

2021 Ontario Budget: ISAC response and analysis

Budget fails to tackle inequities worsened by COVID-19 pandemic and leaves low-income Ontarians behind

In February of 2021, ISAC prepared submissions as part of the 2021 Ontario Budget consultations. ISAC's 2021 Provincial Budget Consultation submission made recommendations for investments under three priority areas: Justice for Workers, Income Security Programs, and Access to Justice. Among other proposals, we recommended paid sick leave, an immediate increase to social assistance rates, and the restoration of an appropriate number of adjudicators deciding matters before the Social Benefits Tribunal and Human Rights Tribunal. Our full set of recommendations can be found here: <http://incomesecurity.org/policy-advocacy/2021-provincial-budget-consultation-presentation-des-consultations-sur-le-budget-de-2021/>.

The 2021 Ontario Budget includes none of our recommendations and leaves behind Ontarians hardest hit by the COVID-19 pandemic. The Budget shows some investment in broadband access, child care and the Ontario Public Drug Plan. While the Budget provides \$10.2 Billion in business tax credits (93-94), it fails to include revenue tools from those with income and/or assets in excess of a million dollars that would help to manage the debt. Since Canadians have saved \$200 Billion during this pandemic,¹ now is the time to share the cost of this pandemic, rather than have the poorest bear the brunt of it. This Budget does not translate into meaningful poverty alleviation measures to support low-income Ontarians on social assistance, people with disabilities, and racialized and precarious workers. The full 2021 Ontario Budget can be accessed in html at <https://budget.ontario.ca/2021/contents.html> or in PDF at <https://budget.ontario.ca/2021/pdf/2021-ontario-budget-en.pdf>.

No Increases to Social Assistance Rates Amounts to a Cut

With no rate increase in the 2021 Ontario Budget and a nearly 5% increase in inflation^{2, 3,4,5} since the last rate increase in 2018, the lack of investment amounts to a cut in rates for people living on social assistance. As we outlined in our submission, this situation is untenable considering the rising costs of groceries, transportation, essential communications services including telephone and internet, personal protective equipment, delivery services, rent and extra costs for people living with disabilities.

Equally disappointing, from April 1, 2020 to December 31, 2020, \$153 million less was spent on social assistance than expected.^{6,7} These savings could have been reinvested to raise the rates instead of leaving low-income Ontarians in deep poverty with no improvement. While the Canada Social Transfer will increase by \$190 million in 2021-22 (172), spending in Children, Community and Social Services is set to increase by only \$86.6 million (174) or a Ministry budget increase of a meagre 0.59% (174).

This increase includes \$526 million designated to provide recipients with a path to jobs (165). This will not provide adequate life-stabilization and wraparound supports that are much needed for people to be job ready.

People with Disabilities Left Out

\$3.7 million has been designated to transport people with disabilities and older adults with limited mobility for COVID-19 vaccination appointments (31). However, like the 2020 Ontario Budget in the fall, this budget provides no direct money for individuals on the Ontario Disability Support Program (ODSP) who do not live in congregate settings. With increased costs during the pandemic, combined with inflation and the additional costs associated with living with a disability, this lack of investment will make it even harder for people with disabilities to survive.

Insufficient Safety Measures and Inadequate Wages for Workers

While there is a commitment to renew the occupational health and safety strategy for 2021-26 (60), these will not meet our recommendation to mandate and increase ongoing proactive inspections of Ontario workplaces for health and safety violations, with at least quarterly inspections for high-risk sectors and deterrent penalties for violators.

\$117.3 million is designated for training to address high unemployment rates among people with disabilities who can work and women, racialized, Indigenous and youth during the pandemic (75). There is accelerated and tuition-free PSW training (45) but, significantly, no extension to wage increases past June 30, 2021.⁸ These essential front-line workers deserve and need better wages permanently. The investment of \$130 million for the Temporary Ontario Jobs Training Tax Credit for 2021-22 only (205, 210) is useful for Ontarians who can afford up-front training fees, but will not support Ontarians living in poverty who want to access education and training.

Digitization of Tribunals Ontario

The Budget mentions previously announced \$28.5 million over four years to Tribunals Ontario (166). This is part of a justice modernization strategy meant to increase access to the justice system through expanded online services including a digital case management system and more remote and online hearings.⁹ The Landlord and Tenant Board will be the first tribunal to implement the “end-to-end digital solution” in Summer 2021 and implementation will be phased into other tribunals by December 2023.¹⁰ Many low-income Ontarians, particularly those on social assistance, simply cannot afford cellphones and data plans or computers and internet to access justice.

This strategy is also meant to help reduce delays at tribunals. While we are glad to see that adjudicator appointments have been made, we remain concerned that the Social Benefits Tribunal (SBT) and the Human Rights Tribunal of Ontario (HRTO) are not yet at a full complement. Further, it is paramount that the quality of adjudicator appointments is not sacrificed for the sake of speed in the appointment process. ISAC will continue to monitor the rollout of these funds, and advocate for timely access to justice that includes an option for in-person hearings with quality adjudicators.

Investment in Broadband

Considering how internet has become an essential service during the pandemic and with increased digitization in social services and tribunal service delivery, the 2.8 billion investment by 2025 to underserved or unserved rural, remote and Northern areas of the province is welcome news (98). This money includes \$1.7 Billion from the federal government (99). However, this investment does not follow our recommendations for a digital access benefit for people on social assistance to pay for essential phone and internet equipment and digital literacy training. This would benefit low-income Ontarians more immediately.

Inadequate investment in child care does not help women's income security

The Budget provides another round of the Ontario COVID-19 Child Benefit of \$400 for each child aged 0-Grade 12, and \$500 for children and youth 21 years old or younger with special needs (69). This should provide some assistance with child care costs.

This Budget also provides a 20% enhancement in the Childcare Access and Relief from Expenses (CARE) Tax Credit or \$30 million but only for 2021-22, after which it will end. (67, 210). On average this top-up will amount to a \$250 increase of support (66).

The Financial Accountability Office of Ontario (FAO) determined that of the people that benefit from this approach, only 3% are low-income who earn less than \$21,400.¹¹ To achieve the full benefit, one must first have the money to pay for child care.¹² In 2018, and with the second highest child care costs in Canada, the CARE Tax Credit only increased labour force participation of women by 0.4 percentage points, which left Ontario with the lowest provincial participation rate for women in the country.¹³ Expanding this benefit is not what low-income women in Ontario need.

A better approach would be an investment in long-term solutions with subsidized child care spaces. There is no evidence to suggest that the 20,000 new spaces approved for 2021 will be affordable (72).

No Long-term Housing Solutions

There is no new money to address the housing crisis and nothing to prevent ongoing evictions. The previously announced \$255 million for the Social Services Relief Fund is for municipal service managers and Indigenous program administrators to address increased shelter use during COVID-19 (61). There is nothing to address long-term homelessness, risk of homelessness, or to stabilize the precarious housing situation in which many low-income Ontarians have found themselves during the pandemic due to loss of employment.

Other new changes

- Ontario Public Drug Program: \$602.2 million for the next fiscal year to support increase in drug costs and eligible recipients (164).
- Mental health and addictions support: \$175 million for services and \$8.4 million over three years for a “crisis call diversion program” with the Ontario Provincial Police (55)

which includes referrals to, rather than an investment in and expansion of, existing services.

- Anti-Racism and Anti-Hate Grant program: \$1.6 million over two years, which provides targeted rather than broad based investments (64).
- First Nations, Métis and Inuit populations: \$4 million in 2021-22 for COVID-19 supports including contact tracing, self-isolations and addressing food insecurity and housing shortages (38).

¹ Hall, Joseph (2021, January 27). *'I've never seen my bank account grow like this': Massive surge in savings will lead to a booming economy later this year, economists say*. The Toronto Star. Retrieved March 29, 2021, from <https://news.ontario.ca/en/backgrounder/60642/ontarios-justice-accelerated-strategy>.

² Bank of Canada. *Inflation Calculator*. Retrieved March 27, 2021, from <https://www.bankofcanada.ca/rates/related/inflation-calculator/>.

³ Statistics Canada (2019, January 18). *Consumer Price Index: Annual Review, 2018*. Retrieved March 27, 2021, from <https://www150.statcan.gc.ca/n1/daily-quotidien/190118/dq190118c-eng.htm>.

⁴ Statistics Canada (2020, January 22). *Consumer Price Index: Annual Review, 2019*. Retrieved March 27, 2021, from <https://www150.statcan.gc.ca/n1/daily-quotidien/200122/dq200122c-eng.htm>

⁵ Statistics Canada (2021, January 20). *Consumer Price Index: Annual Review, 2020*. Retrieved March 27, 2021, from <https://www150.statcan.gc.ca/n1/daily-quotidien/210120/dq210120b-eng.htm>.

⁶The \$153 million includes Ontario Disability Support Program, Ontario Works and the Ontario Drug Benefit Plan. See: Financial Accountability Office of Ontario (2021, March 11). *Expenditure Monitor 2020-21: Q3*. Retrieved March 27, 2021, from <https://www.fao-on.org/en/Blog/Publications/2020-21-expenditure-monitor-q3>.

⁷ This is due to reduced caseloads over the past year, particularly with Ontario Works. See Ontario Ministry of Children, Community and Social Services (2021, March 29). *Ontario Works Monthly Statistical Report – February 2021*. Retrieved March 29, 2021, from, <https://www.mcscs.gov.on.ca/en/mcscs/open/sa/owCaseLoadReport.aspx> and Ontario Ministry of Children, Community and Social Services (2021, March 29). *Ontario Disability Support Program Monthly Statistical Report – February 2021*. Retrieved March 29, 2021, from <https://www.mcscs.gov.on.ca/en/mcscs/open/sa/odspCaseLoadReport.aspx>.

⁸ Ontario Newsroom (2021, March 18). *News Release: Ontario Extending Temporary Wage Enhancements for Personal Support Workers*. Retrieved March 27, 2021, from <https://news.ontario.ca/en/release/60798/ontario-extending-temporary-wage-enhancement-for-personal-support-workers>.

⁹ Ontario Newsroom (2021, March 11). *News Release: Ontario Unveils Plans to Accelerate Access to Justice System*. Retrieved March 28, 2021, from <https://news.ontario.ca/en/release/60641/ontario-unveils-plans-to-accelerate-access-to-the-justice-system>.

¹⁰ Ontario Newsroom (2021, March 11). *Backgrounder: Ontario's Justice Accelerated Strategy*. Retrieved March 28, 2021, from <https://news.ontario.ca/en/backgrounder/60642/ontarios-justice-accelerated-strategy>.

¹¹ Financial Accountability Office of Ontario (2019, September 24). *Child Care in Ontario: A Review of Ontario's New Child Care Tax Credit*. Retrieved March 25, 2021, from <https://www.fao-on.org/en/Blog/Publications/childcare-ontario-2019>, Figure 5.3.

¹² “A family earning \$20,000 or less would need to spend at least \$8,000 in child care expenses for each child under seven and at least \$5,000 in child care expense[s] for each child between seven and sixteen, in order to receive the maximum benefit entitlement. See: Financial Accountability Office of Ontario (2019, September 24). *Child Care in Ontario: A Review of Ontario's New Child Care Tax Credit*. Retrieved March 25, 2021, from <https://www.fao-on.org/en/Blog/Publications/childcare-ontario-2019>, Figure 5.3.

¹³Financial Accountability Office of Ontario (2019, September 24). *Child Care in Ontario: A Review of Ontario's New Child Care Tax Credit*. Retrieved March 25, 2021, from <https://www.fao-on.org/en/Blog/Publications/childcare-ontario-2019>.