. It also means helping Canada's growing number of working poor through much needed EI changes and training opportunities. And while we are pleased to see action being taken for northern and Indigenous communities, waiting another year for these commitments to surface is entirely unacceptable to those struggling today.

As always, Food Banks Canada will continue to fight for policies that aim at a real long-term change for people in Canada. Our priority remains focused on developing a minimum income floor, taking on new strategies to introduce affordable housing, expanding supports for the working poor, and helping to bring much needed attention to the issues being faced in northern and rural parts of Canada.

For more information on how we believe the federal government should take action to eliminate poverty, visit our policy recommendations [here](#).

Additional Announcements that may be of Interest

Students

- **Increasing Canada Student Grants** by 40 per cent—providing up to \$4,200 for full-time students.
- Raising the **interest-free Canada Student Loan limit from \$210 to \$300 per week** of study.

Indigenous People

- \$5 million in 2023-24 to Indigenous Services Canada to support the co-development of an **Economic Reconciliation Framework** with Indigenous partners that will **increase economic opportunities for Indigenous Peoples, communities, and businesses**.
- \$76.3 million in 2023-24 to Indigenous Services Canada to continue to support the administrative capacity of First Nations governments and tribal councils **delivering critical programs and services to their members**.
- \$2 billion in new, additional funding over ten years for a distinctions-based **Indigenous Health Equity Fund**.
 - 810.6 million over five years, beginning in 2023-24, to **support medical travel** and to maintain medically necessary services through the Non-Insured Health Benefits Program, including mental health services, dental and vision care, and medications.

Low-Income Workers

- \$625 million in 2023-24 in the Labour Market Transfer Agreements.
 - This funds a range of supports, including **skills training, on-site work experience, career counselling, and job search assistance**.
- Extended support for seasonal workers until October 2024.
 - In 2018, the government introduced temporary measures to provide **up to five additional weeks of EI support—for a maximum of 45 weeks—for eligible seasonal workers**.
- \$5.4 million over three years, starting in 2023-24, to Employment and Social Development Canada to ensure that the **Work-Sharing Program** continues.
 - The work-Sharing Program helps avoid layoffs during temporary decreases in business activity by providing income support through the Employment Insurance program to eligible employees who work a reduced week while their employer recovers.