

**Government of Ontario**

**Ministry of Finance**

**2017 Pre-budget Consultation**



**Social Development Centre**  
— WATERLOO REGION —

Trudy Beaulne, Executive Director  
74 Frederick St. Kitchener ON N2H 2L7  
[spckw@waterlooregion.org](mailto:spckw@waterlooregion.org)  
519-569-1096 Ext. \*3006

The Social Development Centre Waterloo Region (SDCWR - formerly the Planning Council of Kitchener-Waterloo) works to build a sustainable infrastructure of support for inclusive and supportive communities.

Poverty and related issues continue to compromise the positive social development of Ontario. SDCWR supports Poverty Free K-W and is a partner in Poverty Free Waterloo Region and Poverty Free Ontario. We share, with many groups active in Waterloo Region and across Ontario, the imperative to eliminate deep poverty and end working poverty in our Province.

It is well established and known that social assistance levels, and now increasingly, federal pension levels are not adequate for people to live a decent life. The negative impact of growing economic inequity includes significant personal suffering, increased loads on the social sector and informal community supports, and increasingly high costs to support systems such as healthcare.

In keeping with similar recommendations we have made for many years, we support the Billion or Bust Campaign currently being led by ISAC (Interfaith Social Assistance Reform Coalition):

- Add \$1 billion to the Ministry of Community and Social Services 2017 budget to increase social assistance rates by approximately 10% and make changes to some of the current policies for OW and ODSP, including increasing the Discretionary Benefit cap to \$15 per person.
- Commit an additional \$1 billion over the next 3 years to support affordable housing new builds and repairs, including adding a requirement that all new housing built with tax dollars meet the basic accessibility standard defined by VisitAbility which adds little if anything to the cost of new builds.
- Increase the minimum wage rate to \$15.00 per hour.

The Government of Ontario's interest in a Basic Income is a good direction to go. However, the recent consultation for the Basic Income Pilot Project asked the wrong questions. Do not ask citizens to design a quasi-experimental field study – there are few who would have the

knowledge base and expertise to do this. The interest being shown by communities tells us that:

- Assistance levels, minimum wage and current precarious employment situations are not adequate to ensure a decent life or, in some cases, even a tolerable existence, and
- Those who need assistance want to retain a sense of dignity and be treated with respect in the process which does not seem possible given current systems.

It is not necessary to undertake a complicated pilot project to prove people are better off with more income. This has already been proven time and again. We urge you to consider the ethics of this plan and to not delay increasing basic assistance to people who face real desperation. Increase or augment social assistance rates to at least 80% of the Low Income Measure and increase Discretionary Benefits to at \$15 *per person* as noted above.

Secondly, understand that the stigma attached to receiving financial assistance plays out in many ways and it is this stigma and related political buy-in that needs to be countered in any basic income program or redesign of our social assistance system.

A basic income pilot project should focus on the elements that do need study:

- Inter-departmental and inter-government communication, cooperation and data sharing – this is the area that must be improved so administrative data can be used to effectively evaluate income support outcomes;
- Delivery mechanisms for ensuring everyone who can will benefit – this is the area to consider so there are options for designing programs that works for various life situations and life stages.

If a pilot project is being done to test the waters for political buy-in please do not do this on the backs of those who are living in desperate financial situations. Deal with the need for political buy-in directly and in a transparent way.

The 2017 pre-budget consultation material has asked that input be focused on *employment*. Employment initiatives and a basic income initiative are connected and any income support program should be linked to different stages in people's work life. Versions of this type of link are already in place through various programs such as student loans and tuition assistance, employment readiness and career development job subsidies, child care subsidies and pensions.

We know that not everyone can be competitive in the current marketplace and we also know people want to contribute to their community. However, there are few employment environments able to support someone who is not able to compete in the marketplace.

We recommend that funds be invested in a community brigade program so local community organizations can create ongoing employment opportunities that serve two functions. First is to improve local communities. Second to provide opportunities for anyone who wants to contribute and needs to earn an income, be they a youth starting out in their work life, a worker who has been displaced due to technology, a new immigrant, someone with a disability or older worker needing to work past retirement age.

A local brigade program can provide everyone who wants to work with either a 'job' for short term through periods of unemployment or other transitions or for the long term. In this way we can do important local community work and enable anyone to contribute, gain experience and/or develop skills. Through such a program, we can provide financial support in a way that builds the sense of pride that comes with being a contributing community member. This should NOT be looked upon as a variation of *workfare* but, rather, as local community project teams with a meaningful role to improve community life.

We ask that your government sets parameters for good jobs and work environments in employment legislation. Increase the minimum wage so that full time workers earn at least 10% above the poverty level, (Low Income Measure (LIM)). As stated earlier, the call is to raise it to \$15. Invest in inspectors to ensure that workplaces and work practices are safe and fair, especially in temporary employment agencies and businesses that hire individual workers through sub-contracts. Invest, as noted above, in community initiatives that can engage 'workers'.

In addition to the above, we urge that you undertake an objective analysis of the significant increases that have been seen in Ontario Disability Support Program (ODSP) applicants to better determine what factors in Ontario's employment and economic environment are contributing to this trend in increasingly poor mental health. If any proposed solutions put further pressure on people to function in a dysfunctional economic environment, the results will be MORE, not fewer people unable to work because of health.

Please commit to an adequate and honest assessment of the extent to which government sponsored programs provide direct and indirect subsidization to employers that provide only part-time low pay jobs as their employment model. These practices can be exploitive and are counterproductive to a prosperous Ontario

It is fair and appropriate to provide government program assistance to help individuals meet basic needs and to deal with extraordinary circumstances. However it is not fair to have to provide this support because employers are not adequately supporting their own workforce or, worse, are contributing to making people ill so they must rely on publicly funded financial assistance. These practices must be understood and stopped.

Employment supports need to be appropriate to the changing work environment and, where there are challenges for job seekers, training allowances should be sufficient to achieve good outcomes. Putting pressure on anyone to get work in today's employment environment is unfair and unproductive, putting pressure on them to do so when there are acknowledged barriers in the form of language, culture and/or disability is irresponsible.

Look also at the rising cost of health care, and address the following two points.

- First, investigate the role played by ancillary industries such as the drug and insurance industries in increased health care costs. These industries provide high cost products that create unequal access when people can't access or afford insurance coverage. Ontario's health care system is subsidizing these industries as well as the companies that do not pay for health care costs of their employees.

- Second, invest in creating healthy environments and measures that prevent illness— clean water, clean air, public spaces and recreation opportunities. But please do not *nickel and dime* people by charging hidden ‘taxes’ e.g. for hydro and gas.

Local communities need help to sustain their physical infrastructure and public spaces. Local community, educational, protection, social and health services help weave the fabric that underpins social cohesion. Important strides taken with the adoption of the Accessibility for Ontarians with Disabilities Act standards will require diligent attention and investment to ensure these requirements are implemented to achieve the vision we have for accessible and inclusive communities. The deadline is fast approaching and there is still much that needs to be done. Please invest in local information and resource services that can support people who encounter access issues and help monitor compliance. This can ensure quicker compliance and reduce the burden on individuals whose rights have been violated.

Local communities are the source of innovation and funds should be available for social initiatives in open and fair funding programs that are available to small to medium sized community organizations. Also, balance setting Ontario government funding program standards and common goals against the necessity to have flexibility to implement programs in our local communities. Reduce the administration and accountability reporting loads that burden smaller community players.

Invest in local **conversations** to enable local communities to determine their own needs and to determine what is appropriate to be provided through public dollars and by whom. Support a true cross-community, cross-party participatory budget process that will open dialogue about what we value and what we need. This conversation should also open a discussion of how we contribute to achieving the necessary common ground needed to provide for a fair and prosperous tax system in Ontario.

There will be an election in 2018. Your opportunity now is to create a workable way to redistribute wealth through a progressive and transparent tax system which enables support to those who are in greatest need and that also enables everyone to make a meaningful contribution to their community. Societal changes will demand this in the not so distant future so please take steps now so we will be ready.

Income redistribution programs reduce poverty levels and can provide a foundation for a more productive citizenry. This requires a fair and appropriate tax system and tax investments to increase income security and supportive work environments. Indeed, this is the ONLY way to create a prosperous Ontario.

It is important that the provincial budget reflect what is important for people in a coherent, integrated and understandable way. A piecemeal approach that offers small gains for various groups will not reflect a rational perspective of what is necessary and appropriate for the investment of shared tax dollars to benefit Ontarians individually and collectively.

### **Summary of Recommendations**

In sum, we ask the following be included in the 2017 Ontario budget and related policies:

- Add \$1 billion to the Ministry of Community and Social Services 2017 budget to increase social assistance rates by approximately 10% and make changes to some of the current policies for OW and ODSP, including increasing the Discretionary Benefit cap to \$15 per person.
- Commit an additional \$1 billion over the next 3 years to support affordable housing new builds and repairs, including adding a requirement that all new housing built with tax dollars meet the basic accessibility standard defined by VisitAbility which adds little if anything to the cost of new builds.
- Increase the minimum wage rate to \$15.00 per hour.
- Rather than undertake a Basic Income Pilot Project:
  - Implement immediate social assistance increases.
  - Revise punitive social service delivery practices so people retain their sense of dignity and are not stigmatized.
  - Deal with the need for political buy-in directly and in a transparent way.
  - Design basic income supports that vary for different work life stages.

- Fund a locally managed community brigade program that enables local community organizations to lead ongoing community improvement projects that provide short and long term employment to replace other forms of income assistance.
  
- Investigate:
  - Whether government funded income support programs subsidize exploitive, precarious and low pay business practices.
  - The role played by ancillary industries such as the drugs and insurance industries in increased health care costs and the degree to which Ontario's health care system is subsidizing these industries and those companies that do not pay for health care costs of their employees.
  - The impact on those on fixed incomes of fees paid to municipal and provincial governments for mandated services e.g. storm water fees, tax arrears costs, hydro rates.
  
- Invest in creating healthy and inclusive environments by:
  - Ensuring standards for clean water and clean air are enforced for all communities and assistance is available to ensure communities have the necessary healthy community infrastructure.
  - Funding local AODA information and resource services to assist with compliance to the AODA customer service and integrated standards.
  - Providing flexible funding small to medium sized community organizations for enable them to develop local projects based on local priorities.
  - Supporting local conversations for setting local priorities and determining stakeholder roles – note, this can be supported well through ongoing support for community based social planning organizations such as SDCWR.
  
- Be a forward thinking leader and plan a fair and equitable tax system that deals with taxation and budgeting in a comprehensive, integrated and transparent way to enable the redistribution of wealth to ensure income security for all and community investment programs that enable everyone to contribute in meaningful ways.