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# Privy Council Office Continuous Qualitative Data Collection of Canadians' Views – Wave 6 of Focus Groups

**FINAL REPORT**  
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**Political Neutrality Statement**

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Mike Colledge  
President  
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# 1. Executive Summary

## Background and Objectives

The Privy Council Office (PCO) is the hub of non-partisan, public service support to the Prime Minister and Cabinet and its decision-making structures. Led by the Clerk of the Privy Council, PCO helps the Government implement its vision and respond effectively and quickly to issues facing the government and the country.

As an advisor to the Prime Minister, PCO brings together quality, objective policy advice and information to support the Prime Minister and Cabinet, including information on the priorities of Canadians. To this end, the Communications and Consultation Secretariat within PCO supports the Prime Minister’s Office in coordinating government communications and setting broad government communications themes and messages, in accordance with government priorities, as determined by the Prime Minister, Cabinet, Cabinet committees and the Clerk of the Privy Council. The Secretariat also works with PCO policy secretariats to advise and support Cabinet and its committees.

In fulfilling its mandate, PCO required an ongoing cycle of qualitative data collection to ensure that it has up-to-date representations of Canadians’ opinions on macro-level issues that are of interest to the government, such as their views on what should be the priorities of the government. Additionally, such research increases the Government of Canada’s understanding of emerging trends, and measures Canadians’ views on key national issues and policy initiatives.

Through the use of an ongoing cycle of focus groups, PCO is gaining a solid understanding of Canadians’ views as they relate to the most important issues facing the country; their perceptions of how the federal government can best address these issues; expectations of actions related to government priorities; and perspectives on how the government can most effectively convey its efforts in dealing with emerging issues. This research helps inform the development of communications messages, products and dissemination tactics to respond to priority issues. Additionally, the research allows the Government of Canada to develop and refine communications activities to meet the specific needs of Canadians with timely, up-to-date, easily understood information based on the current perceptions of Canadians in the requisite areas.

This sixth wave of ongoing qualitative research was meant to gather feedback from Canadians on select issues and policy areas that are important to the Government of Canada. The issues discussed during focus groups differed from one location to the next. Topics covered included:

- Government of Canada actions
- Canada’s defense policy
- Poverty
- Local Challenges
- Taxes
- Impaired Driving
- Carbon Pricing

## Overview of Methodology

This sixth wave of qualitative research was comprised of a series of eight focus groups with Canadians aged 20 years old and above, held between June 12<sup>th</sup> and 21<sup>st</sup>, 2017. All group discussions lasted approximately two hours and were conducted in the evening, with the first session in each city starting at 5:30pm and the second starting at 7:30pm. These sessions were held in the following locations:

- June 12<sup>th</sup> – Trois-Rivières, QC
- June 14<sup>th</sup> – Whitehorse, YK
- June 19<sup>th</sup> – Toronto, ON
- June 21<sup>st</sup> – Coquitlam, BC

A total of 12 participants were recruited for each session to ensure that a minimum of eight to ten participants would attend. In total, 82 participants took part in the discussions. All participants received an honorarium of \$75 for attending the sessions at the focus group facilities. The screening questionnaire helped ensure that participants included a good cross-section of the general population, with good mixes of gender, ages, education and income levels, as well as household composition. Additional methodological details can be found in the appendix of this report.

This second wave of research is part of a continuous qualitative research project that will include a total of 144 focus groups to be held in multiple waves over the 2017 calendar year, with the option of renewing the cycle of research for two additional years. The contracted amount for this research project for calendar year 2017 is \$916,865.05, including HST.

## Key Findings

### *Government Actions*

At the start of each group, participants were asked to relate what they had seen, read or heard about the Government of Canada recently. Items spontaneously mentioned covered a broad range of issues:

- Legalization of Marijuana (in all locations)
- Canada- United States relations (in all locations)
- The environment and the Paris Agreement,
- Softwood lumber negotiations
- Canada’s 150<sup>th</sup> Birthday celebrations
- Immigration and refugees
- CPP improvements or expansion
- Foreign aid
- Free trade agreement negotiations (NAFTA)
- Childcare assistance for parents
- Military spending
- Transgender rights
- Agreement with First Nations (in Whitehorse only)
- Pipeline approval (in Coquitlam only)

Designated (prompted) topics discussed in the focus groups included:

- Canada’s defense and foreign policies
- Canadian Tax System (not covered in Whitehorse)
- Poverty (not covered in Trois-Rivières)
- Carbon Pricing (not covered in Trois-Rivières)
- Local Challenges (in Whitehorse and Trois-Rivières only)
- Impaired Driving (in Whitehorse only)

### *Canada’s Defence and Foreign Policies*

While this issue was seldom raised on an unprompted basis, a majority of participants across all locations had heard that Canada was going to increase its defence spending when prompted on the topic. Spending on new planes was most often mentioned, while a few participants also said they had heard that defending Canada’s north was becoming a higher priority for the government. In general, the idea of increasing Canadian military spending was well-received. Most participants who had heard about an increase in spending felt that this change was likely being spurred by foreign policy changes in the United States that would entail more military responsibilities for Canada and its allies in coming years.

This general impression regarding a shift in U.S. foreign policy made participants think that Canada was, and needed to, start looking for alternatives on the trade front as well. Many said they sensed that Canada was now seeking to diversify its trading opportunities with the European Union and Asian countries, starting with China. They reported being worried about recent developments in U.S. politics and felt the Canadian government needed to tread carefully in dealing with the American administration.

### *Canadian Tax System*

An extended discussion on the Canadian taxation system took place in Trois-Rivières, Toronto and Coquitlam. Most participants in Trois-Rivières and Toronto felt that the Canadian tax system needed to be modified in some ways, while participants in Coquitlam were more divided on the issue. Some said it needed a complete overhaul, while others believed that small adjustments may be sufficient. However, almost all agreed that the system needed to be “fairer”. They viewed the system as favouring the richest members of Canadian society, mostly because it allowed people with more resources to reduce their tax payments by using various tax loopholes that were deemed to be unavailable to Canadians from lower income groups.

In all three cities, participants were asked to complete an exercise in which they were tasked to reform the Canadian tax system by identifying up to three groups they felt should pay more taxes and another three groups that should pay less taxes. Two groups clearly stood out among those who should be paying more taxes: the top 1% of income earners and big corporations. These were quasi-unanimous choices across all groups. Most participants were not concerned with the actual taxation rates established for these individuals and corporations, but commented that the rich were capable of eluding current rules in order to reduce their tax burdens.

As for groups who should be paying less taxes, the choices were more diversified. The working poor and lower-income Canadians ranked as the top-two groups needing their tax loads reduced. These two groups were followed by retired Canadians, families of young children, the middle class, and small corporations, with choices depending mostly on personal or family experiences.

Once this exercise completed, participants were tasked with providing a name or expression that best represented how they felt about the fiscal changes that they had suggested as part of the exercise. The words “fair” and “equitable” dominated all others. Participants believed that this ideal system would close tax loopholes and force richer individuals and companies to pay more than Canadians from the middle class or those with lower incomes, as they believed it should be.

When presented with the federal tax rates for small and large corporations, most participants felt this was somewhat low, especially for larger businesses. They also agreed that it made sense for smaller corporations to pay a lower tax rates compared to larger ones. Participants in all three cities were also presented with five legal ways through which businesses could use the existing laws to lower their annual tax burdens or that of their employees. Reactions to all of those tax schemes were mostly negative as participants felt they provided businesses and business owners with unfair advantages over other taxpayers.

At the end of this extended discussion on taxes, participants nearly all agreed that the number one tax priority for the Canadian government was to close tax loopholes that allowed the richest members of society to avoid paying their fair share.

### *Poverty*

An in-depth discussion on poverty and ways to fight it was held in Whitehorse, Coquitlam and Toronto. Poverty was a concern in all three communities, but perceptions regarding its prominence and causes varied from one location to the next. When asked whether the Canadian government’s number one priority should be to reduce the number of people living in poverty or increase the number of low-income Canadians who join the middle class, most participants in all three locations chose the latter. They felt that the first option was nice in principle but may not help in solving the root causes of the problem nor provide a good long term solution. By contrast, getting more people to join the middle class implied that these individuals would become active members of society who contributed to the well-being of the community and were more likely to feel like they belonged.

In all three locations, participants were tasked with identifying which among a series of poverty-fighting approaches should be prioritized by the Government of Canada. The highest-ranking solutions tended to focus on the provision of long-term help for individuals so they could stay out of poverty without relying on government financial support. The number one priority identified was thus to invest in skills training so people could find well paid jobs. Building more affordable housing units and increasing resources available for mental health formed a second tier of priorities, ranking slightly lower than investments in skills training but well above any other solutions. Redefining what counts as “low-income” in Canada so

that more Canadians are eligible for support and introducing a child benefit so that less children grow up in poverty formed a third tier of preferred approaches to fighting poverty.

### *Carbon Pricing*

A short discussion on carbon pricing was held in Whitehorse, Coquitlam and Toronto. Nearly all participants were aware that Canada was a signatory to the Paris Agreement on Climate Change and expressed support for the country’s commitment. While very few participants could recall the name of the national agreement signed between the federal and provincial governments on carbon pricing, most had heard about the federal government’s decision to impose a price on carbon. While most participants in Toronto and Coquitlam agreed that it was a necessary policy, the depth of their support, or the extent of their hesitation, varied greatly. Whitehorse participants were the most conflicted about the concept of a carbon tax. On the one hand, many of them expressed strong support for all efforts aimed at improving the state of the environment. On the other hand, many among them believed that imposing a carbon tax on Canadians living in remote areas was unfair.

### *Local Challenges*

Trois-Rivières and Whitehorse participants were provided with a list of 24 different government priorities and asked to identify which ones they would personally select among the top three priorities for their local community. Aside from a handful of items that were chosen across all groups, results varied greatly from one location to the next. Housing costs ranked as the number one priority in Whitehorse, but was absent from discussions in Trois-Rivières. In Trois-Rivières, healthcare stood out as the most important priority for almost all participants, while this issue was only raised by a handful of participants in Whitehorse.

Among the priorities that were shared across both communities, we find the preservation of a clean environment, the ability of local businesses to succeed, poverty and an aging population. Views on the importance of preserving a clean environment were nevertheless expressed with more urgency in Whitehorse.

### *Impaired Driving*

A majority of Whitehorse participants mentioned having heard something recently about government efforts to improve testing for drivers who may have consumed marijuana as it moves to legalize its usage in 2018. They were also asked whether it would be good idea or a bad idea to allow police officers to impose roadside breath tests for alcohol, even in situations where they don’t have reasons to suspect that a driver has been drinking. Most of them felt this would not be a good idea, believing that officers needed probable cause to impose such tests.



### **Note on Interpretation of Findings**

Qualitative research is designed to reveal a rich range of opinions and interpretations rather than to measure what percentage of the target population holds a given opinion. These results must not be used to estimate the numeric proportion or number of individuals in the population who hold a particular opinion because they are not statistically projectable.

Focus group research on government priorities seeks to provide a deeper understanding of participants’ views, often complementing quantitative findings gathered through survey research. Discussions allow for deep probing on key issues that is not possible with quantitative research. This type of information is essential for the Privy Council Office in its role advising and supporting the Cabinet and its committees.

## 2. Detailed Findings

This section of the report presents the detailed findings from eight focus group discussions held in four different locations across Canada. The section is organized thematically in order to best reflect the varying discussions held from one location to the next. The moderator’s guide was adapted slightly from one location to the next in order to focus on various question areas. Each iteration of the moderator’s guide can be found in the Appendices.

### Themes Addressed

#### Government Actions

Participants were asked to relate what they had seen, read or heard about the Government of Canada recently. Items spontaneously mentioned covered a broad range of issues and included:

- Legalization of Marijuana (in all locations)
- Canada- United States relations (in all locations)
- The environment and the Paris Agreement
- Softwood lumber negotiations
- Canada’s 150<sup>th</sup> Birthday celebrations
- Immigration and refugees
- CPP improvements or expansion
- Foreign aid
- Free trade agreement negotiations (NAFTA)
- Childcare assistance for parents
- Military spending
- Transgender rights
- Agreement with First Nations (in Whitehorse only)
- Pipeline approval (in Coquitlam only)

Designated (prompted) topics discussed in the focus groups included:

- Canada’s defense and foreign policies
- Canadian Tax System (not covered in Whitehorse)
- Poverty (not covered in Trois-Rivières)
- Carbon Pricing (not covered in Trois-Rivières)
- Local Challenges (in Whitehorse and Trois-Rivières only)
- Impaired Driving (in Whitehorse only)

#### Canada’s Defence and Foreign Policies

While this issue was seldom raised on an unprompted basis, a majority of participants across all locations had heard that Canada was going to increase its defence spending when prompted on the topic.

Spending on new planes was most often mentioned, while a few participants also said they had heard that defending Canada’s north was becoming a higher priority for the government. In general, the idea of

increasing Canadian military spending was well-received. Participants in Whitehorse stood out for appearing more familiar with the financial figures presented by the Canadian government and with the Canadian Forces more generally. Participants from other cities who had heard about changes in Canadian defence spending could not recall specific details beyond the fact that there would be an overall increase in investment.

Most participants who had heard about an increase in spending felt that this change was likely being spurred by foreign policy changes in the United States. Their impression was that Canada, like other western countries would need to be less reliant on the U.S. to defend themselves against foreign threats. This feeling stemmed from what participants had heard from or about the President of the United States regarding American foreign policy. They believed that from now on the U.S. was going to diminish its level of cooperation with international partners and focus more strongly on domestic priorities.

This general impression regarding a shift in U.S. foreign policy made participants think that Canada was, and needed to, start looking for alternatives regarding international trade. Many said they sensed that Canada was now seeking to diversify its trading opportunities with the European Union and Asian countries, starting with China. Participants generally agreed that this was a good idea because the country would be less exposed to shocks emanating from U.S. policy changes. Many participants said they were worried by recent developments in U.S. politics. In general, they agreed that the Canadian government needed to tread carefully in dealing with the American administration. Some wanted Canada to be more forceful, but this view was challenged by most other participants who preferred a prudent tactic, which they believed was the approach favoured by the Canadian government.

A few participants across locations spontaneously raised environmental issues as part of this general discussion on foreign policy. They supported Canada upholding its environmental commitments despite the United States’ withdrawal from the Paris Accord. They disagreed with the U.S. decision and thought that it was good for Canada to take a strong environmental stand along with its international counterparts. Many said that this represented their view of Canada’s positive role in the world.

### *Infrastructure Bank*

Participants in all locations were asked whether they had heard, read or seen anything about the Canada Infrastructure Bank. Only a few participants had heard anything specific about the Bank, with most saying they had never heard of it. The few who had heard something had a general sense that it allowed private companies to get involved in infrastructure projects, without knowing how this partnership would work. Noticeably, a few participants from Trois-Rivières mentioned that they heard about the decision to establish the Bank’s headquarters in Toronto rather than in Montreal, something they viewed negatively.

## Canadian Tax System

An extended discussion on the Canadian taxation system took place in Trois-Rivières, Toronto and Coquitlam. Most participants in Trois-Rivières and Toronto felt that the Canadian tax system needed to be modified in some ways, while participants in Coquitlam were more divided on the issue. Some said it needed a complete overhaul, while others believed that small adjustments may be sufficient. However, almost all agreed that the system needed to be “fairer”. They viewed the system as favouring the richest members of Canadian society, mostly because it allowed people with more resources to reduce their tax payments by using various tax loopholes that were deemed to be unavailable to Canadians from lower income groups.

### *Tax Reform Exercise*

In all three cities, participants were asked to complete an exercise in which they were tasked to reform the Canadian tax system by identifying up to three groups they felt should pay more taxes and another three groups that should pay less taxes. To do this, they were provided with a list of 12 groups to choose from:

- The middle class
- The working poor
- Low-income Canadians
- Families of young children
- Big corporations
- Small corporations
- Small businesses owners
- The top 1% of income earners
- Veterans
- Churches and religious groups
- Charities
- Retired Canadians

Two groups clearly stood out among those who should be paying more taxes: the top 1% of income earners and big corporations. These were quasi-unanimous choices across all groups. These two economic groups represented exactly what participants had in mind when they objected to tax loopholes at the start of the tax discussion. There was a strong sense among participants that these two groups found ways to curtail existing tax laws through the use of various tax loopholes that allowed them to pay less than their “fair share”. This idea was pervasive and felt very strongly by many. When asked to estimate the income threshold after which someone would be considered part of the top 1%, Coquitlam and Toronto participants aimed higher, often mentioning \$1,000,000 and above. In Trois-Rivières, this was lower, with most participants agreeing that incomes of \$200,000 and above were likely part of that select group.

Most participants were not concerned with the actual taxation rates established for these individuals and corporations. The issue for them was not the rate at which the richest Canadians were taxed, but the fact that they were deemed capable of eluding current rules in order to avoid paying the rate that

they should be paying. Most participants therefore believed that the priority for the Canadian government should be to punish tax cheats or remove legal loopholes rather than increase taxation rates. However, a few participants across locations felt that current rates should be increased in addition to this crackdown on cheats and loopholes because they believed that richer individuals could afford to pay a lot more of their income in taxes without creating hardship. Not all participants agreed, with some stating that it was risky to increase tax rates for the richest individuals and companies because they would likely move out of Canada and hurt the local economy.

Many participants felt that churches and religious groups were also not paying enough taxes. They stated that these groups were already exempt from paying any taxes, something most felt was not right. Some participants feared that any organization could make dubious claims about being a religious group, including sectarian groups, and therefore be allowed to operate tax-free. Others were opposed on the grounds that it was not fair that other types of organizations had to pay taxes, something that religious groups should do as well. No other group listed was chosen by more than a handful of individuals for not paying enough in taxes.

As for groups who should be paying less taxes, the choices were more diversified. The working poor and lower-income Canadians ranked as the top-two groups needing their tax loads reduced. These two groups were followed by retired Canadians, families of young children, the middle class, and small corporations, with choices depending mostly on personal or family experiences.

While both the working poor and low-income Canadians were viewed favourably for the most part, participants believed there was a clear distinction between the two, and felt that the working poor ranked slightly higher on the list of groups deserving a tax-cut. The working poor were considered to be doing their best to make a living, and should be encouraged to do so via a fair taxation approach.

When asked to define what range of household revenues could be considered as being part of the “middle class”, answers varied from lows of \$30,000 to highs of \$250,000. Participants from Trois-Rivières gave noticeably lower figures compared to residents of other locations, with those in Coquitlam providing the highest figures overall. Yet numbers most often cited overall were in the \$50,000 to \$120,000 range. Participants often explained that it was hard to propose a specific figure because it depended on a variety of factors, such as the number of people in a household and in which city or part of the country a given household was situated.

Participants were also asked to explain what types of businesses came to mind when they thought of small corporations, a group that was seldom selected as deserving a raise or a cut in taxes. Participants spontaneously associated small corporations with local “mom and pop shops”, mostly in the retail sector. They thought of local restaurants and cafés, repair shops, builders, etc. These types of businesses were seen as essential to the well-being of the community and believed to often be operating on tight budgets. Many felt these businesses needed all the help they could find. Very few participants thought of consultants, lawyers, doctors or dentists as being a small corporation, but when this was raised by the moderator, many participants’ views regarding the amount of taxes that small corporations should be paying changed. They felt that tax levels for doctors, lawyers or dentists should not be reduced because they were not struggling to survive. This drove some participants to suggest that what mattered was not

the size of the business, but the size of its revenue, that should matter for taxation purposes. Some participants also questioned the use of the word corporation to describe a small business. They spontaneously associated the word with large businesses, not small ones.

Once this exercise was completed, participants were tasked with providing a name or expression that best represented how they felt about the fiscal changes that they had suggested as part of the exercise. The words “fair” and “equitable” dominated all others. Participants believed that this ideal system would close tax loopholes and force richer individuals and companies to pay more than Canadians from the middle class or those with lower incomes, as they believed it should be.

### *Corporations and Taxes*

Most participants did not know the federal tax rates for small and large corporations. However, most believed that it was probably lower than tax rates for individuals. When presented with the federal tax rates for each type of corporation, participants felt this was somewhat low, especially for larger businesses. When asked if it made sense that smaller corporations paid a lower proportion of their income in taxes, most agreed that it was a good thing. Participants mostly rejected the argument that having differential rates discouraged smaller companies from hiring people. While some agreed that it could be construed as a barrier, most raised objections based on the idea that what should matter is capacity to pay and not the number of employees. They thus wanted the rates to depend on the overall revenue of the company and not on the number of employees.

Participants were presented with two policy approaches that could be used to create a unique tax bracket for all companies. The first scenario involved having the same tax rates for small and large companies in exchange for allowing small companies to operate tax-free for their first few years of existence. It received mixed to negative reviews. Some agreed that this could provide sufficient assistance for small companies to grow and stabilise their finances before they were asked to pay more taxes. However, others were worried that this could be used by disreputable entrepreneurs to constantly create new companies to profit from the tax holiday and cease business operations once their tax exemption status ended.

The second scenario, in which small businesses would pay the same tax rates as larger ones, but receive more generous tax rebates in exchange for investments in innovative technologies, generated more positive views overall. Many participants felt this would be a better approach because it would encourage companies to innovate and grow, while also rewarding those who tried to improve their situation. The few who disagreed with this approach believed that it would not apply to many small businesses operating in sectors where innovation was not a big factor in success or failure, or was simply irrelevant to the business stream.

### *Legitimate Tax Credits or Tax Loopholes?*

Participants in all three cities were then presented with five different ways in which businesses could lower the amount they pay in tax. These included:

- Income-splitting among family members regardless of whether those family members are

contributing to the business;

- Using income from investment portfolios put aside for business improvements as personal income to save taxes;
- Including money saved in business accounts in the total value of a business sale so that this money is taxed as a capital gains revenue rather than as personal income;
- Paying employees in company stock options, which are taxed at a lower rate than regular income; and finally,
- Not paying capital gains taxes on the first \$850,000 for the sale of a company, with family farms being totally exempt if the sale is made to a family-member.

Splitting income among family members who did not contribute to the company generated puzzled reactions and frustrations for most participants. They believed that since this option was not available to them and to most other Canadians who did not own a business, it wasn't fair to provide it for business owners. It simply did not make sense to most that a person not contributing to a company could be paid as if they were an employee.

Participants almost unanimously felt that income that was set aside for business improvement should be used for that very purpose or otherwise it should be taxed as personal income using the same tax rates as other taxpayers. They felt the same way regarding the inclusion of money saved in business account as part of capital gains in the sale of a business: it should not be allowed. Many participants were confused by the concept and asked for further explanations because the idea that money from an existing account could be counted as part of a sales value did not make sense to them. They did not understand how this could be legal at all.

The idea that employees paid a lower tax rate on the portion of their income that was derived from stock options generated mixed views. Those who understood how stock options were valued and taxed believed that it made sense not to tax them using the same rate as for a fixed income. Some also felt that this type of payment should be encouraged because it provided a sense of loyalty on the part of both employees and employers, making this type of payment beneficial to both parties over time. However, this generated a lot of confusion for participants who did not understand the nature of stock options. They felt this may be a way for companies to avoid paying taxes themselves, or lowering the amount of money actually paid to employees. They also did not understand why employees should not pay the same tax rate for this type of income as they would for a regular wage.

Views on the \$850,000 tax exemptions for capital gains from the sale of a company were mixed as well. Many felt this may be too high, but others said that business owners who worked hard to build their company over many years probably deserved to get some tax break when they sold it as this was likely part of their retirement savings. Participants were also divided on the tax exemption provided to agricultural producers who sold their farms to family members. Some agreed that it made sense to encourage transition from one generation to the next because agricultural production was vital to local communities. However, others believed that if farms were given a special treatment for sales within the family, then family businesses in other sectors should benefit from the same tax break. The same family transition logic needed to apply across the board or not apply at all.

As part of this discussion on the tax system, participants were also asked if they knew about the employment income credit that all working Canadians received when filing their income taxes. Most participants did not and only a handful were familiar with the approximate amount of that credit. When presented with the possibility of transforming this universal tax credit into a progressive income-based credit that would see higher income earners receive nothing and lower income Canadians received a larger credit, views were mixed. Some felt it was fine to provide all Canadians who worked with a uniform credit because they viewed this as a reward for all those who worked. On the other hand, others believed that workers with a higher income did not need this amount while lower income workers deserved a helping hand.

### *How to Use the Money Saved Through Fiscal Reform?*

What should the Canadian government do with the additional income generated by a reform of the tax system that would close tax loopholes and ensure that everyone paid their fair share? A few options were provided to participants:

- Return the money to provinces through transfers that fund healthcare
- Pay down the federal debt
- Raise the threshold of annual income every Canadian can earn before they have to pay any federal tax (right now the threshold is just over \$11,000)
- Cut taxes in the lowest tax bracket
- Cut taxes for the middle class
- Divide up the revenues and mail a check for that amount to every Canadian

While many options were popular, one clearly stood out as the least favorite: sending a cheque to all Canadians. It was interesting to some, but it wasn’t seen as contributing to the well-being of the country as a whole. It also seemed strange to some participants that the government would find ways to save money only to give it back after.

Using the savings to increase health care payments was well-received by most. So were the ideas of paying down the federal debt and cutting taxes in the lowest income bracket. Raising the threshold of taxable income was also well-received, but it required further explanations for many participants who did not understand what this meant. Cutting taxes for the middle class did not generate much discussion, either positive or negative.

At the end of the extended discussion of taxes, participants were asked what they believed should be the number one priority of the Government of Canada when it came to changing the tax system. The number priority in all locations, and by quite a margin, was the same: close tax loopholes that allowed the richest members of society to avoid paying their fair share.

### Poverty

An in-depth discussion on poverty and ways to fight it was held in Whitehorse, Coquitlam and Toronto. Poverty was a concern in all three communities, but perceptions regarding its prominence and causes



varied from one location to the next. The discussion on poverty was more extensive in Whitehorse, where more time was devoted to the topic.

Participants in Whitehorse viewed poverty as a major concern in their community. They also stood out for their spontaneous focus on what they viewed as profound inequalities and divisions in their community, as well as their high level of familiarity with local poverty-relief initiatives. Participants noted that even though Whitehorse had a very high proportion of residents with post-secondary education and high income levels relative to other cities in Canada, they believed the city also had an unusually high proportion of individuals living in poverty and with limited access to educational resources and tools they needed to pull themselves out of poverty. Many spontaneously mentioned that indigenous residents had much lower standards of living and were often faced with important obstacles when trying to change their situation.

Poverty was also seen as an important issue in Toronto and Coquitlam, but the discussion remained slightly more general. Coquitlam participants mentioned that poverty may be less of a problem locally than it would be in other cities, starting with Vancouver. They did see some poverty in their community, but thought it may not be as conspicuous as elsewhere.

When asked whether the Canadian government’s number one priority should be to reduce the number of people living in poverty or increase the number of low-income Canadians who join the middle class, most participants in all three locations chose the latter. They felt that the first option, reducing the number of people living in poverty, was nice in principle but may not help in solving the root causes of the problem nor provide a good long term solution. They explained that one could surpass the minimal threshold to be considered poor while still not thriving nor have the necessary tools or resources to stay out of poverty in the long run. By contrast, getting more people to join the middle class implied that these individuals would become active members of society who contributed to the well-being of the community and were more likely to feel like they belonged.

Most participants thus felt that it was important for the government to do more than simply provide individuals with financial support. They believed that good long-term solutions to poverty needed to involve a sense of personal achievement and pride. Providing immediate help to those in need in the form of shelters, food banks and financial assistance was viewed positively and a necessity, but it was perceived as a temporary fix to a permanent problem caused by a variety of social issues, starting with mental health and drug or alcohol addiction. This distinction between short-term fixes and viable long-term solutions came out most strongly in Whitehorse, but remained important to participants in other locations as well.

### *Poverty Reduction Exercise*

In all three locations, participants were tasked with identifying which of the following poverty-fighting approaches should be prioritized by the Government of Canada. Items in the list are ranked from most-preferred to least preferred options during group discussions.

- Investing in skills training so people can find good paying jobs
- Building more affordable housing units for low-income Canadians

- Increasing funding for mental health treatment services
- Redefining what counts as “low-income” in Canada so that more Canadians are eligible for support
- Introducing a child benefit so that less children grow up in poverty
- Introducing a guaranteed annual income for all Canadians living below the poverty line
- Increasing the Guaranteed Income Supplement for single low-income seniors
- Subsidizing public transit so that it is easier for the working poor to commute to work
- Building more shelters to provide food and beds for the homeless
- Extending Employment Insurance benefits to more Canadians who can’t find work

In line with opinions expressed during the opening segment of this discussion on poverty, the highest-ranking solutions tended to focus on those that were considered to have positive long-term outcomes for individuals, and would thus enable them to stay out of poverty without relying on government financial support. The number one priority identified was thus to invest in skills training so people could find well paid jobs. It was chosen mainly because it provided individuals with the long-term skills they needed to become, and stay, productive members of society. This approach was seen to benefit the entire community as well as help individuals succeed.

Building more affordable housing units and increasing resources available for mental health formed a second tier of priorities, ranking slightly lower than investments in skills training but well above any other solutions. A strong focus on affordable housing was viewed positively because participants felt that having proper accommodations was a necessity of life, one that could restore an individual’s pride and give them the assistance they needed to start afresh. They believed that it would be extremely difficult for anyone without a proper home to pull themselves out of a difficult financial or emotional situation. To them, good housing was an essential source of stability in a person’s life, one that allowed them to think of other priorities. Some raised the need for affordable housing units to be built or be provided in a way to would not cause social stigma. They feared that people living in large social housing complexes may face judgement from other members of society, hereby reinforcing a feeling of exclusion or injustice.

Many participants viewed mental health as one of the main factors that led to poverty and homelessness. They felt that those afflicted with mental health issues did not have sufficient help available and wanted to see the government invest more heavily in this area. Several participants shared personal anecdotes about family and friends who had struggled with mental health issues and could not find appropriate resources to assist them.

Redefining what counts as “low-income” in Canada so that more Canadians are eligible for support and introducing a child benefit so that less children grow up in poverty formed a third tier of preferred approaches to fighting poverty. The former was chosen by a few participants in each location because they believed that increasing the number of Canadians who could access services in turn increased the odds that many would find their way out of poverty. The latter was chosen because of its focus on children. Other approaches on the list received limited support across locations. This was not because

these solutions were seen as negative things per se, but they represented the form of help that many participants viewed as temporary fixes rather than long-term solutions.

### *What Does Success Look Like?*

Measuring success in fighting poverty was perceived differently depending on whether participants thought of diminishing the number of Canadians living in poverty or increasing the number of low-income Canadians who join the middle class. To measure an actual drop in poverty levels, the indicators most often identified were reductions in homeless shelter occupancy rates, in food bank usage and in demand for other services aimed at assisting poor Canadians. Some participants also talked about reductions in local crime rates, incarceration rates and mental health problems as good measures of success.

On the other hand, those who focused on increasing the number of low-income Canadians who are part of the middle class believed that the best indicator was likely the government’s tax revenues. More Canadians in the middle class thus meant more money for the government and healthier public finances more generally.

Most participants agreed that broad macroeconomic indicators such as the unemployment rate or the gross domestic product were not good ways to measure success in fighting poverty. They were deemed too general to capture important fluctuations in the distribution of income at a local level.

### **Carbon Pricing**

A short discussion on carbon pricing was held in Whitehorse, Coquitlam and Toronto. While very few participants could recall the name of the agreement signed between the federal and provincial governments on carbon pricing, most had heard about the federal government’s decision to implement a price on carbon. The issue generated mostly positive feelings in Toronto and Coquitlam, while generating more debate in Whitehorse. While most Toronto and Coquitlam participants agreed that it was a necessary policy, the depth of their support varied greatly. Some expressed strong support for the idea, with many voicing more tepid or even reluctant acceptance and a handful objecting to the concept. However, nearly all participants across the three locations, including those opposed to carbon pricing, felt that climate change was a problem that needed to be addressed. They were also aware that Canada was a signatory to the Paris Agreement on Climate Change and expressed support for the country’s commitment. This was often viewed in contrast to the United States’ recent withdrawal from the agreement, which participants felt was a mistake.

Participants who expressed support for the concept of carbon pricing believed that it was a necessary and efficient step in Canadian efforts to curb greenhouse gas emissions. Those who reluctantly supported the idea tended to agree that something needed to be done, but they were either not fully convinced of its efficacy or expressed doubts about the capacity of governments to properly measure carbon emissions by polluters, let alone enforce the policy. Opponents mostly felt that it was completely inefficient and unfairly punished small polluters, starting with individual Canadians. They also viewed it as a tax grab on the part of the government.

When informed that imposing a price on carbon had proven successful in numerous countries, soft opponents changed their minds, while reluctant supporters adopted a more positive attitude. This information did not sway the strongest opponents, who noted that they preferred a less punitive approach.

Whitehorse participants were the most conflicted about the concept of a carbon tax. On the one hand, most expressed strong support for all efforts aimed at improving the state of the environment, in part because they felt connected with it, living in a remote region where preservation of wildlife is of great importance. Yet, opinions on a carbon tax were mixed. Many agreed that imposing a carbon tax was a good idea for Canada in general, but they worried about the effect it might have on Yukon residents, and felt it was unfair to Canadians living in remote areas. They noted that it was much harder for people in remote areas to wean themselves off of fossil fuels because of their reliance on gas-powered vehicles for transportation and leisure. These participants thought that the lack of public transit options and the already high cost of food and other essential commodities made a carbon tax more punitive for them. If it were implemented, they hoped that it would somehow take into account the different needs of remote locations. Participants worried that some groups, including the elderly, would be unfairly punished by a carbon tax and may not be able to afford some basic necessities of life.

Participants in all locations agreed that it was a good idea for the money raised through carbon pricing to remain within their province or territory. They also agreed that this money should be used to fund programs or initiatives that would help their community lower its carbon footprint rather than be merged with other tax revenues.

### Local Challenges

Trois-Rivières and Whitehorse participants were provided with a list of 24 different government priorities and asked to identify which ones they would personally select among the top three priorities for their local community. Aside from a handful of items that were chosen across all groups, results varied greatly from one location to the next.

Among the priorities that were shared across both communities, we find the preservation of a clean environment (especially in Whitehorse), the ability of local businesses to succeed, poverty and an aging population. Those who selected a clean environment mostly focused on the need to preserve local water sources and land, with a few also stating that the transition to renewable energy should be a top priority for the Canadian government. With regards to land and water preservation, many participants in Whitehorse identified the need to better regulate the mining industry, especially the clean-up efforts once a mine shuts down. They provided various examples of local mining operations that did not make the necessary clean-up efforts after they stopped their local activities.

The ability of local businesses to succeed was seen as equally important in both locations. Participants who chose it as a top priority believed that if local businesses thrived, everything else in the community would improve. Trois-Rivières participants lamented a perceived hollowing out of the local industrial base and wanted to see direct action to curtail this trend. They feared that quality local employment

would only become scarcer in the future. Poverty was selected as a top priority by multiple individuals in both locations. The reasons behind this choice were detailed in the section of this report dedicated to this issue.

Housing costs ranked as the number one priority in Whitehorse, but was not selected by a single participant in Trois-Rivières, reflecting the very different realities in both communities. Whitehorse participants mentioned that the cost of housing in the city was too high for local income levels. Many participants felt that the price of a house in Whitehorse was comparable to prices found in Vancouver or Toronto, a situation they deemed unacceptable. They worried that younger generations would not be able to afford home ownership in the future and also raised concerns over the ability of individuals on fixed-income, mainly seniors, to afford proper housing in the community. Lack of housing, including the lack of affordable housing units for the disenfranchised, was viewed as the main reason for the high prices. Availability of broadband internet service was also selected as a top priority by multiple respondents in Whitehorse.

In Trois-Rivières, healthcare stood out as the most important priority for almost all participants, while this issue was only raised by a handful of participants in Whitehorse. Their concerns about healthcare were wide ranging, starting with wait times and the state of the system more generally. Two other concerns were raised by multiple participants in Trois-Rivières, but not in Whitehorse: low high school graduation rates and integrating immigrants into the community.

A few issues were seen as missing from the pre-established list in Whitehorse. These included taxation levels, indigenous issues, transition to clean energy and ensuring global stability. In Trois-Rivières, the education system and terrorism were seen as missing from the list.

### **The following discussion took place solely in Whitehorse**

#### **Impaired Driving**

Participants in Whitehorse were asked whether they had heard of any recent or proposed modifications to laws governing impaired driving in Canada. A majority of respondents said they had heard something about government efforts to improve testing for drivers who may have consumed marijuana as it moves to legalize its usage in 2018. Most participants felt that efforts were ongoing, but did not believe that a clear solution had been identified yet. They thought it was harder to test for marijuana usage than for alcohol intake because a standard breathalyser would not detect the presence of drugs in the system.

Whitehorse participants were also asked whether it would be good idea or a bad idea to allow police officers to impose roadside breath tests for alcohol, even in situations where they don't have reasons to suspect that a driver has been drinking. Most of them felt this would not be a good idea. Those who opposed this change in legislation said that officers needed probable cause to impose such tests. Without probable cause, they feared that specific individuals or groups could be unfairly targeted by police officers, while also thinking that such a policy would be an infringement on privacy rights, and denoted too much arbitrary state power. After being informed that some countries used this approach with high degrees of success, soft opponents stated that they could be open to the idea. More fervent

opponents reiterated their disagreement with the idea, but felt that a more limited version of this was appropriate. Indeed, they agreed that testing without probable cause was acceptable if it were done as part of a driving under the influence prevention operation at a specific location for a set amount of time. This was seen as acceptable because it meant that all drivers passing through this location would face the same level of scrutiny.

### 3. Appendix

#### Appendix A. Detailed Research Methodology

This wave of qualitative research is part of a continuous qualitative research project that will include a total of 144 focus groups to be held in multiple waves (up to 18 separate waves) over the 2017 calendar year, with the option of renewing the yearly cycle of research for two additional years.

This fifth wave was comprised of a series of 8 focus groups with Canadians aged 20 years old and above, held between June 12<sup>th</sup> and 21<sup>st</sup>, 2017. All group discussions lasted approximately two hours and were conducted in the evening, with the first session in each city starting at 5:30pm and the second starting at 7:30pm. These sessions were held in the following locations:

- June 12<sup>th</sup> – Trois-Rivières, QC
- June 14<sup>th</sup> – Whitehorse, YK
- June 19<sup>th</sup> – Toronto, ON
- June 21<sup>st</sup> – Coquitlam, BC

A total of 12 participants were recruited for each session to ensure that a minimum of eight to ten participants would attend. In total, 82 participants took part in the discussions. All participants received an honorarium of \$75 for attending the sessions at the focus group facilities.

Group participants were meant to be representative of the Canadian population aged 20 years and above in all locations. They were recruited using a formal recruitment screening questionnaire administered via a telephone interview. The screening questionnaire helped ensure that participants included a good cross-section of the general population, with good mixes of gender (half men and half women in all groups), ages, education and income levels, as well as household composition. The fully-detailed recruiting questionnaire is presented in Appendix B.

The recruitment screener was devised by Ipsos in collaboration with PCO and in accordance with the specifications of the project authority, the Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research (<http://www.tpsgc-pwgsc.gc.ca/rop-por/rechqual-qualres-eng.html>) and following all Market Research and Intelligence Association (MRIA) standards and guidelines for the conduct of qualitative research. All groups were moderated by an Ipsos research professional.

In accordance with the Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research, and the MRIA guidelines for the conduct of qualitative research, Ipsos informed participants of their rights under Privacy Law. Ipsos provided participants with details specific to the conduct of the groups, and obtained their consent for audio/video taping of the discussion, the presence of observers, explained the purpose of the one-way mirror, basic rules about privacy and confidentiality including the fact that tapes will be destroyed according to MRIA guidelines, and that participation was voluntary.

As is standard with qualitative research done on behalf of the Government of Canada, the following conditions were also applied for all participants recruited for this study:

- They had not participated in a discussion group within the last six months;
- They had not attended, in the past two years, a focus group discussion or in-depth interview on issues related to the topic at hand;
- They had not attended five or more focus groups or in-depth interviews in the past five years;
- At least one third of the participants recruited for each group must never have attended a group discussion or in-depth interview before;
- They had a sufficient command of English (or French for the Trois-Rivières groups) to fully participate in the focus group sessions; and,
- They or their family are not employed in any of the following:
  - A research firm
  - A magazine or newspaper
  - An advertising agency or graphic design firm
  - A political party
  - A radio or television station
  - A public relations company
  - Federal or provincial government

As with all research conducted by Ipsos, contact information was kept entirely confidential and all information that could allow for the identification of participants was removed from the data, in accordance with the *Privacy Act* of Canada.



**Appendix B. Recruitment Guide**

**Government of Canada  
RECRUIT 12 FOR 10**

Hello, my name is \_\_\_\_\_. I'm calling from Ipsos, a national public opinion research firm. On behalf of the Government of Canada we're organizing a series of discussion groups with Canadians to explore current issues of importance to the country. A variety of topics will be discussed and we are interested in hearing your opinions.

**EXPLAIN FOCUS GROUPS.** About ten people like you will be taking part, all of them randomly recruited just like you. For their time, participants will receive an honorarium of \$75. But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix and variety of people. May I ask you a few questions?

Yes **CONTINUE**  
No **THANK AND TERMINATE**

Participation is voluntary. No attempt will be made to sell you anything or change your point of view. The format is a “round table” discussion lead by a research professional. All opinions expressed will remain anonymous and views will be grouped together to ensure no particular individual can be identified.

S1) Do you or any member of your household work in or has retired from:

|   | <b>YES</b> | <b>NO</b> |
|---|------------|-----------|
| Market Research or Marketing  | 1          | 2         |
| Public Relations or Media (TV, Print)   | 1          | 2         |
| Advertising and communications  | 1          | 2         |
| An employee of a political party  | 1          | 2         |
| An employee of a government department or agency, whether federal or provincial | 1          | 2         |

**IF “YES” TO ANY OF THE ABOVE, THANK AND TERMINATE**

S2) Are you a Canadian citizen at least 20 years old who normally resides in the [INSERT LOCATION] area?

Yes 1 **CONTINUE**  
No 2 **THANK AND TERMINATE**

S3) How long have you lived in [CITY]? \_\_\_\_\_

**TERMINATE IF LESS THAN 2 YEARS**

S4) Are you the head or co-head of your household?

|     |   |                 |
|-----|---|-----------------|
| Yes | 1 | <b>CONTINUE</b> |
| No  | 2 | <b>CONTINUE</b> |

S5) Have you ever attended a consumer group discussion, an interview or survey which was arranged in advance and for which you received a sum of money?

|     |   |                           |
|-----|---|---------------------------|
| Yes | 1 | <b>MAX. 1/3 PER GROUP</b> |
| No  | 2 | <b>GO TO Q1</b>           |

S6) How long ago was it? \_\_\_\_\_

**TERMINATE IF IN THE PAST 6 MONTHS**

S7) How many consumer discussion groups have you attended in the past 5 years?  
\_\_\_\_\_

**TERMINATE IF MORE THAN 4 DISCUSSION GROUPS**

**ASK ALL**

Q1) Could you please tell me what age category you fall in to? Are you...

|             |   |                                    |
|-------------|---|------------------------------------|
| Under 20    | 0 | } <b>ENSURE GOOD MIX PER GROUP</b> |
| 20-24 years | 1 |                                    |
| 25-34 years | 2 |                                    |
| 35-44 years | 3 |                                    |
| 45-54 years | 4 |                                    |
| 55-64 years | 5 |                                    |
| 65+ years   | 6 |                                    |
| Refuse      | 9 | <b>THANK AND TERMINATE</b>         |

Q2) Do you currently have children under the age of 18 living in the house with you?  
**[RECRUIT MIX]**

|     |   |
|-----|---|
| Yes | 1 |
| No  | 2 |

Q2a) Do you currently have children under the age of 13 living in the house with you?  
**[RECRUIT MIN 3 per group]**

|     |   |
|-----|---|
| Yes | 1 |
| No  | 2 |

Q3) How many people above the age of 18 are there in your household?

- One 1
- More than one 2

Q4) Could you please tell me what is the last level of education that you have completed?

- Some high school 1
  - Completed high school 2
  - Some College/University 3
  - Completed College/University 4
  - RF/DK 9
- } ENSURE  
} GOOD  
} MIX PER  
} GROUP

Q5) What is your current employment status?

- Working full-time 1
  - Working part-time 2
  - Self-employed 3
  - Retired 4
  - Currently not working 5
  - Student 6
  - Other 7
  - DK/RF 9
- } MAX 3 PER GROUP

Q6) [IF EMPLOYED/RETIRED] What is/was your current/past occupation?  
 \_\_\_\_\_ (PLEASE SPECIFY)

Q7) Which of the following categories best describes your total household income? That is, the total income of all persons in your household combined, before taxes [READ LIST]?

- Under \$20,000 1
  - \$20,000 to just under \$ 40,000 2
  - \$40,000 to just under \$ 60,000 3
  - \$60,000 to just under \$ 80,000 4
  - \$80,000 to just under \$100,000 5
  - \$100,000 to just under \$150,000 6
  - \$150,000 and above 7
  - DK/RF 99
- } Ensure good mix by...  
} Recruiting 2-3 from the below  
} \$40K category  
} Recruiting 3-4 from the between  
} \$40 and \$80K category  
} Recruiting 5-6 from the above

Q8) **DO NOT ASK – NOTE GENDER**

|        |   |                      |
|--------|---|----------------------|
| Male   | 1 | } ENSURE 50-50 SPLIT |
| Female | 2 |                      |

Q9) If you won a million dollars what would be the first two things you would do with the money? (**MUST HAVE TWO RESPONSES TO ACCEPT. TERMINATE IF FLIPPANT, COMBATIVE OR EXHIBITS DIFFICULTY IN RESPONDING**)

***TERMINATE IF RESPONDENT OFFERS ANY REASON SUCH AS SIGHT OR HEARING PROBLEM, A WRITTEN OR VERBAL LANGUAGE PROBLEM, A CONCERN WITH NOT BEING ABLE TO COMMUNICATE EFFECTIVELY OR IF YOU HAVE A CONCERN.***

During the discussion, you will be audio- and videotaped. This taping is being done to assist us with our report writing. Also, in this room there is a one-way mirror. Sitting behind the mirror may be Government of Canada staff, including members of the staff from the department that sponsored this research, and by staff members from Ipsos. This is standard focus group procedure to get a first-hand look at the research process and to hear first-hand your impressions and views on the research topic.

Do you agree to be observed for research purposes only?

|     |   |                          |
|-----|---|--------------------------|
| Yes | 1 | THANK & GO TO INVITATION |
| No  | 2 | THANK & TERMINATE        |

**\*\*\*\*(IN EACH LOCATION, PLEASE ENSURE TWELVE (12) PARTICIPANTS ARE RECRUITED FOR 8-10 TO SHOW)\*\*\*\***

**[Read to Stand-by Respondents]**

Thank you for answering my questions. Unfortunately, at this time, the group you qualify for is full. We would like to place you on our stand-by list. This means that if there is an opening in the group, we would then call you back and see if you are available to attend the discussion. May I please have a daytime contact number, an evening contact number and an email address, if you have one, so that we can contact you as soon as possible if an opening becomes available?

**[RECORD CONTACT INFO]**

**[Read to Screened in Respondents]**

Wonderful, you qualify to participate in one of these group discussions which will take place on, (DATE) @ (TIME) for no more than 2 hours. The Government of Canada is sponsoring this research. All those who participate will receive a **\$75** honorarium as a thank you for their time.

Do you have a pen handy so that I can give you the address where the group will be held? It will be held at:

| Location  | Time                                 | Date                         |
|---|--------------------------------------|------------------------------|
| <b>Trois-Rivieres</b><br><b>Hôtel Delta Trois-Rivières par</b><br><b>Marriott, Centre des Congrès</b><br><b>1620, rue Notre Dame Centre</b><br><b>Trois-Rivières (Québec) G9A 6E5</b><br><b>Rooms – Vieille Forge et Vieux Port</b> | Group 1 – 5:30pm<br>Group 2 – 7:30pm | June 12th, 2017              |
| <b>Whitehorse</b><br><b>Coast High Country Inn</b><br><b>4051 4<sup>th</sup> Avenue</b><br><b>Ballroom A – participants</b><br><b>Ballroom B1 – clients</b>   | Group 1 – 5:30pm<br>Group 2 – 7:30pm | June 14 <sup>th</sup> , 2017 |
| <b>Head Research</b><br><b>1255 Bay Street, 3<sup>rd</sup> Floor</b>  | Group 1 – 5:30pm<br>Group 2 – 7:30pm | June 19th, 2017              |
| <b>Coquitlam</b><br><b>Executive Plaza</b><br><b>405 North Road</b><br><b>Spruce and Pine Rooms</b>   | Group 1 – 5:30pm<br>Group 2 – 7:30pm | June 21 <sup>st</sup> , 2017 |

We ask that you arrive at least 20 minutes early to be sure you locate the facility and have time to check-in with the hosts. Prior to being admitted into the focus group room you will be required to sign a non-disclosure agreement, failure to do so will result in you being denied participation in the focus group session for which you have been selected. Payment of the incentive is contingent on participation in the focus group sessions.

In addition, we will be checking your identification prior to the group, so please be sure to bring two pieces of government issued photo identification with you (i.e. driver’s license, health card or other). Also, if you require glasses for reading, please bring them with you.

As we are only inviting a small number of people, your participation is very important to us. We have invited you to participate based on the questions we went through a moment ago, so we ask that you do not send a representative on your behalf should you be unable to participate. **IF FOR SOME REASON YOU ARE UNABLE TO ATTEND, PLEASE CALL SO THAT WE MAY GET SOMEONE TO REPLACE YOU.** You can reach us at 1-xxx-xxx-xxxx at our office. Someone will call you the day before to remind you about the discussion.

What would be a good time to reach you?  
And at what telephone numbers?  
May I please get your name? ON FRONT PAGE

**Thank you very much for your help!**

## Appendix C. Discussion Guides

### **INTRODUCTION (5 Minutes)**

- Introduce moderator and welcome participants to the focus group.
  - As we indicated during the recruiting process, we are conducting focus group discussions on behalf of the Government of Canada.
- The discussion will last approximately 2 hours. Feel free to excuse yourself during the session if necessary.
- Explanation re:
  - Audio-taping – The session is being audio-taped for analysis purposes, in case we need to double-check the proceedings against our notes. These audio-tapes remain in our possession and will not be released to anyone without written consent from all participants.
  - One-way mirror – There are observers representing the government who will be watching the discussion from behind the glass.
  - It is also important for you to know that your responses today will in no way affect your dealings with the Government of Canada.
  - Confidentiality – Please note that anything you say during these groups will be held in the strictest confidence. We do not attribute comments to specific people. Our report summarizes the findings from the groups but does not mention anyone by name. The report can be accessed through the Library of Parliament or Archives Canada.
- Describe how a discussion group functions:
  - Discussion groups are designed to stimulate an open and honest discussion. My role as a moderator is to guide the discussion and encourage everyone to participate. Another function of the moderator is to ensure that the discussion stays on topic and on time.
  - Your role is to answer questions and voice your opinions. We are looking for minority as well as majority opinion in a focus group, so don't hold back if you have a comment even if you feel your opinion may be different from others in the group. There may or may not be others who share your point of view. Everyone's opinion is important and should be respected.
  - I would also like to stress that there are no wrong answers. We are simply looking for your opinions and attitudes. This is not a test of your knowledge. We did not expect you to do anything in preparation for this group.

Please note that the moderator is not an employee of the Government of Canada and may not be able to answer some of your questions about what we will be discussing. If important questions do come up over the course of the group, we will try to get answers for you before you leave.

- (Moderator introduces herself/himself). Participants should introduce themselves, using their first names only.
  - What are your main hobbies or pastimes?

**WARM-UP (5 minutes)**

- What have you seen, read or heard about the Government of Canada lately?

**DEFENSE (10 minutes)**

- Has anyone heard anything about Canada’s Defense Policy?
  - PROBE: What did you hear?
  - (if mention Defence Policy Review) PROBE: What did you like and dislike about this announcement?
- Has anyone heard anything about Canada’s Foreign Policy?
  - PROBE: What did you hear?
  - Broadly speaking, is there anything about Canada’s foreign policy which needs to be changed?
- Does anyone know what the Infrastructure Bank is?
  - IF YES:
    - Can you explain what it is?
    - Have you heard anything about it lately?

**TAXES (50 minutes), TROIS-RIVIÈRES, TORONTO, AND COQUITLAM ONLY**

- Do you believe the tax system in Canada needs reform?
  - WHY?
- HANDOUT: Imagine you are reforming the tax system in Canada. Keeping in mind that the government needs tax revenue to pay for services, put a plus next to *up to 3* groups you think should pay more in taxes, and a minus next to *up to 3* groups you think should pay less in taxes. Feel free to write in any other groups you think are missing, and add a + or – next to them.
  - The middle class
  - The working poor
  - Low-income Canadians
  - Families of young children
  - Big corporations
  - Small corporations
  - Small businesses owners
  - The top 1% of income earners
  - Veterans
  - Churches and religious groups
  - Charities
  - Retired Canadians
  - Students
- Why did you select the groups you did who should pay more in taxes?
  - *PROBE on top 1% of income earners if selected:* At what level of annual income do you think the top 1% starts?



- Which of the following objectives would you rather see the government focus on when reforming the tax system – making the richest Canadians pay their fair share, making the rich pay more in taxes, or closing tax loopholes that are primarily used by the richest Canadians to reduce the taxes they pay?
      - *PROBE on WHY for mentions of “small corporations” and “small business owners”*
      - *[YOUTH GROUPS ONLY] PROBE on WHY for mentions of “students”.*
- Why did you select the groups you did who should pay less in taxes?
  - *PROBE on “the middle class”:* At what income range do you think the government would need to cut taxes for in order for them to benefit the middle class? (e.g. between \$X,000 a year and \$Y,000 a year)
  - *PROBE on “low-income Canadians”:* At what income range do you think the government would need to cut taxes for in order for them to benefit low-income Canadians? (e.g. between \$X,000 a year and \$Y,000 a year)
  - *PROBE on WHY for mentions of “small corporations” and “small business owners”*
  - *[YOUTH GROUPS ONLY] PROBE on WHY for mentions of “students”.*
- If you had to choose on word or expression to sum up or describe the totality of the changes you proposed, what would it be? In other words, what would the impact on the tax system be if the tax increases and decreases you proposed came to pass?
- One of the options on the list was “small corporations”. What type of examples come to mind when you think of small corporations? (*don’t need to name specific examples, looking for the type of businesses you think of*)
  - *PROBE:* Did you know that small corporations also include many dentists, doctors, lawyers, and consultants, many of whom don’t have any employees?
  - Should these types of people be treated the same way as other small businesses?
- Does anyone know what the tax rate is for small businesses and large businesses in Canada? (...) *The federal tax rate is 15% for large businesses and 10.5% for small businesses.*
  - Do you think it would be fairer if they were taxed at the same rate or is having a lower rate for small business fairer? *WHY?*
  - Some people say having a lower rate for smaller businesses discourages them from hiring more employees and becoming larger businesses? Is this a concern?
- How would you feel about increasing the small business tax rate to the same level as large businesses, but phasing in the rate so that new businesses pay less when trying to establish themselves? For instance, a new business might pay no tax in its first year, 3% in its second year, 6% in its third year and so on until it is eventually paying the same 15% rate that large businesses pay.
- How would you feel about increasing the small business tax rate to the same level as large businesses, but providing a tax exemption on equipment and technology, to encourage innovation and growth?
- I am going to read out a series of other possible changes to taxes related to businesses and employment. *For each one, ask if participants think the change will make the tax system more or less fair, and WHY?*
  - Right now, small corporations can hire family members and split income with them whether or not those family members are actually doing any work. The more family

members that are doing this, the less tax they all pay. Some are suggesting the Government should require proof that family members are actually doing work for a corporation if they are receiving a salary.

- Sometimes individuals create one-person corporations without any employees. This allows them to turn their personal income into capital gains or business income, which is taxed at a much lower rate than personal income. Some are suggesting that the Government should tax corporations without any employees at the same rate personal income is taxed.
- Private corporations can use an investment portfolio with the purpose of upgrading their business in the future. However, sometimes corporations do not end up spending this money on improving their business, and may use it to save taxes on personal income. Some are suggesting the Government should tax this money at a higher rate if it is taken out of the portfolio but not used to improve their business.
- Sometimes business owners have a large amount of cash in their business account. If the business owner withdraws this cash to use as their personal income, they are taxed on this personal income, just like any Canadian. When a business owner sells their business, they must pay tax based on the amount gained in the sale – i.e. capital gains tax. Capital gains are taxed less than regular personal income. So, some business owners include the cash in their business account as part of the sale, so that they pay less tax overall. Some are suggesting the Government should prevent this practice.
  - PROVIDE EXAMPLE AS NECESSARY: Let’s say a business owner wants to sell their business for \$1 million, and they have \$100,000 in cash in their business account. The business owner would pay personal income tax on the \$100,000 cash, and they would pay tax on the \$1 million sale based on the capital gains tax rules. However, let’s say instead that the business owner includes the \$100,000 as part of the sale, so they sell the business for \$1.1 million. In this case, they would pay the capital gains taxes on the entire \$1.1 million. Because the \$100,000 in cash is taxed at a lower rate when it’s part of capital gains taxes, the business owner would pay less tax overall than if they sold for \$1 million and kept the \$100,000 cash (the amount of tax they would pay on the \$100,000 when it’s included with the sale would be lowered by as much as 50%).  
MODERATOR NOTE: ASSUME ALL OF THIS OCCURS WITHIN THE SAME YEAR.
- When employees have company stock options, they pay less tax than they would if they were paid the same amount as part of their salary. Some are suggesting that employee stock options should be treated more like regular income so that individuals with stock options are paying the same amount of tax as they would if they had been paid an equivalent amount in cash.
  - PROBE: Who do you think benefits from Employee Stock Options?
- When you sell a business now, you don’t pay any taxes on the first \$850,000 of profits from the sale, and then you pay a capital gains tax on half of everything above this amount. Some are suggesting that this threshold of \$850,000 should be lowered.
  - One current exception occurs when you sell your farm to a family member. In this case, you do not pay taxes on the profits from the sale. Do you think other

businesses should also be exempt from paying taxes if they are sold to family members?

- Who here is familiar with the Employment Credit? Who here believes they receive this credit? *This is a tax credit of a bit over \$1,000 that all employed Canadians receive.*
  - Some have suggesting changing this credit, so that higher income earners do not receive it, but lower income earners receive a larger credit. How would you feel about this?
  - *PROBE if supportive:* Where should the cut-off be? At what income level should you stop receiving the credit?
- For most of the above measures, we didn’t talk about how the money raised would be spent, but there are a number of things the government could do with revenue raised. Which of the following would you prefer to see the money raised go towards? *Read list and then ask people what they think should be done and WHY.*
  - Divide up the revenues and mail a check for that amount to every Canadian
  - Return the money to provinces through transfers that fund healthcare
  - Pay down the federal debt
  - Raise the threshold of annual income every Canadian can earn before they have to pay any federal tax (right now the threshold is just over \$11,000)
  - Cut taxes in the lowest tax bracket
  - Cut taxes for the middle class
- Of all the tax changes we talked about today, what is the one measure you would most like to see the government implement?
- And are there any measures you absolutely would not want to see them implement?

**POVERTY (25 minutes), WHITEHORSE, TORONTO, AND COQUITLAM ONLY**

- How big of a concern, if anything, is poverty locally?
- Which of the following targets do you think is more important for the government to focus on?
  - Reduce the number of Canadians living in poverty OR Increase the number of low-income Canadians who join the middle class
  - Why?
- What, if anything, have you heard the federal government has done to reduce poverty in Canada?

**HANDOUT:**

- I have a handout with a list of various policies that the federal government either has done or could do in order to reduce poverty. If you were designing a poverty reduction strategy for Canada, put a check mark next to all of the items on this list which you feel would need to be a part of it (keeping in mind that government only has so much money to spend). Then circle the 2 or 3 things on this list which you think would be most effective at reducing poverty in Canada.
  - Building more shelters to provide food and beds for the homeless
  - Investing in skills training so people can find good paying jobs
  - Introducing a guaranteed annual income for all Canadians living below the poverty line
  - Increasing funding for mental health treatment services

- Building more affordable housing units for low-income Canadians
- Extending Employment Insurance benefits to more Canadians who can’t find work
- Introducing a child benefit so that less children grow up in poverty
- Increasing the Guaranteed Income Supplement for single low-income seniors
- Redefine what counts as “low-income” in Canada so that more Canadians are eligible for support
- Subsidizing public transit so that it is easier for the working poor to commute to work
- Why did you circle the ones you did?
- Was there anything missing from that list?
- If the federal government sets out to reduce poverty in Canada, what does success look like?
  - PROBE: Is there a way to measure this or some indicator that would show you they have been successful?
- If the federal government sets to expand the middle class, what does success look like?
  - PROBE: Is there a way to measure this or some indicator that would show you they have been successful?

**CARBON PRICING (15 minutes), WHITEHORSE, COQUITLAM, AND TORONTO ONLY**

- What has the Government of Canada done for the environment over the past year?
  - PROBE: Is anyone familiar with their policy on pricing carbon pollution?
- CLARIFY: *As part of this agreement, all Canadian jurisdictions should have carbon pricing in place by 2018.*

*Provinces and territories can put a direct price on carbon pollution or they can adopt a cap-and-trade system. The price on carbon pollution should start at a minimum of \$10 per tonne in 2018 and rise by \$10 a year to reach \$50 per tonne in 2022. Jurisdictions with cap and trade should lower the emissions cap to meet Canada’s emissions target. The Government of Canada will provide a pricing system for jurisdictions that do not adopt one of the two systems by 2018.*

*Revenues from carbon pricing will remain with provinces and territories where they are collected. Provinces and territories will use the revenues from this system as they see fit.*

- What, if anything, do you like about this approach?
- What, if anything, are the drawbacks?
- What are the strongest arguments in favour of pricing carbon pollution?
- What are the strongest arguments against doing this?
- Are people aware that Canada has signed the Paris Climate Change Agreement? (...) Can someone explain it to me.
  - *The Paris Climate Change Agreement says that all countries must reduce their carbon pollution emissions.*
- Do you believe Canada can meet its Paris Agreement targets *without* introducing a tax on carbon pollution?
- If pricing carbon pollution was the only way to meet our Paris Agreement targets, would that be a strong enough reason to introduce a national price on carbon pollution?

**LOCAL CHALLENGES (35 minutes), TROIS-RIVIÈRES AND WHITEHORSE ONLY**

- Thinking about everything the government has done in the past year, what, if anything, do you think will have the most positive impact on [Trois-Rivieres/Whitehorse]?
- Have they done anything that you think will have a negative impact on [Trois-Rivieres/Whitehorse]?

HANDOUT:

- I’ve got a handout with various items. I’d like you to put a check mark beside each one that you think is a major concern in your community:

NOTE: IN ALPHABETICAL ORDER HERE FOR EASE OF REFERENCE; DOES NOT NEED TO BE PRESENTED THIS WAY TO PARTICIPANTS

- A shrinking middle class
  - Ability of local businesses and industries to succeed
  - An aging population
  - Availability of affordable childcare options
  - Availability of broadband internet
  - Availability of cell phone service
  - Availability of healthcare services
  - Availability of jobs
  - Availability of public transit
  - Availability of services
  - Cost of housing
  - Crime
  - Drug overdoses
  - Gun control
  - Homelessness
  - Integrating immigrants into the community
  - Level of Employment Insurance benefits for those who can’t find work
  - Low high school graduation rates
  - Poverty
  - Preserving a clean environment
  - Quality of roads and bridges
  - Retirement security
  - Traffic congestion
  - Young people leaving for opportunities elsewhere
- Now I’d like you to circle the top 2 or 3 that you worry about the most.
  - Was there anything missing from that list?
  - TIME PERMITTING - DISCUSS A FEW ISSUES THAT WERE CIRCLED:
    - What *specifically* is the problem? *Why* is it a problem?
    - Is this something that has been getting worse in recent years or has it always been a problem?

**IMPAIRED DRIVING (10 minutes), WHITEHORSE ONLY**

- Have you heard anything about Canada’s impaired driving laws recently? What have you heard?
  - PROMPT AS NECESSARY: Have you heard about any proposed changes to these laws?
- Did you know that police can already stop any driver to check if they are following the rules of road, including whether the driver has a valid licence and insurance, and whether they are sober?
- Do you think that allowing police officers to give drivers a roadside breath test for alcohol, even in situations where they don’t suspect the driver has been drinking, would make our roads safer?
  - Some people say that police should be allowed to demand a test in these situations, because so many people are killed by impaired drivers each year. Others think that many people who haven’t been drinking tested for nothing.
  - What do you think?

**FOR THOSE WHO SAY TESTED FOR NOTHING:**

- Impaired Driving is the leading criminal cause of death and injury in Canada. Some studies show that 1,000 people are killed every year, and thousands more are injured. Studies in other countries (including Australia and Ireland) have shown that roadside breath tests significantly reduce fatal crashes, in some cases by more than 40%. Does this change your perspective?
- Do you think that police officers should be allowed to pull drivers over when they notice an infraction like a broken tail light? Do you think that these types of stops are okay because they protect the public?

**BACKGROUND INFORMATION FOR THE MODERATOR:**

The Government of Canada is introducing proposed legislation that would reform the entire impaired driving regime in the Criminal Code. The first part of the proposed legislation would ensure that a robust drug-impaired driving regime is in place before cannabis legalization occurs. Proposed changes include, new “legal limit” drug offences and new tools to better detect drug-impaired drivers.

The second part of the proposed legislation would reform the entire Criminal Code transportation regime to create a new, modern, simplified, and more coherent system to better deter drug and alcohol-impaired driving.

Part 2 of the proposed legislation would significantly reform the area of impaired driving. Some key elements would include:

- simplifying and modernizing the transportation provisions, including the impaired driving provisions, in the Criminal Code to create a more coherent and efficient legislative framework
- authorizing mandatory alcohol screening to make it easier to detect whether a driver is impaired
- eliminating some defences that encourage risk-taking behaviour
- making it easier to prove blood alcohol concentration for some impaired driving offences
- clarifying what information the Crown is required to disclose to prove blood alcohol concentration

The existing transportation provisions in the Criminal Code have evolved in a piecemeal fashion over the years. As a result, they are complex and difficult to understand, even for legal practitioners. The proposed reforms would make the legal framework clearer and more coherent. They would also increase deterrence, make it easier to detect impaired drivers, and simplify investigations and proof of impaired driving offences. These measures are expected to result in shorter trials and reduced delays.

**CONCLUSION (5 minutes)**