



community food centres
CANADA good food is just the beginning

Briefing note on the 2023 Fall Economic Statement

On November 21, 2023, the federal government released its [Fall Economic Statement](#) (FES). But the FES didn't live up to its promise to help Canadians navigate the growing cost of living. In fact, the FES didn't even name food insecurity, let alone give concrete steps to address it.

In Canada, food insecurity is at a historic high. People living on low incomes are facing impossible decisions about meeting their basic needs. At the grocery store and the dinner table, they're forced to make unacceptable compromises. For now, things are set to stay that way, due to rampant inflation, stagnant incomes—and government inaction. But it doesn't have to be this way. We must do better.

Below, we detail key elements of the FES that are relevant to CFCC's priorities. For each element, we summarize our stance.

The key elements fall under two areas:

- Income support
- Social safety net.

Income support

- CFCC has called on the federal government to provide and enhance income support for people living on low incomes. This is the only proven way to sustainably address food insecurity.
- Aside from some enhancements to the Employment Insurance (EI) program, the FES provided limited income support measures.
- What the FES did prioritize were measures to stabilize food prices. This wrongly assumes that such measures will reduce the cost of groceries. And even if grocery prices stabilized, they are already inflated, so any "reduction" would be an illusion.

Enhancing Employment Insurance

- The FES proposed a **new 15-week shareable EI adoption benefit** for adoptive and surrogate parents who can't access the 15 weeks of EI maternity benefits. The benefit will cost an estimated \$48.1 million over six years, starting in 2023/24, with \$12.6 million ongoing.



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- The FES also proposes **up to four additional weeks of EI regular benefits to eligible seasonal workers** in 13 economic regions. This new measure will cost an estimated \$69.8 million over three years, starting in 2023/24. This enhanced support is only temporary and would be available for claims established between September 10, 2023, to September 7, 2024.
- **Our stance:** We welcome these new EI changes because they target some of the most vulnerable workers in our society. However, we continue to wait for promised EI reforms that would support all workers, including vulnerable worker groups such as people in precarious employment.

Stabilizing prices

- The FES proposes to **amend the Competition Act and Competition Tribunal Act** to strengthen competition and limit big businesses' influence over the price of goods and services. Among the aims, the amendments are designed to reduce business monopolies and prevent predatory pricing.
- **Our stance:** We agree with this proposal, but it won't make a material difference any time soon for people on low incomes. And it certainly doesn't address the root cause of unaffordability: inadequate income.

Making groceries more affordable

The FES will continue with measures introduced this fall, including:

- **Amending the Competition Act** to enhance competition in the grocery sector and increase choice in where people buy their groceries.
- **Securing commitments from Canada's five largest grocery chains** to help stabilize grocery prices.
- **Establishing a Grocery Task Force** to supervise the big grocers' work to stabilize prices.
- **Our stance:** These measures will do little, if anything, to address the root cause of food insecurity: inadequate income. Income security measures are the only proven solutions to food insecurity. We'd like to see a Task Force established that will focus on reducing food insecurity through the lens of creating more inclusive and fair social and economic policy.



Social safety net

Creating more affordable housing

- **The Apartment Construction Loan Program**, which aims to boost rental housing construction, will receive an additional \$15 billion in new loan funding. This funding will start in 2025/26.
- **The Affordable Housing Fund** will receive extra funding to support non-profit, co-op, and public housing providers to build more than 7,000 new homes by 2028. This funding will comprise an extra \$1 billion over three years, starting in 2025/26. However, this top-up is to be supported by \$631 million previously intended for the one-time top-up to the Canada Housing Benefit.
- To strengthen co-op housing, **the Co-operative Housing Development Program** will launch in early 2024, supported by \$309.3 million in new funding.
- To crack down on non-compliant short-term rentals, the FES proposes:
 - **denying income tax deductions for expenses incurred to earn short-term rental income.** This will apply to provinces and municipalities that have prohibited short-term rentals.
 - **supporting municipalities to enforce restrictions on short-term rentals.** This action will be funded by \$50 million over three years, starting in 2024/25.
- The government will create **a new Canadian Mortgage Charter** to ensure Canadians know about the mortgage relief they can receive from their financial institutions.
- **Our stance:** The FES contains no measures that provide direct rental assistance to low-income households. Given the stress and anxiety that millions of renters are experiencing, this is a bad miss. Building non-profit housing is an important part of the social safety net, but it's years out from completion. Meanwhile, people can't afford the housing they're in now.

Making dental care more affordable

- **The Canadian Dental Care Plan** is expected to start rolling out by the end of 2023. Once fully implemented, it will support oral health care for up to 9 million uninsured Canadians who have an annual family net income of less than \$90,000. There will be no co-pays for people with family net incomes under \$70,000. Health Canada will give more information in the coming weeks.
- **Our stance:** It's encouraging to see the ongoing commitment to and progress of this critical program. We await more information on both this program and



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the much-anticipated National Pharmacare Program. These programs are integral elements of a strong social safety net.

Making mental health more affordable

- The FES proposes to **exempt psychotherapist and counselling therapist services from the GST/HST.**
- **Our stance:** Food insecurity and poverty can worsen mental health. It's good to see the federal government stepping up to make mental health support more affordable.

With food prices set to [increase by up to 4.5% in 2024](#), the food insecurity crisis in Canada will only deepen. As we head into Budget 2024, join us in calling on the government to use proven solutions to address the root causes of food insecurity. The solutions are clear: income security programs for people living on low incomes.

Keen to learn more? For our 2023 FES analysis, see [our blog post on the FES](#).