



Green Party of Ontario
PO Box 1132 Station F Toronto, ON M4Y 2T8

Jennefer Laidley
The Income Security Advocacy Centre

2 June 2014

Dear Ms. Laidley

Thank you very much for the opportunity to discuss some of the Green Party of Ontario's (GPO) policies on social assistance. I pleased to be able to respond on behalf of the GPO.

1. Social Assistance Reform

Since Ontario Works and the Ontario Disability Support Program were created in the late 1990s, there have been many recommendations made to improve these programs. The Modernizing Income Security for Working Age Adults (MISWAA) process led by Civic Action in the early 2000s took a broad perspective on income security. It proposed a number of changes to the variety of income security programs and labour market policies that Ontarians rely on, including Employment Insurance, minimum wage, WSIB, employment standards, and others. The Social Assistance Review Advisory Council, appointed by government in 2010 to give advice on the scope and terms of reference for a review of social assistance, also took a broad perspective. It recommended a number of changes to various income security programs and, with regard to social assistance particularly, suggested transforming Ontario Works in ways that would challenge the basic "last resort" structure and "first available job" focus of the program. Its recommendations on ODSP were more modest, as OW was identified as the program that needed the most work.

However, the Commission for the Review of Social Assistance in Ontario, which was appointed in 2011, took a narrow approach. It determined that making recommendations about income security programs other than social assistance were outside its purview. It focused on ODSP, as the cost of rising caseloads was identified as the most important problem to resolve, and made recommendations that would jeopardize the incomes and supports of people with disabilities in Ontario. Its recommendations on OW, while positive, were ameliorative rather than transformative. Overall, the report of the Commission virtually ignored the direction that social assistance reform had been moving in to that point.

Q: Does your party have plans to reform Ontario's social assistance programs? If so, what reforms would you make?

Fully funding the recommendations of the Commission for the Review of Social Assistance and increasing the minimum wage are good first steps to eliminating poverty. However, Ontario needs a more efficient, effective and affordable way to

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reduce poverty over the long term.

The current system of support programs – for social assistance, child care, elder care, educational grants, housing subventions, and special diet allowance – are often oversubscribed and under-funded. They also usually require onerous application and qualification procedures, and sometimes continued monitoring and scrutiny. This leads to bloated bureaucracies and a general perception that government is policing the poor.

Ontario needs a new approach. We need a system that puts money in the pockets of people who need support, not in a costly system of administration. The Green Party of Ontario supports the implementation of a Guaranteed Annual Income (GAI) in Ontario.

A GAI would ensure that every person of working age in Ontario who files and income tax return would have an income that at least meets the poverty level. It would reduce administrative costs and government bureaucracy. It would lead to a more efficient, effective, and dignified system of social assistance.

The GPO recommends that the 2014 budget include provisions for establishing a public commission to determine how Ontario can best implement a program to provide a guaranteed annual income for all citizens.

2. Income Adequacy

People who rely on Ontario Works live in deep poverty. Benefit rates were cut by 21.6% in 1997. Since that cut, the small annual percentage increases to rates that were made since 2005 have not even kept up with inflation. OW rates are effectively lower now than they were when the program was created. And even with other tax-delivered benefits and credits, incomes are still grossly inadequate.

For example, the benefit rate for a single person on OW is only \$626 a month. The only additional income sources for single people are the GST/HST credit and the Ontario Trillium Benefit, which add up to only about \$75 / month. Single people on OW must therefore struggle to live on a total income of just over \$8,400 a year. This is more than \$12,400 below the poverty line.

A single mother with one child gets only \$940 from OW. She also gets income from the Ontario Child Benefit, the Canada Child Tax Benefit and the National Child Benefit Supplement, the Ontario Trillium Benefit, and the GST/HST credit. But even with those extra sources of income, she and her child are still living nearly \$10,000 below the poverty line.

The poverty line used is the Low Income Measure After Tax, which was adopted by the provincial government as the poverty measure used to track progress on poverty

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reduction. For a single person, the inflation-adjusted LIM-AT for 2014 is \$20,831. For two people, the LIM-AT is \$28,816.

Even the Fraser Institute's Basic Income Measure, which is roundly rejected by most anti-poverty advocates as methodologically suspect, is higher than actual Ontario Works incomes by \$6,000 per year.

Q: Will your party commit to ensuring that the incomes people get when they're on OW are enough to afford housing, food, clothing, a phone, transportation, and other regular necessities? What specific investments will you make to ensure incomes are adequate?

Yes. The GAI would ensure that all Ontarians have adequate income for life's necessities.

3. Child Support

Currently, both OW and ODSP require single parents to "pursue" child support as a source of income, which usually happens through the family justice system. But child support is deducted dollar-for-dollar from the single parent's OW or ODSP benefits. To make matters worse, in cases where both parents are on social assistance, child support is paid from the non-custodial parent's benefits only to be deducted dollar-for-dollar from the benefits that the child relies on. The vast majority of single parents are women.

A broad range of advocates supports treating child support the same as earned income – the first \$200 exempt and a 50% benefit reduction beyond that – and making the pursuit of child support voluntary. These advocates sent a joint letter to the provincial government in April 2014 (see: <http://www.campaign2000.ca/Ontario/index.html>). Making this change could significantly reduce the poverty of single parents and their children who rely on social assistance.

And making this change could also make it unnecessary to force single mothers to "pursue" child support and would give them the ability to make decisions about what's best for their children. We could replace a coercive rule with a positive incentive. And public resources consumed in family courts and the legal aid system could also be reduced.

Q: Will your party commit to changing OW and ODSP rules to make pursuit of child support voluntary and to treat child support income the same as earned income?

The GPO recognizes that this system of social assistance is flawed and not working to assist those who are in need. We will commit to reviewing the system and studying the best ways in which to co-ordinate social assistance benefits so that children and families are getting the help that they need.

4. Housing and Homelessness Supports

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In 2012, the provincial government cancelled the Community Start-Up and Maintenance Benefit (CSUMB), which was a critical lifeline for people on social assistance to establish a place to live or maintain their housing by preventing either their eviction or the disconnection of their utilities. It paid for expenses like first and last month's rent deposits, utilities deposits, rent and utilities arrears, new or replacement furniture, and other expenses that people with such low incomes would otherwise have no ability to pay. CSUMB was particularly important for women escaping violence, people leaving homelessness, the shelter system, or institutional care, and anyone not able to keep up with the rising cost of housing or utilities.

Half of CSUMB funding was moved into a new consolidated housing and homelessness program, the Community Homelessness Prevention Initiative (CHPI), which is administered by Ontario's 47 Municipal Service Managers (MSMs) and intended to assist all low-income people in communities, not only people receiving social assistance. Not all MSMs in Ontario have created programs to replace CSUMB. It is still very uncertain whether CHPI is actually meeting the need in local communities. Information from some MSMs about their program availability and program policies is difficult to obtain.

After significant public outcry, the provincial government increased CHPI funding by \$42 million for a 15 month transitional period between January 2013 and March 2014. Again after public outcry, the provincial government committed in Budget 2014 to making the \$42 million a permanent part of the CHPI funding envelope. This would not have replaced CSUMB but would at least allow municipalities to better meet the need.

The new programs created under CHPI are different depending on which of the 47 MSM areas a person lives in, with different eligibility criteria and different benefit amounts. It is unclear if all MSMs have created a new program. And people no longer have the right to appeal a negative decision. It is very uncertain whether CHPI is actually meeting the need in local communities. We do know, however, that the loss of CSUMB has resulted in significant confusion and hardship for low-income people across the province, particularly those who rely on OW and ODSP.

More information about the loss of CSUMB and its impacts is available here:
<http://sareview.ca/isac-resources/csumb-info-repository/>.

Q: Will your party reinstate the CSUMB program within social assistance? If not, what will you do to ensure that there are sufficient funds in the CHPI program to meet the need in communities? And what will you do to ensure that all municipalities have a program that is comparable to CSUMB and make program information publicly available?

The GPO will undertake a review of the CHPI program to assess whether it has sufficient funds to meet each community in which it is needed.

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5. Employment Supports

Ontario Works requires people to undertake work-related activities or training as a condition of being eligible to receive income benefits. But the training opportunities and employment supports available through OW are insufficient. A recent report on consultations with OW clients shows that most feel that the system does very little to connect them to meaningful employment supports and sustainable employment opportunities. Instead, they are made to engage in job search activities that are the least helpful for finding work or lead to lower-paid jobs that don't help people out of poverty.

As well, access to post-secondary educational opportunities is almost absent. People also felt that the system does little to overcome the attitudinal barriers and stereotypes that people receiving OW face from employers when entering or re-entering the labour market.

People on OW need meaningful employment services with real opportunity for sustainable employment, not unhelpful programs that simply allow them to “jump through the hoops” to qualify for income benefits.

Q: What will your party do to improve employment supports and training, including access to post-secondary education and OSAP funding, for people on OW?

The Green Party of Ontario's aims provide all types of students with the tools to maximize their potential. We are committed to responsibly investing in training programs that fill the needs of our future economy, to facilitating access to jobs, and to better managing the costs of post-secondary education to reduce student debt. We are also committed to improving supports and training for those on OW.

The GPO is committed to promoting access to and quality of training and post-secondary education for people on OW and will fight for the following policies at Queen's Park:

- **Working with student organizations and the federal government to revise the tax credit system for university tuition to make it work better for students and their families.**
- **Providing refundable tax credits for businesses that participate in training and certification programs in job growth areas such as green building, biomedical technology, renewable energy and sustainable transportation.**
- **Providing refundable tax credits for businesses that participate in apprenticeship, co-operative and mentorship programs.**

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Sincerely,

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