



**Poverty Free Kitchener-Waterloo**  
c/o Social Planning Council of Kitchener-Waterloo  
151 Frederick Street, Kitchener

Kitchener, December 19<sup>th</sup>, 2014

The Honorable Joe Oliver  
Minister of Finance

Department of Finance Canada  
90 Elgin Street  
Ottawa, Ontario K1A 0G5

Submitted after pre-budget consultation in Kitchener Centre.

## **Federal Pre-Budget Consultation Submission to the Ministry of Finance**

*Poverty Free Kitchener Waterloo Action Group is built through participation of social service agencies, groups, and individuals with lived experience. The Group has been mobilizing local voices in consultations on the Ontario Poverty Reduction Strategy and the Social Assistance Review since 2011. Ever since, the Group has been passing the collective knowledge and experience of local community members on to different government bodies, and has made delegations to pre-budget consultations at all three levels of government: regional municipality, provincial and federal.*

We are consistent in relying on a Framework<sup>1</sup> of local criteria we created that can demonstrate the impact of government plans and strategies in lives of low income people. We hope that the urgency of the issues we have identified will influence the direction you will take in the upcoming budget.

**The pre-budget consultations are an important opening for people from local communities** to share their vision of Canada. We are taking part to say what we believe our community needs to have addressed in the upcoming Federal Budget. The following document summarizes our suggestions.

Respectfully submitted by  
the Poverty Free Kitchener-Waterloo Action Group

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<sup>1</sup> "Dignity and Respect for All" Local Framework for Successful Poverty Reduction Outcomes  
<http://www.waterlooregion.org/poverty-elimination>



**Poverty Free Kitchener Waterloo Action Group suggestions for 2015 Federal Budget based on the local framework for successful poverty reduction outcomes. This framework has been developed and validated by members of the local community who have direct lived experience of poverty and homelessness.**

Our suggestions will be made particularly regarding the following criteria that have been defined in the local framework:

- 5: Fair labour market practices and policies
- 6: Integrated systems and appropriate investment by all levels of government
- 7: Underlying assumptions of system plans and reforms are not blaming and punitive
- 8: Accessible and meaningful ways to participate in planning and decision making

We believe that the above noted conditions are necessary in order to ensure adequate income, support to all low income people for a range of needs, respect of human rights in service delivery and greater accessibility and navigation of the system of supports, as the most sought after outcomes of poverty reduction efforts by low-income people. Government of Canada needs a coherent poverty elimination plan to ensure both economic and social prosperity for all.

## **Criteria 5: Fair Employment Policy and Practices**

- ✿ There is no economy without people. There is no real investment in the economy if there is no investment in people first.**

Not **everyone is able to be successfully employed in the current labour market.** Employment is not the solution for poverty and expecting it to be does not recognize current employment realities. These include eroded labour standards, limited income security and the negative impact these conditions have on health and life expectancy. The Government of Canada is investing in training for older workers, youth, immigrants, persons with disabilities and First Nations. However these investments do not seem to take into account that there has been no significant increase in number and type of jobs needed to welcome the trained and qualified work force. We need serious consideration of what type of jobs are being created and how open the labour market is to welcome and support people that are transitioning from social assistance.

It has become more difficult to qualify for Employment Insurance which is a result of growth of precarious employment in our community and raising the eligibility requirements. When those who are unemployed do not qualify for employment insurance, there is an increased burden on the social assistance programs at the provincial level. Eligibility to the employment insurance must be broadened to include part-time and self-employed workers.

Decent work opportunities for immigrants are needed regardless of how people entered the country, as well as more streamlined process for workers to obtain permanent residency status.

The Poverty Free KW group recommends:

- Incentives and scholarship programs be introduced for those entering non-traditional programs for their gender (whether male or female).
- Post secondary bursaries be reintroduced for persons with disabilities.
- More flexible single course tuition assistance for part time students.

Many people transitioning from social assistance would benefit from these measures.

## **Criteria 6: Integrated Systems and Appropriate Investment by All Orders of Government**

- ✿ Different Ministries and orders of government must work together if we are to achieve an integrated and adequately-resourced system of service delivery.**

Adequate transfers are needed from the Federal Government to the provinces and municipalities in areas of housing, health care, education and employment. Renewed investment and commitment is required to the National Housing Strategy, Medicare system, Higher education supports and flexible employee support programs with a particular focus given to the vulnerable groups such as youth, immigrants, senior workers, persons with disabilities, etc.

Transfers to Ontario need to be increased so the provinces can fulfill their mandate in delivering social programs: adequate income, support for a range of needs for all low-income people, fair employment policies, access and navigation of the service system, as we have outlined in the local framework for measuring successful poverty reduction outcomes<sup>2</sup>.

Canada Health Transfer and Canada Social Transfer should be at sufficient levels to serve the intended purpose of these funds to implement principles of universality, comprehensiveness, portability, accessibility, and public administration.

To ensure that the health needs of the changing and aging population are met according to the above stated principles, the Government of Canada has to keep the annual increases of funding as of 2015 at least at the current level of 6%<sup>3</sup>. We cannot afford cuts and privatization of health services in our community if we want to stop premature deaths<sup>4</sup>, increased unpaid care work load in our communities and long waits and overcrowding in hospitals. It is increasingly difficult to secure jobs with health benefits as employers are not paying their fair share.

Canada Social Transfer is made in support of post-secondary education, social assistance and social services, and early learning and childcare. Big part of this funding is of great importance for our community as well, including funding for social assistance, affordable housing and childcare. Grave inadequacy of social assistance rates and benefits program or price of childcare has been

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<sup>2</sup> "Dignity and Respect for All" Local Framework for Successful Poverty Reduction Outcomes <http://www.waterlooregion.org/poverty-elimination>

<sup>3</sup> Canada Health Transfer <http://www.fin.gc.ca/fedprov/cht-eng.asp>

<sup>4</sup> The Health Effects of Income Inequality, Dennis Raphael and Toba Bryant, November 2014, [http://www.thinkupstream.net/health\\_effects\\_of\\_income\\_inequality](http://www.thinkupstream.net/health_effects_of_income_inequality)

raised by many when compared to the actual cost of living or availability of programs and services.

Investment in Affordable Housing is far behind the need. Existing social housing support programs are being phased out while the needs are increasing<sup>5</sup>. Continued investment in building new affordable housing is important. While homeowners collect about \$8.6 billion in benefits which come from government subsidies, investment in affordable housing for the most vulnerable is only \$1.7 billion<sup>6</sup>. We need to open a dialogue on government priorities and creation of the National Housing Strategy. Only then we will open a path toward keeping everyone housed and out of the cold. To do so would contribute to viable economic development.

## **Criteria 7: Underlying Assumptions of System Plans and Reforms**

**✳️ The “free” market has not proven to offer solutions to the growing income inequality, nor have corporate tax cuts led to the creation of more jobs as intended by the Government. Cuts to public services and balancing books is not the way to set budgets in Canada. Investment is needed in public services and the income security system as these are great equalizers in times of economic hardship.**

Child Tax Benefit, Old Age Security and Guaranteed Income Supplement, Employment Insurance, Student Scholarships are some of the programs failing the test of adequacy.

The Group does not support saving strategies found in targeted refugee claim refusals, cutting access to social assistance and health services to the most vulnerable, such as refugee claimants, in downsizing essential public services, nor in tightening eligibility for important programs such as Employment Insurance.

We need Government to invest in people to ensure reducing income inequality and to create fair, healthy and resilient communities. Gross Domestic Product - GDP growth does not in itself provide quality of life for all. More equitable distribution of growth and income would.


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<sup>5</sup> State of Homelessness, Homeless Hub and Canadian Alliance to End Homelessness 2014, <http://www.homelesshub.ca/sites/default/files/SOHC2014.pdf>

<sup>6</sup> Federal Government Spending on Housing, CMHC November 2014 [http://www.cmhc-schl.gc.ca/en/corp/nero/jufa/jufa\\_016.cfm](http://www.cmhc-schl.gc.ca/en/corp/nero/jufa/jufa_016.cfm)

Progressive taxation and true targeted benefits are needed. We cannot speak of targeted measures for low-income families when Universal Child Benefit is spread across the income spectrum including high-income earners that already benefit from many other tax cuts and benefits inaccessible to low-income earners. On the other hand tax breaks for high income families may actually make little difference for them<sup>7</sup>.

## **Criteria 8: Meaningful and Accessible Ways to Participate**

 **We believe the government has to keep ongoing open conversation with people from all social groups and to do it in a meaningful and accessible ways.**

Transparency and legitimacy of government decisions require strong information and communication system. Some recent actions such as the canceling of the long census, cuts to access to information service<sup>8</sup> and public broadcasting are eroding access to information and diminishing trust. Locally based structures to enable information sharing and communication between government representatives and citizens, could increase transparency and dialogue.

Opportunities for consultations are valued and respected, complex omnibus bills, such the 458 page Bill C-43 are extremely difficult for citizens to read and understand. The practice of introducing multiple pieces of legislation through the budget process is neither accessible nor acceptable for meaningful public dialogue and consultation.

Ongoing communication and dialogue about government priorities requires that citizens have reasonable opportunities for input. Further to this, those with fewer resources should be supported in giving their input on government policies and budgets.

Meaningful civic engagement can be created and sustained by local community groups that can play a role in building rich social infrastructure for citizen activity. The government needs to reinvest in non-profits and in national collectives made up of provincial and local organizations bringing diverse voices into decision making.

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<sup>7</sup> What is Income Splitting and Who Benefits? CBC News, October 31, 2014 <http://www.cbc.ca/news/politics/income-splitting-what-it-is-and-who-benefits-1.2818396>

<sup>8</sup> Suzanne Legault, Federal Information Watchdog, Says Office Almost Broke, The Canadian Press November 9, 2014 in Huffington Post at [http://www.huffingtonpost.ca/2014/11/09/information-watchdog-office-almost-broke\\_n\\_6129336.html](http://www.huffingtonpost.ca/2014/11/09/information-watchdog-office-almost-broke_n_6129336.html)