

Questionnaire Response: Income Security Advocacy Centre

1. Poverty Reduction Strategy

In 2009, all parties in the Ontario Legislature voted in favour of Bill 152, which would require all provincial governments to enact a Poverty Reduction Strategy every five years. The Poverty Reduction Act, which passed unanimously on May 6th 2009, was the first time the requirement to undertake a comprehensive and targeted program of public policy initiatives was enshrined into Ontario law. The Act requires each five-year Strategy to include a poverty reduction target with specific policy initiatives and measurement indicators. The legislation also recognizes that particular groups in Ontario society face a disproportionate risk of poverty, including aboriginal peoples and other people from racialized communities, immigrants, women, single mothers, and people with disabilities.

Ontario's first Poverty Reduction Strategy ran from the end of 2008 to the end of 2013. That Strategy was focused on reducing child poverty by 25 per cent over the five-year period. Statistics on poverty levels are always two years out of date so we won't know until 2015 if that target was achieved. But we do know that child poverty was reduced in Ontario between 2008 and 2011 – just at the height of the worst global recession since the 1930s – by nearly 9 per cent. We also know, however, that adult poverty and poverty among other groups in society increased in that same period. This demonstrates the importance of having a targeted, comprehensive strategy in place wherein government action is concentrated on results.

Because of this legislation, a new strategy is required by law immediately. Whoever form a government following the election will be required by law to create a new five-year Poverty Reduction Strategy.

The 25in5 Network for Poverty Reduction has recommended that the next Ontario Strategy should contain the following five priorities:

- Bold poverty reduction targets, for adults as well as children and for those living in the deepest poverty;
- A comprehensive action agenda of strong policy measures;
- A plan to ensure sufficient public revenues to make the required investments;
- Instruments to ensure a high standard of accountability on progress;
- and

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- Strategic, dedicated investments in every budget.

2. Will your party commit to creating Ontario's next five-year Poverty Reduction Strategy? What will your Poverty Reduction Strategy contain?

If given another mandate to govern, a Kathleen Wynne government will release the new Poverty Reduction Strategy (PRS), along with targets and indicators, within 60 days of returning to the Legislative Assembly.

Ontario's first PRS Breaking the Cycle launched in 2008 helped improve the lives of low-income Ontarians with a focus on reducing child poverty. Working with our partners, we lifted 47,000 children and their families out of poverty between 2008 and 2011. In 2011 alone, we prevented 61,000 children from falling into poverty.

The Ontario Child Benefit (OCB) was the cornerstone of the first PRS. It provides a maximum annual benefit of \$1,210 per child, which under a Wynne government would be strengthened through a further increase to \$1,310 in July 2014. Beginning in July 2015, Ontario Liberals would index the OCB maximum annual benefit and the income eligibility threshold to the Ontario Consumer Price Index.

This means that the OCB would be adjusted for inflation each year, ensuring that its value keeps pace with changes in the cost of living. It also means that the maximum amount of income a family can earn while still receiving the maximum OCB will increase annually to keep pace with inflation. This commitment was included in both our Budget and in our plan.

Many of our other signature investments for the new Strategy were highlighted in the 2014 Budget, such as health benefits for children in low-income families, enhancement of the Community Homelessness Prevention Initiative, and the Local Poverty Reduction Fund.

In late summer and early fall 2013 we heard from Ontarians on their views for the new plan. Public consultations were held in communities across the province, engaging diverse perspectives from those who have experienced or are still living in poverty, as well as stakeholder organizations and the private sector.

We heard from thousands of people and hundreds of organizations who contributed to the development of the second Strategy. We also commissioned research and created a Technical Advisory Group, comprised of a diverse membership with varying perspectives. This group provided input on potential initiatives and policies for inclusion in our new Strategy.

We were very happy that the Income Security Advocacy Centre participated in this process, along with many other organizations.

Social assistance reform is a very important part of poverty reduction efforts and the broader income security system in Ontario. Programs that provide financial supports aimed at low-income people, encourage employment, and support fairness are critical in helping low-income Ontarians get back on the road to success.

Guided by the advice of the Lankin-Sheikh Commission, we have focused recent rate increases on the lowest incomes in the system – single adults on Ontario Works. Our 2013 budget provided an increase of \$20 for singles receiving Ontario Works. Our 2014 Budget added a further \$30, resulting in a total \$50 increase for the lowest rates since 2013.

Combined with previous rate increases, this constitutes an increase of between 17.2 and 24.4 per cent for social assistance clients since 2004. We were very disappointed when the NDP refused to support this budget, which would have brought us half way to the \$100 recommended by the Commission. We look forward to continuing on this path of sustainable and careful reform.

Our 2014 Budget also proposed a new, flexible employment benefit, meaning that clients and their caseworkers can tailor the benefit to meet individual needs and help people find employment more effectively. If given another mandate, we would work with the community to establish the design parameters of this program.

We have also increased asset limits, so people don't have to become destitute before they can receive support; we exempted the first \$200 of income, so people receiving assistance can earn more and keep more of their earnings.

Ontario Liberals have been very clear: the only reason that social assistance reform, the OCB enhancement, and other PRS initiatives are not well underway is a result of Andrea Horwath and the Ontario NDP's decision to oppose the most progressive budget in decades. She decided to turn her back on many of the most vulnerable people in our communities and spark an unnecessary election.

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If returned to government, we will be reintroducing all of the measures articulated above as well as the rest of our budget.

3. Extended Medical Benefits for All Low-Income Ontarians

As the quality of jobs in the labour market decreases, fewer Ontarians are able to access employer-supported extended medical benefit coverage. The growth of precarious work (i.e., temporary jobs, contract jobs, etc.) has seen an increase in the number of jobs where benefits like prescription drug, dental, and vision care coverage are not provided by the employer. These jobs are often low-wage, leaving many workers unable to afford to pay for expenses themselves. The hardship that lack of extended medical coverage places on low-income workers and their families must be addressed.

A recent study by Public Health Ontario found that one in every five Ontarians does not visit a dentist because they cannot afford it. As a result, thousands of people in Ontario suffer with pain and infection from poor oral health. Many have no choice but to go to the local Emergency Room of their hospital. They can get pain killers but no dental treatment for the problem. In 2011, there were almost 57,000 visits to Ontario hospitals Emergency Rooms for dental problems. General health is severely negatively impacted by a lack of dental coverage, as is the ability to compete in the labour market.

In addition, an increasing number of people have limited or no access to prescription drug coverage. A recent survey by the Federation of Canadian Municipalities indicated that those surveyed felt that, next to the cost of housing, the cost of health care is the number one financial issue facing Canadians today.

Currently, people receiving social assistance are able to access some extended benefits, including prescription drugs and limited dental and vision care. But some aspects of these benefits are insufficient. For example, only the children of people receiving Ontario Works (OW) are eligible for basic dental care services; adults can only access emergency services. And dentists across the province are increasingly denying treatment to adults receiving Ontario Disability Support Program benefits (ODSP) because they feel the Ministry's fee schedule is too low.

Creating an extended medical benefit program to provide prescription drug, dental, and vision coverage for all low-income Ontarians would respond to the lack of coverage in the labour market. It would also respond to the challenge faced by people leaving the social assistance system for paid employment, who often lose the health-related benefits provided by the system when they move

into the workforce. Particularly for people with children, the loss of health-related benefits is a major barrier to entering or returning to the workforce.

4. Will your party create a new extended medical benefits program for all low-income people in Ontario that includes drug, dental, and vision care?

In December 2013, the Wynne government announced the integration of low-income dental benefit programs for children and youth – Healthy Smiles Ontario, Children In Need Of Treatment, Ontario Works, Ontario Disability Support Program, Assistance for Children with Severe Disabilities Program, and oral health preventative services provided by Public Health Units – into a single provincial program to improve their access to dental care. We have expanded income eligibility for this program, which took effect April 1, 2014. As a result, 70,000 more children and youth from low-income families will have access to dental services.

Building on the success of our low-income dental program, we propose to extend additional health benefits to children from low-income families. This integrated benefits program will give low-income children access to services that fall outside of Ontario Health Insurance Plan (OHIP) coverage: prescription drugs, vision care, mental health services, and assistive devices.

Increasing access to health benefits for children of low-income families who may not otherwise be able to afford these services can make a significant difference to the health and well-being of these children. Addressing these will improve health outcomes and remove future barriers to employment that parents and youth may experience.

We know that more needs to be done to support the health of all low-income people. The research showing a direct relationship between socio-economic status and health is abundantly clear. Seeing this, if returned to government, Ontario Liberals would begin work to develop options for a health benefit program for all low-income Ontarians. This commitment was clearly articulated in our Budget.

All of the items listed in this letter were included in the budget, which the NDP opposed. The Ontario PCs have spoken openly about cutting anti-poverty programs. Only Kathleen Wynne and the Ontario Liberal Party are committed to helping low-income people in our communities.

5. WSIB and the Ontario Disability Support Program

Legal clinics that assist injured workers have seen a substantial increase in the numbers of injured workers whose benefits are being cut. For several years, the Workplace Safety and Insurance Board (WSIB) has been trying to reduce costs. They could have chosen to increase premiums to employers in order to cover the cost of compensating the injured, but instead have chosen to reduce benefits to injured workers.

Three major changes to the way that decisions are being made on benefit claims are being seen, and they all involve reducing compensation by claiming the person has a “pre-existing condition” such as the effects of aging. People are being determined to be not eligible for compensation because their disability is blamed on a pre-existing condition rather than the workplace incident that caused the injury.

People whose claims are accepted are having their benefits terminated while they are still disabled because the ongoing disability is being blamed on a pre-existing condition. And payments for permanent impairment are being reduced from what would otherwise be paid because the person is being considered to have had a pre-existing condition.

In all these cases, what is meant by a “pre-existing condition” could be something which the person wasn’t even aware of and that had no affect on their activities of daily living – such as regular skeletal degeneration that occurs with age in our joints and spine.

This is unfair because people could be completely fit for work and able to do their job, and then have a workplace incident in which they are injured. However, in this case, the disability is blamed on the “pre-existing condition” instead of the incident.

These kinds of decisions have been made increasingly since 2009. The WSIB is currently moving to enshrine this framework for decision-making in a new set of benefits policies which would prevent workers from challenging these decisions at appeal. Advocates for injured workers and many others are protesting this

move not only because it leaves injured workers without a critical source of income, but also because it signals a significant departure from the principles of workers compensation in the legislation.

Workers compensation is based on a historic compromise in which injured workers lose their right to sue their employers in return for a 'no-fault' system of compensation for lost earnings. Under these new policies, employers will continue to enjoy protection from being sued for workplace injuries while the cost of workplace injuries will be downloaded to the public.

That's because the loss of WSIB benefits means that injured workers increasingly have to turn to ODSP as a source of income. But the amount of money that is available through ODSP and associated tax-delivered benefits leaves the vast majority of people living in poverty and unable to cover the cost of regular expenses.

For example, a single person on ODSP receives a total income (including tax-delivered benefits) of only \$13,990 per year. The Low Income Measure After Tax (LIM-AT) for a single person in 2014 is \$20,831.36. This poverty measure was adopted by the provincial government in 2008 to track progress on poverty reduction.

Having to rely on ODSP also means being subject to the punitive and intrusive rules that are imposed by what is a social assistance program. The increasing reliance by injured workers on ODSP benefits also represents a shift of coverage and responsibility for injured workers from an employer-funded program to a public benefit program supported solely by provincial government revenues.

It also places additional pressure on the ODSP system as a whole, providing an inappropriate justification for limiting access to ODSP benefits. We saw this justification in the report of the Commission for the Review of Social Assistance, which identified growing ODSP caseloads as a "problem" and indicated that the response should be to make ODSP benefits less available. The real problem is that WSIB is not providing the income support that injured workers need.

6. Will your party ask the WSIB to withdraw the proposed policy changes to ensure the WSIB system provides adequate and ongoing support to people who have been injured at work? And how will you improve ODSP benefits to ensure people with disabilities don't have to live in poverty?

The WSIB system is designed to ensure that workers who are injured on the job get the best help possible so that they can get well, return to their families and back to work. We know that returning to work is not always possible, and it is seldom easy, but we believe that getting workers back on the job, when they are

truly medically ready, is good for injured workers and good for the economy. That is why, under an Ontario Liberal government, the WSIB doubled the number of WSIB Specialty Clinics and made more expert physicians available – giving workers the care they deserve to recover and get back to work.

However, we also know that it is sometimes impossible for workers to return to work due to the severity of their injuries, and those workers have a right to fair treatment. First, they need to know their status – so decisions are being made faster. They also need benefits that can support them - benefits that have increased 9.5 per cent since 2007 under an Ontario Liberal government, in stark contrast to the freezes and punishment under Tim Hudak's PC Party. We also remain committed to working with our partners to ensure indexation is in place for partially injured workers, so they don't fall behind.

Regarding pre-existing conditions, it's important to note that while the WSIB recently released a draft policy on that topic. Ontario Liberals remain open to your feedback on this issue. As part of that consultation, we heard from groups representing unions and injured workers about their concerns with this approach. The WSIB will analyze and assess the feedback it received over the next few months as part of the ongoing consultation process. We expect that the feedback will be reflected in their revised policy. Ontario Liberals are aware of the concerns that you have raised and we are committed to ensuring that the process will result in a solution that is fair for workers.

7. Employment Insurance

Over the past several years, fewer Ontario workers are able to access Employment Insurance benefits, even if they have paid into the program. The rise of part-time and contract work in the labour market and changes to eligibility rules have resulted in the current situation 27.2 per cent of Ontario workers receive regular EI benefits. This leaves the remaining 72.8 per cent of unemployed workers without the safety net they require. In addition, many Ontario workers – particularly temporary foreign workers – pay into the Employment Insurance program, but are categorically ineligible to receive regular EI benefits.

February 2014 data from Statistics Canada shows that most unemployed Ontarians not receiving regular EI benefits did not qualify from the outset, while some qualified but exhausted their benefits by February without finding work. There were 559,800 unemployed Ontarians in February, but only 152,410 were receiving regular EI benefits.

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The erosion of the federal Employment Insurance program has meant the disappearance of a safety net for Ontario workers. The only income support program that could potentially assist is Ontario Works, but only people who have exhausted virtually all their financial resources are eligible for OW support. The loss of income security caused by the loss of access to EI not only puts the economic stability of the majority of Ontarians in jeopardy, it also puts a strain on the province's fragile recovery just at a time when economic activity is needed.

8. What will your party do to convince the federal government to restore benefit eligibility to all Ontario workers and ensure the Employment Insurance system does its role in maintaining the income security of Ontario families?

Since 2006, the federal government has taken over one hundred unilateral decisions that have hurt people and businesses across Ontario. Ottawa's refusal to recognize the need to ensure a secure retirement for all Canadians through Canada Pension Plan enhancements is just one example.

Each and every year, the share of federal revenue raised in Ontario vastly outweighs the share of federal spending in our communities. Our 2014 Budget confirmed this gap to be \$11 billion dollars, including unexpected reductions in equalization payments and health transfers. Kathleen Wynne and the Ontario Liberal Party have frequently called on the federal government to treat Ontarians the way it treats the rest of Canada.

Ontarians bear the brunt of federal intransigence on Employment Insurance. As noted by the Mowat Centre EI Taskforce, fewer unemployed workers in Ontario were eligible for EI relative to every other province despite enduring higher than national average unemployment rates during the recent recession. This is yet another area where the federal government is ignoring the needs of Ontario. If granted another mandate to govern, Kathleen Wynne and the Ontario Liberal Party will continue to fight for the needs of Ontarians, including improvements to the EI program.

Our position stands in stark contrast to the other two parties. Tim Hudak and the PC party ignore the facts and refuse to stand up for Ontario, dismissing calls for fair treatment through equalization payments as "welfare". Andrea Horwath and the NDP have remained silent on this important issue. Only Kathleen Wynne as leader of the Ontario Liberal Party has shown leadership in fighting for Ontario.

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