



Written submission for the 2021 federal pre-budget consultation August 2020

Introduction

The Chronic Disease Prevention Alliance of Canada (CDPAC) is pleased to submit this brief to the House of Commons Standing Committee on Finance as part of the 2021 pre-budget consultation.

The four most common chronic diseases are cardiovascular diseases, cancer, diabetes and chronic respiratory disease. These are largely preventable and share common risk factors. Reducing tobacco use and alcohol consumption, increasing physical activity, and supporting healthy eating will all help to reduce the incidence of chronic diseases in Canada. These risk factors also influence mental health and there is growing recognition to include mental health in conversations about chronic diseases. Canadians who experience socio-economic disadvantage have a greater susceptibility to chronic conditions. The determinants of health encompass material, environmental and social conditions that enable individuals, families and communities to lead healthy lives.

In 2016, about 226,000 Canadians died from cardiovascular diseases, cancer, diabetes and chronic respiratory disease. Together, these diseases account for 88% of all deaths in Canada.¹ The causes are complex and require a comprehensive approach spanning multiple departments at multiple levels of government, civil society and the private sector.

CDPAC has the following recommendations for the Standing Committee as they prepare for Budget 2021:

- 1) Address household food insecurity by implementing a universal basic income guarantee**
- 2) Introduce a manufacturers' levy on sugary drinks**
- 3) Create a dedicated active transportation infrastructure fund**
- 4) Continue to invest in chronic disease prevention**

Address household food insecurity by implementing a universal basic income guarantee

CDPAC is calling on the federal government to:

- **Implement a universal basic income guarantee that ensures all people in Canada have enough money to meet their basic needs as part of the COVID-19 recovery effort and as a long-term strategy to address poverty and household food insecurity; and**
- **Take decisive action to achieve goals and targets outlined in Canada's Poverty Reduction Strategy.**

Household food insecurity, the inadequate or insecure access to food because of financial constraints, is a pressing national issue that can no longer be ignored. Between 2017–2018, 12.7% of households, representing 4.4 million Canadians, experienced food insecurity and this number has risen during the COVID-19 pandemic. According to Statistics Canada, between May 4 and 10, 2020, 15% of Canadians reported living in a food-insecure household, with 19% of Canadians living with children experiencing

¹ World Health Organization. (2018). [Canada](#).



some level of food insecurity. The Government of Canada must be prepared to address this issue to safeguard public health now and into the future.

Household food insecurity is a potent determinant of health rooted in a lack of income. The experience of household food insecurity has been linked to poor mental health and a range of chronic conditions, such as heart disease, hypertension, diabetes, asthma and arthritis. Many of these same chronic conditions also increase an individual's risk for severe adverse outcomes related to COVID-19. The interconnections between chronic and infectious diseases cannot be disregarded.

Household food insecurity is an income-based issue closely tied to markers of social and economic disadvantages. To significantly reduce rates of household food insecurity in Canada, comprehensive income policy is required to ensure all Canadians are able to meet their basic needs.

Effective, long-term strategies to reduce household food insecurity and its roots are needed, now more than ever, to promote health and prevent the development of chronic diseases. For further details and references, see: [CDPACs Call to Action on Household Food Insecurity](#).

Introduce a manufacturers' levy on sugary drinks

CDPAC recommends that the federal government introduces a levy on manufacturers of sugary drinks to reduce consumption and to partially recover related health care costs. The proceeds of a sugary drink levy on manufacturers should be used to fund healthy living initiatives including better public awareness of the harms of sugary drinks. A manufacturers' levy on sugary drinks could also be an important revenue stream to support the government's COVID-19 response activities.

Excessive consumption of sugary drinks is a major risk factor for the development of unhealthy weights and resulting chronic diseases, such as type 2 diabetes, heart disease, hypertension, stroke and some cancers. Many Canadians drink unhealthy quantities of sugary drinks, which often leads to the development of serious illnesses, lost productivity and significant health care costs to society.

In 2016, CDPAC, along with the Canadian Cancer Society, Childhood Obesity Foundation, Diabetes Canada and Heart & Stroke, co-funded research by Dr. David Hammond and his team at the University of Waterloo to examine the health and economic impacts of sugary drink consumption and the potential impact of a sugary drink tax in Canada.² This research found that a decrease in non-diet soft drink sales has largely been offset by the emergence and increased consumption of newer beverage categories and sugary drink sales remain near historic highs. The research projected that over the next 25 years sugary drinks will have a significant negative impact on Canadians' health. Sugary drink consumption and their associated adverse health effects is estimated to cost the healthcare system over \$50 billion in direct costs over the next 25 years.

Additionally, the research modelled that over the next 25 years, a 20% excise levy on sugary drinks is projected to prevent:

² Jones AC, Veerman JL and Hammond D. (2017). [The Health and Economic Impact of a Tax on Sugary Drinks in Canada](#).

- Almost 100,000 cases of overweight and over 600,000 cases of obesity among Canadian adults;
- Up to 200,000 cases of type 2 diabetes;
- Over 60,000 cases of ischemic heart disease;
- Over 20,000 cases of cancer;
- Over 8,000 strokes; and
- With over 13,000 Canadian deaths from diseases due to sugary drinks avoided.

A 20% sugary drink levy will also prevent almost 500,000 disability-adjusted life years (the number of healthy life years lost due to ill health, disability, or early death). This means more healthy and productive years for Canadians. Furthermore, implementing a levy will also work to inform Canadians that these products are harmful and have adverse health impacts. An excise levy on sugary drinks also provides economic benefits to Canadians and the health care system. Over the same period, a 20% levy will contribute to \$11.5 billion in health care savings. A 20% sugary drink levy is projected to raise \$1.7 billion per year and \$43.6 billion over 25 years, which can be spent on health living initiatives for Canadian families. The combined benefit of health care savings and revenue from a 20% sugary drinks levy is substantial and projected to be over \$55 billion.

It is important to recoup some of the costs that sugary drinks place on our population. The costs of sugary drinks are disproportionately borne by marginalized and low-income populations because of higher levels of sugary drink intake, poor nutrition and broader social inequities. A recent study found that the lowest income quintile would pay the largest proportion of income in sugary drinks tax, but also gain the most health benefits.³ It should be noted that the magnitude of its regressivity (an absolute difference of \$5.30 per person per year between the middle- and highest income quintiles) is justified by the magnitude of the health benefits associated with the tax. To mitigate the impacts of a levy, revenue raised should be invested in policies that improve health and reduce income inequalities.

Revenue from a sugary drink levy can be used to support healthy living initiatives, including:

- Subsidizing vegetables and fruit to make them more affordable for Canadian families;
- Ensuring access to safe drinking water and plain low fat milk in Indigenous communities;
- Healthy school lunch programs for Canadian students;
- Public education and/or awareness including food literacy and skills education;
- Physical activity initiatives.

Create a dedicated active transportation infrastructure fund to support walking, cycling, and active communities

CDPAC recommends the federal government create a dedicated active transportation infrastructure fund to support walking, cycling and active communities as proposed by the Federal Active Transportation Coalition. Based on current demand and spending of other leading jurisdictions, the fund should be between \$270M – \$700M and dedicated to active transportation infrastructure projects.

³ Kao K, Jones AC, Ohinmaa A and Paulden M. (2019). The Health and Financial Impacts of a Sugary Drink Tax Across Different Income Groups in Canada. Available upon request.



CDPAC was pleased to hear of the federal government’s recent commitment to develop a national active transportation strategy. We look forward to collaborating on its development. However, as the federal government continues to chart Canada’s recovery from COVID-19, there is an immediate opportunity and need to drastically increase investments in Canada’s active transportation infrastructure. There are a series of wide-ranging benefits associated with investments in active transportation.

First, active transportation projects offer immediate opportunities to create jobs and stimulate the Canadian economy in the short-term. Research suggests pedestrian and cycling projects and multi-use trails create between 9.6–11.4 jobs per \$1 million USD invested, compared to just 7.8 jobs for road-only projects. Additionally, investments in cycling and walking projects yield a return on investment of \$11.80 USD for each dollar invested. In comparison, a 2015 Conference Board of Canada report found that each dollar invested in roads generated only \$1.30 CAD in returns.

Second, active transportation projects are a cost-efficient way to address physical inactivity and promote healthy communities in the long-term. According to Statistics Canada, 84% of adults aged 18–79 and 60% of children aged 5–17 are not meeting recommended targets for physical activity. Physical inactivity is now the fourth leading risk factor for premature death after high blood pressure, smoking and diabetes. These poor health outcomes produce real costs. In 2009 it was estimated that physical inactivity among adults cost the Canadian economy \$6.8 billion.

Third, Transport Canada has indicated that replacing short car trips with active transportation can help reduce greenhouse gas emissions. In 2018, the transportation sector was the second largest source of GHG emissions in Canada.⁴ Between 1990 and 2018 emissions from passenger transportation grew by 39%. Reducing carbon emissions is critical to meeting Canada’s climate change targets but reductions in air pollution also have significant health co-benefits. Air pollution is a risk factor for asthma, chronic obstructive pulmonary disease, lung cancer and increased risk for cardiovascular events; and decreases in concentrations of particulate matter have been shown to increase life expectancy by up to 15%.

Given the high returns they generate, a dedicated active transportation fund is required to expedite active transportation projects to create healthier communities across Canada.

Continue to invest in chronic disease prevention

CDPAC recommends that the federal government commits to increasing healthy living investments, with an emphasis on scale-up of evidence informed policies and programs, in collaboration with provinces, territories and municipal governments and other partners.

COVID-19 has impacted Canadians across economic, health and social factors. Research shows that high levels of unemployment are correlated with poor health and increased mortality.⁵ Existing non-profit infrastructure can be leveraged to support Canadians with reducing risk of chronic disease and reduce the strain on some of the most vulnerable populations through the pandemic. Investments in the

⁴ Government of Canada. (2020). [Greenhouse gas emissions](#).

⁵ World Health Organization (2007). [Employment Conditions and Health Inequalities](#). Final report of the Employment Conditions Knowledge Network (EMCONET).



deployment of resources for chronic disease prevention are key to a resilient economic recovery and will deliver jobs in significantly impacted sectors. It will also provide a much wider benefit to all Canadians that will be helped by these programs and services, strengthen our resistance to COVID-19 and reduce the incidence of chronic disease.

About the Chronic Disease Prevention Alliance of Canada

Chronic Disease Prevention Alliance of Canada (CDPAC) is a network of Canada's major national, provincial and territorial health organizations that have come together around the common cause of promoting healthy living for the prevention of chronic diseases. Our mission is to work primarily at the national level to take an integrated, population health approach to influence policies and practices that will help prevent chronic diseases.