

Fall 2020 Budget Consultations Submission

to the Ontario Minister of Finance

Hon. Rod Phillips
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario M7A 1Z1

October 16, 2020

Income Security Advocacy Centre

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INCOME SECURITY ADVOCACY CENTRE
Centre d'action pour la sécurité du revenu
www.incomesecurity.org

The Income Security Advocacy Centre

The Income Security Advocacy Centre (ISAC) is a specialty legal clinic funded by Legal Aid Ontario. ISAC's mandate is to advance the rights and interests of low-income Ontarians with respect to income security and employment. We carry out our mandate through test case litigation, policy advocacy, community development and public education.

Founded in 2001, we are governed by a community Board of Directors representative of all regions of Ontario. Our Board includes legal clinic caseworkers and people who identify as low-income, with representation from Indigenous communities, racialized communities, people with disabilities and recipients of income support benefit programs.

Recommendations

Informed by ongoing consultation with our community partners on issues relevant to our mandate, we make the following recommendations for the Fall 2020 budget:

Income Security Programs:

- **Recommendation #1:** Ensure income security for all social assistance recipients by: a) retroactively reinstating and automatically distributing the \$100 for single individuals and \$200 for families Emergency Benefit for the duration of the pandemic; b) ending all clawbacks on COVID-related federal benefits including the Canada Recovery Benefit (CRB), the Canada Recovery Sickness Benefit (CRSB), the Canada Recovery Caregiving Benefit (CRCB), the \$600 one-time payment to persons with disabilities, the Canadian Disability Benefit and Employment Insurance (EI) for the duration of the pandemic; and c) forgiving all overpayments for those on social assistance who accessed federal benefits including the Canada Emergency Response Benefit (CERB).
- **Recommendation #2:** Immediately increase social assistance rates by at least 3% for each year the rates were frozen. For the long term, raise the rates to reflect real increased costs of living both during and independent of the pandemic, including housing costs based on average market rents, utility costs, the increased cost of a nutritious food basket, transportation, essential communication devices including telephone and internet while socially isolating, all personal basic needs and extraordinary costs that people with disabilities experience based on their specific needs. Rates should also increase with inflation.
- **Recommendation #3:** Eliminate the \$10,000 limit on voluntary gifts and payments and raise the limit on cash and other liquid assets to \$20,000 for Ontario Works (OW) recipients. For Ontario Disability Support Program (ODSP) recipients, eliminate the \$10,000 limit on voluntary gifts and payments and raise the asset limit to \$100,000. This will help alleviate poverty among social assistance recipients.
- **Recommendation #4:** Invest in immediately filling vacant positions on the Social Benefits Tribunal and ensuring the availability of accessible in-person hearings.

Maintain the independence and oversight functions of the Tribunal in order to ensure that administrative social assistance decisions do not wrongly deny supports that Ontarians need to meet their most basic needs. Invest in improving first-level decision making.

- **Recommendation #5:** Ensure multiple channels of access to social assistance. Invest in equipment and training so that social assistance recipients can access new digital tools and platforms. Maintain in-person access to caseworkers, who must be adequately resourced themselves in order to support varying, unique and complex circumstances. Modernizing social assistance should not further isolate social assistance recipients from the supports they need.
- **Recommendation #6:** Ensure sufficient funding, inter-ministerial collaboration and administrative alignment so that OW and ODSP recipients receive wrap-around services, such as childcare, housing, mental health treatment, addictions treatment and employment supports attuned to the needs of social assistance recipients and persons with disabilities so they can achieve their personal goals and long-term income security.

Workers' Rights:

- **Recommendation #7:** Reinstate 10 Personal Emergency Leave Days, including seven days as paid leave. Introduce an additional 14 days of sick leave during pandemics.
- **Recommendation #8:** Increase the number of inspectors under the *Employment Standards Act* in order to ensure proper pay and working conditions for Ontario's workers.
- **Recommendation #9:** Immediately increase the minimum wage to \$15 per hour, restore annual indexation to the Consumer Price Index, reinstate pandemic pay and implement laws to ensure that workers who do similar work receive equal pay.

Access to Justice

- **Recommendation #10:** Reverse the cuts to Legal Aid Ontario and increase its funding to support low-income Ontarians in accessing justice throughout the pandemic and beyond.

A. Investing in Income Security Programs

Ontario's social assistance system is made up of two programs: the Ontario Disability Support Program (ODSP), which provides income support specifically to persons with disabilities and Ontario Works (OW), which supports others who need financial assistance.

Although it is well-documented that these programs are severely under-funded,¹ in last year's budget, the provincial government announced plans to take \$1 billion dollars out of social assistance programs, representing an 11% reduction in spending.² This cut would

have catastrophic implications for the well-being of those who rely on social assistance. While concern is sometimes raised about the rising costs of the programs, there has been a significant decline in the share of Ontarians receiving support from social assistance (from 9.4% in 1997 to 6.7% in 2017).³

ISAC recommends that the province invest in poverty-eradicating measures and a social assistance program that promotes well-being and dignity for all Ontarians.

1. Increase income security during the COVID-19 pandemic

The COVID-19 pandemic has disproportionately impacted low-income people who are bearing the brunt of this pandemic. While some higher income earners save money by self-isolating and experience an “isolation dividend,” low-income people lose money without access to food banks, other drops in resources and experience the “isolation deficit”.⁴ Budgetary decisions must consider this as we enter the second wave of the pandemic and the winter months. Now is the time to increase financial support.

Between March and July 2020, the Ministry of Children, Community and Social Services’ own data stated the Emergency Benefit was provided to approximately 259,000 social assistance recipients and their families, including 111,000 Ontario Works (OW) and 148,000 Ontario Disability Support Program (ODSP) individuals and families.⁵ And yet, in July alone there were 229,478 OW and 380,684 ODSP individual and family recipients or 610,162 combined. This means only 48% of OW and 39% of ODSP individuals and families or 42.5% combined received the benefit.⁶ The reasons for the low uptake of the Emergency Benefit included changing and inconsistent instructions to caseworkers and unavailable caseworkers after office shutdowns during the first wave.

In short, the province benefited from significant savings due to the low number of recipients who accessed the Emergency Benefit. The reduction of OW caseloads by approximately 7.5%⁷ during the same period represents further savings for the province. These both offer the government the fiscal room to reinvest and provide urgently needed increased income security to social assistance recipients for extra costs including PPE, groceries, delivery services, transport and social and IT supports for the duration of the pandemic. We therefore recommend that Ontario retroactively reinstate and automatically distribute the Emergency Benefit for social assistance recipients for the duration of the pandemic.

Clawbacks are another reason why social assistance recipients are experiencing disproportionate hardship during the COVID-19 pandemic (for example, with the Canada Emergency Response Benefit). We appreciate that the province enabled social assistance recipients who received CERB to maintain access to social assistance drug and dental benefits. However, both OW recipients who live in deep poverty and ODSP recipients who already have higher living costs that contribute to living in poverty should have access to the full benefit of federal “recovery” initiatives. Ending clawbacks that impede this access is essential.

- **Recommendation #1:** Ensure income security for all social assistance recipients by: a) retroactively reinstating and automatically distributing the \$100 for single individuals and \$200 for families Emergency Benefit for the duration of the

pandemic; b) ending all clawbacks on COVID-related federal benefits including the Canada Recovery Benefit (CRB), the Canada Recovery Sickness Benefit (CRSB), the Canada Recovery Caregiving Benefit (CRCB), the \$600 one-time payment to persons with disabilities, the Canadian Disability Benefit and Employment Insurance (EI) for the duration of the pandemic; and c) forgiving all overpayments for those on social assistance who accessed federal benefits including the Canada Emergency Response Benefit (CERB).

2. Increase rates

We note with great concern that the province has not increased social assistance rates in the last two fiscal years. This is particularly true with rising costs during the COVID-19 pandemic. As a result, social assistance recipients are falling even further below the poverty line, contributing to the growing homelessness crisis, food insecurity and poor health. We recommend that at a minimum, social assistance rates be increased by 3% for each year that the rates were frozen, up to and including 2020. This is a minimum increase only, and we strongly urge more significant increases to bring people closer to income adequacy.

Without an increase, a single person receives only \$733 per month from OW or \$1,169 if they qualify for ODSP.⁸ The cost of safe housing and nutritious food far exceeds these amounts.⁹ As a result of inadequate benefits, people on OW and ODSP live in substandard, dangerous housing and rely on food banks¹⁰ or other charities. Or, they go without. During the pandemic, access to some of these services has been reduced, increasing the need for higher rates to support higher costs. Raising the rates is the right thing to do because everyone deserves the ability to feed and clothe themselves and live with health and basic human dignity.

Major investments in social assistance in this and subsequent budgets are also good for Ontario's economy, another area of increased concern during the COVID-19 pandemic. Investments in direct benefits to low-income people have a disproportionately high economic return because low-income people spend their money in their local communities: for every dollar invested, the return for Ontario is \$1.30.¹¹ As well, improving incomes for people on OW and ODSP will reduce costs in other areas of government, including health care, the justice system and lost productivity, which currently results in the loss of between \$4 and \$6 billion in income tax revenue.¹² In addition, child poverty has particularly deep and costly long-term impacts, including greater likelihood of low earnings and poor health in the future.¹³

- **Recommendation #2:** Immediately increase social assistance rates by at least 3% for each year the rates were frozen. For the long term, raise the rates to reflect real increased costs of living both during and independent of the pandemic, including housing costs based on average market rents, utility costs, the increased cost of a nutritious food basket, transportation, essential communication devices including telephone and internet while socially isolating, all personal basic needs and extraordinary costs that people with disabilities experience based on their specific needs. Rates should also increase with inflation.

3. Raise asset limits

Social assistance recipients are trapped in poverty, in part because of limitations on cash and other liquid assets and on voluntary gifts and payments. Forcing OW and ODSP recipients to liquidate all assets above the current threshold of \$10,000 and \$40,000 respectively, ensures the poverty they experience in the present extends into the future.

We recommend that section 54(1)8 of Ontario Regulation 134/98 under the *Ontario Works Act, 1997* (the “Regulation”) regarding gifts and other voluntary payments be eliminated and that section 38(1)a of the Regulation be amended to \$20,000.¹⁴ We also recommend that section 43(1)13 of Ontario Regulation 222/98 under the *Ontario Disability Support Program Act, 1997* (the “Regulation”) regarding gifts and other voluntary payments be eliminated and that section 27(1)a of the Regulation be amended to \$100,000.¹⁵

These changes will come at no cost to the government. Rather, they could result in savings to social assistance programs by enabling both OW and ODSP recipients to access extra assistance from family and other supports for shelter, food, clothing, medicine and other basic supports. Recipients have even greater need of this during the COVID-19 pandemic. The recommended changes will also alleviate the poverty that all social assistance recipients experience.

- **Recommendation #3:** Eliminate the \$10,000 limit on voluntary gifts and payments and raise the limit on cash and other liquid assets to \$20,000 for Ontario Works (OW) recipients. For Ontario Disability Support Program (ODSP) recipients, eliminate the \$10,000 limit on voluntary gifts and payments and raise the asset limit to \$100,000. This will help alleviate poverty among social assistance recipients.

4. Fill Social Benefits Tribunal vacancies, ensure the accessibility of hearings and maintain the Tribunal’s independence and appeal functions

Social assistance recipients who disagree with decisions about their benefits and who wish to appeal them must go to the Social Benefits Tribunal. These appeals are essential to ensure recipients are not improperly denied access to the benefits they need to survive. We have two serious concerns about recipients’ ability to effectively exercise their appeal rights. First, vacant member positions at the Tribunal have contributed to unacceptably long delays in appeals being heard. We have heard reports of individuals waiting for hearing dates up to one to two years after filing their appeal. Second, while video and teleconference hearings are a welcome option for individuals unable to attend in-person hearings, the province must ensure that in-person hearings remain available and accessible, especially for those who cannot access technology for remote hearings.

The filling of vacant Tribunal member positions is necessary to ensure appeals are heard and decided in a timely way. This is crucial for social assistance recipients, whose ability to afford basic necessities depends on receiving benefits. The COVID-19 pandemic has put many Ontarians’ income security at risk and made timely access to social assistance imperative. However, at the time of writing, there are two vacant positions on the Tribunal and an additional six members’ terms will end on October 25, 2020.¹⁶ Leaving these positions vacant will cause delays at the Tribunal. Ontario should invest in immediately

filling vacant Tribunal member positions with qualified candidates to reduce the backlog of cases and prevent further delays.

Tribunal hearings must also be accessible to ensure individuals can attain benefits. Tribunals Ontario recently announced a “Digital First” strategy to conduct more hearings via video, telephone and in writing. The details of this plan are not clear. Digital hearings are a welcome *option* during the pandemic, particularly for those who are immunocompromised or who have other barriers to attending an in-person hearing. However, digital hearings cannot replace in-person hearings.

Ontario must therefore invest to ensure that in-person hearings remain widely and readily available. Many vulnerable applicants cannot afford the equipment or internet required to participate in video hearings, may lack adequate bandwidth or data plans to do so, or may lack the technical literacy required to use such technology. Over-reliance on video, telephone and written hearings poses a serious risk to the right to a fair hearing and will leave vulnerable individuals behind. To ensure that Ontarians can fully exercise their appeal rights, the province should invest in appropriate supports for accessing Tribunal services (including in-person hearings, interpretation services and plain language resources). “Modernizing” the Tribunal system must not come at the expense of effective justice, especially for the underprivileged.

Finally, the Ministry of Children, Community and Social Services (MCCSS) is currently reviewing the ongoing functions of the Tribunal. That review is, in part, a response to the Auditor General’s 2019 report which found that the Tribunal overturns around 60% of ODSP disability denials and implied that such a high overturn rate meant the Tribunal is granting benefits to people who do not qualify.¹⁷ What the Auditor General did not consider is that decision makers at the Social Benefits Tribunal have the benefit of new evidence and the in-person testimony of appellants, placing them in a better position to assess the evidence than the original ODSP decision-maker. The high overturn rate reflects problems at the original decision-making level, the Disability Adjudication Unit, not at the Tribunal. Those problems include incorrect readings of both medical evidence and the law.

Rather than changing the Tribunal, the focus should be on improving first-level decision-making to ensure that applications are not wrongly denied. The independent quasi-judicial oversight role of the Social Benefits Tribunal should be preserved. The Ministry does not need to invest resources in changing an appeal process that is not broken. Instead, it should invest resources in filling the large number of vacancies at the Tribunal in order to eliminate growing hearing delays and in improving the operation of the DAU.

- **Recommendation #4:** Invest in immediately filling vacant positions on the Social Benefits Tribunal and ensuring the availability of accessible in-person hearings. Maintain the independence and oversight functions of the Tribunal in order to ensure that administrative social assistance decisions do not wrongly deny supports that Ontarians need to meet their most basic needs. Invest in improving first-level decision making.

5. Ensure that modernizing social assistance does not leave anyone behind

The province's recent announcement to modernize social assistance includes a move towards increased digitization and centralized service-delivery. While ISAC recognizes that during a pandemic there is an increased need for remote access, without increased IT support, social assistance recipients could be further isolated.

A significant barrier to accessing the \$100/\$200 Emergency Benefit was recipients' difficulties in communicating with caseworkers. Features such as digital two-way messaging might alleviate these concerns. However, the reality is that current rates for access to the internet and cellphone data plans in Canada are among the most expensive in OECD countries and are unaffordable for many social assistance recipients.¹⁸ In addition, the cost of equipment including computers or cellphones to access digital platforms can be out of reach. As the pandemic continues, libraries and drop in centres that might normally assist with such issues remain closed or have limited access. Further, some recipients lack the technical literacy to use these means of communication, may have low literacy skills, or may not speak English or French and require interpretation services.

The risk with the proposed modernization of social assistance is therefore that the increased digitization will further isolate social assistance recipients from getting the help they need. ISAC recommends ensuring continued access to caseworkers for social assistance recipients who have varying, unique and complex circumstances including, but not limited to, interpretation services, back-and-forth information gathering and clarification and digital literacy training for seniors. Further, an investment must be made to ensure recipients can access equipment that will assist with using the new digital tools and platforms. This may also include support through training. Increased investment to enhance communication will be particularly essential in rural and remote communities where existing infrastructure is often inadequate.

- **Recommendation #5:** Ensure multiple channels of access to social assistance. Invest in equipment and training so that social assistance recipients can access new digital tools and platforms. Maintain in-person access to caseworkers, who must be adequately resourced themselves in order to support varying, unique and complex circumstances. Modernizing social assistance should not further isolate social assistance recipients from the supports they need.

6. Ensure “wrap-around” and employment services for social assistance recipients are adequately supported and not punitive

As part of the province's modernization of social assistance, Ontario is moving forward with a plan to integrate employment services for social assistance recipients with services available to the general public through Employment Ontario. That model will first be piloted in three communities and funding for service providers will be based on yet unidentified performance outcomes.

ISAC urges that services be adequately funded, non-punitive, and take into account the realities of the labour market. It is the increase in precarious employment and growing levels of working poor and cuts to other social programs that force people to rely on social

assistance.¹⁹ A single-minded focus on moving people into any job, in a context where almost a quarter of new jobs in Ontario offer very low pay and little security,²⁰ may not lead to financial independence but to work in unsafe working conditions, which during the COVID-19 pandemic, are intensified. Some ODSP recipients are immunocompromised and asking them to take often low-paid, precarious front-line jobs during the COVID-19 pandemic could be dangerous. Given the realities of the labour market, recipients should not be punished by having their benefits terminated or reduced if they are unable to find or maintain employment, particularly during a pandemic.

ISAC agrees that training and employment supports are essential. However, we are concerned that the proposed models may not consider the numerous reasons that bar social assistance recipients from labour market attachment. For example, the estimate on the basis of ODSP data on earners that only 11% of ODSP recipients were able to access CERB is evidence of barriers to securing employment. Among these is the stereotype that disabilities are continuous, permanent and change very little over time, a description that excludes the majority of persons with disabilities.²¹ A more realistic understanding of disability includes people with episodic disabilities such as multiple sclerosis, rheumatoid arthritis, some forms of cancer and mental health issues.²² The labour market remains ill-equipped to accommodate disability-related employment barriers, with compliance rates with the *Accessibility for Ontarians with Disabilities Act, 2005* hovering between the 40% and 67%.²³ It is imperative that these complex interactions are considered during the proposed integration of employment services for social assistance recipients into Employment Ontario.

For those who are not at a point in their life where they can take advantage of employment services, Ontario has previously announced its intention to provide “wrap-around supports to help vulnerable social assistance recipients address barriers and access employment supports.”²⁴ Recipients have been calling for such services for many years. Done correctly, the provision of “wrap-around” services – like mental health and addictions supports, childcare, housing and life skills – will provide supports people need to respond to traumatic and difficult situations that lead them to apply for social assistance.

- **Recommendation #6:** Ensure sufficient funding, inter-ministerial collaboration and administrative alignment so that OW and ODSP recipients receive wrap-around services such as childcare, housing, mental health treatment, addictions treatment and employment supports attuned to the needs of social assistance recipients and persons with disabilities so they can achieve their personal goals and long-term income security.

B. Investing in Justice for Workers

1. Restore personal emergency leave and paid sick days

The COVID-19 pandemic has shone a spotlight on the crucial need for paid sick leave in Ontario. The province currently does not provide for paid sick leave for workers. Last year, the province eliminated a provision that ensured workers had 10 job-protected emergency leave days (two of which would be paid and could be used for illness). Instead, workers can only take three sick days, three “family responsibility leave” days and two days for

bereavement following the death of a close family member. None of these leave days are paid.

Job-protected paid leave is as important to safe working conditions and curbing the spread of COVID-19 as personal protective equipment and physical distancing. Without it, workers who are ill and particularly those in low-wage jobs feel forced to return to work in order to keep food on the table and a roof over their heads. Returning to work while sick not only prolongs the worker's illness, but risks spreading it to others within the workplace who, in turn, may take the illness home to their families. Unsurprisingly, the virus has disproportionately impacted low-income and racialized people in Canada²⁵, many of whom work in low-wage and precarious jobs without paid sick leave.

We therefore urge Ontario to reinstate 10 Personal Emergency Leave days in the *Employment Standards Act, 2000*, with 7 days of paid sick leave. Ontario should also provide for an additional 14 days of paid sick leave during declared pandemics.

Paid sick leave for workers has significant benefits beyond the COVID-19 pandemic. In the longer term, paid sick leave will lower costs to the province's health care and economy, protect workers and increase workplace productivity. It would also bring Ontario in line with other jurisdictions in Canada: since September 1, 2019, federally regulated workers in Canada have been entitled to three paid personal leave days, which can be used for illness and other prescribed circumstances.²⁶ Meanwhile, in Prince Edward Island, employees are entitled to one paid sick day after five years of continuous service with the same employer.

A study on paid sick leave for the World Health Organization has noted that "the absence of paid sick days forces ill workers to decide between caring for their health or losing jobs. The absence or gaps of paid sick leave leads to important costs for the economy and avoidable expenditure within health care systems."²⁷

Numerous studies have shown that when workers have access to paid sick days, they and their co-workers are more productive and put less of a burden on public health resources.^{28,29} As Dr. Jesse McLaren and Dr. Kate Hayman recently argued, "We can either pay for sick days, or pay for it with sick workers, sick coworkers, sick clients, and more overcrowded hospitals."³⁰

- **Recommendation #7:** Reinstate 10 Personal Emergency Leave Days, including seven days as paid leave. Introduce an additional 14 days of sick leave during pandemics.

2. Strengthen enforcement of workplace laws and regulations

On May 30, 2020, Bonifacio Eugenio-Romero tragically died of COVID-19. He contracted it while labouring at a farm in southwestern Ontario before passing away in hospital.³¹ Since then, two more migrant farm workers have died of the virus, while over 1,300 have contracted it.³² The staggering numbers reflect the squalid living and working conditions that migrant farm workers in Ontario are regularly forced to endure.

Providing more human resources to the Ministry of Labour to ensure workplace standards are met could help prevent similar tragedies in the future. We welcome the province's announcement that it will be hiring 98 new health and safety inspectors to help protect Ontario workers during the pandemic and beyond.³³ However, the province previously cancelled the appointment of 175 new employment standards officers. These officers have the power to conduct workplace inspections for violations of the *Employment Standards Act, 2000*, such as failures to pay the minimum wage or overtime pay. They are equally important to ensuring the protection of workers' rights. Ontario should strengthen workplace protections and reinstate the appointment of 175 new employment standards officers.

Investment in strong public enforcement of the legislation governing the health, safety and rights of individuals in the workplace is critical to ensuring safe and decent working conditions for Ontarians. As an employment law expert has observed, enforcement matters because:

“Labour standards ultimately succeed or fail on the issue of compliance. Widespread non-compliance destroys the rights of workers, destabilizes the labour market, creates disincentives for law-abiding employers who are undercut by law-breaking competitors, and weakens public respect for the law.”³⁴

Failure to adequately enforce workplace legislation, which in Ontario includes both the *Occupational Health and Safety Act* and the *Employment Standards Act, 2000*, has the greatest impact on historically disadvantaged groups and communities. Women, racialized workers, recent migrants (including temporary foreign workers) and single parents are more likely to be working in precarious jobs³⁵, including the low-paid work deemed essential during the pandemic.³⁶ Workers in these forms of “non-standard” employment, including temporary, part-time, or contractual employment, are more vulnerable to employer exploitation and abuse^{37,38}. Not surprisingly, employment standards violations such as unpaid wages are more likely to be found in workplaces with these features³⁹.

The law is what the law does, and in the current climate a swift and strong enforcement response to uphold the workplace rights of Ontarians is needed.

- **Recommendation #8:** Increase the number of inspectors under the *Employment Standards Act* in order to ensure proper pay and working conditions for Ontario's workers.

3. Increase the minimum wage to \$15 per hour, reinstate pandemic pay for all essential workers and implement “equal pay for equal work”

The COVID-19 pandemic has demonstrated how essential low-wage workers are, in our grocery stores, retail shops, long term care homes and in other front-line areas. And yet, many continue to earn only the minimum wage, which increased from \$14 per hour to \$14.25 on October 1, 2020 following a 2.5 year-long freeze. There was previously legislation in place to increase the minimum wage to \$15 per hour effective January 1, 2019, which the Ontario government cancelled. The cancellation and subsequent freeze imposed a real dollar wage cut on the province's lowest paid workers because the cost of living increases each year. According to the current schedule, the minimum wage will not

increase to \$15 for almost six years, by which time the minimum wage will once again fall below the poverty line.⁴⁰

Pandemic pay should be reinstated, but for all essential workers. The introduction of pandemic pay for essential workers has been helpful to those workers able to access it, and demonstrates the province's recognition that wages are unacceptably low for many workers in Ontario. But pandemic pay was not available to all essential workers. With Ontario entering a second wave of COVID-19, the province should work with the federal government to reinstate pandemic pay and ensure it is available to all essential workers at this time – including grocery store workers, delivery drivers and workers in the cleaning industry.

However, pandemic pay is a temporary measure only. To support all workers in Ontario and create meaningful change to their conditions of work in the longer term, Ontario must increase the minimum wage to \$15.

Raising the minimum wage is good for the economy. After the minimum wage increased from \$11.60 to \$14 in 2018, Ontario's unemployment rate dropped to the lowest level since 2000;⁴¹ 139,000 net jobs have been created year-over-year; and, job and wage growth outstripped the rest of Canada in low-wage sectors such as food and accommodation.⁴²

As noted by the Workers' Action Centre and Parkdale Community Legal Services in previous submissions before the Standing Committee on Finance and Economic Affairs:

The \$15 minimum wage is a much-needed boost to the economy. Proceeding with the scheduled \$15 minimum wage on January 1, 2019 would put money into the economy faster through consumer spending. Household spending makes up 54 percent of gross domestic product. Almost half of Canadians report living pay cheque to pay cheque (47%). This slows down the economy. Low income households spend their minimum wage increase on essentials, especially for their children. This is money that goes into local economies which is unlike tax breaks or wage increases to the wealthiest, who save more and spend a smaller percentage of their income.⁴³

ISAC concurs with these advocates and reiterates that legislating a \$15 minimum wage with annual adjustment in line with increases in the Consumer Price Index is the best strategy for reducing poverty and boosting the economy, both during the pandemic and beyond.

Workers who are doing similar work should be paid the same. Under the current *Employment Standards Act, 2000* employers are entitled to pay temp agency workers, contract and part-time workers at different rates compared to full-time permanent workers doing similar jobs. Differential pay on the basis of employment status is an arbitrary and unjustified distinction affecting more than one in five employees in Ontario. The failure to ensure "equal pay for equal work" puts less money in the pockets of Ontarians to reinvest into the economy, and disproportionately affects women, recent immigrants, young and older workers and racialized workers.⁴⁴

Conversely, implementing "equal pay for equal work" would not only help to address those inequities, but would also enhance key health protections in essential work as well. For

example, low-paid, part-time and insecure work in care homes has long forced many care workers to work at multiple homes. During the COVID-19 pandemic, this has contributed to the spread of the virus among staff and patients alike, with tragic consequences in some cases. Requiring “equal pay for equal work” would lower the economic incentive for employers to use part time and casual jobs and increase incentives for permanent full time work.

- **Recommendation #9:** Immediately increase the minimum wage to \$15 per hour, restore annual indexation to the Consumer Price Index, reinstate pandemic pay and implement laws to ensure that workers who do similar work receive equal pay.

C. Investing in Access to Justice

Ontario’s network of legal clinics provide legal services to low-income communities in such areas as social assistance, housing, health, employment and human rights. Clinics are small, independent, non-profit agencies that are governed by community-elected boards of directors and funded by Legal Aid Ontario.

In 2019, the budget for Legal Aid Ontario was cut by a catastrophic 30%, \$15 Million of which was allocated to legal clinics. The Income Security Advocacy Centre, for instance, was cut by just under \$200,000. These cuts have had devastating consequences for low-income people in Ontario, who depend on legal aid for access to justice. As a result of the cuts, clinics have had to lay off staff, reduce client intake, stop taking some complex cases and limit their public outreach and education. The drop in services has been felt across the province.

The COVID-19 pandemic has put Legal Aid Ontario’s funding at further risk. In addition to the 30% cut in 2019, Legal Aid Ontario could face further cuts as a result of significantly reduced contributions from the Law Foundation of Ontario. At the same time, demand for legal aid services has risen during the pandemic from low-income Ontarians facing job loss, evictions, domestic violence and other issues. Legal Aid clinics have been instrumental to helping them navigate the many new government supports made available during the pandemic. These services have never been more critical to the wellbeing of Ontarians.

Investing in legal aid is fiscally prudent. A recent report by the Canadian Forum on Civil Justice, which comprehensively reviewed the return on investment that comes from investing in legal aid, found that each dollar invested in legal aid could multiply in vast costs savings in other areas such as healthcare, housing and welfare programs.⁴⁵ It also leads to better individual and community well-being, as low-income Ontarians get legal help in staying in their homes, maintaining their incomes and overcoming socio-economic barriers.

As a result, Ontario should immediately reverse the cuts to legal aid and increase its funding to cover potential shortfalls resulting from decreased Law Foundation of Ontario contributions. This will help ensure access to justice and the protection of substantive rights for low-income Ontarians, throughout the pandemic and beyond.

- **Recommendation #10:** Reverse the cuts to Legal Aid Ontario and increase its funding to support low-income Ontarians in accessing justice throughout the pandemic and beyond.

Thank you for your consideration of our submissions.

End Notes

- ¹ See, for example, annual reports that demonstrate that Ontario's social assistance rates are far below the poverty line: Anne Tweddle & Hannah Aldridge (November 2019), "[Welfare in Canada, 2018](#)" (Toronto: Maytree) at p. 28.
- ² Noah Zon and Thomas Granofsky (2019), "[Resetting Social Assistance Reform](#)" (Toronto: Ontario 360, Munk School of Global Affairs & Public Policy, (University of Toronto) at p. 13.
- ³ Noah Zon and Thomas Granofsky (2019), "[Resetting Social Assistance Reform](#)" (Toronto: Ontario 360, Munk School of Global Affairs & Public Policy, University of Toronto) at p. 13.
- ⁴ Stapleton, John (April 18, 2020). "[Scarborough and the COVID19 Response from Governments](#)" (Open Policy Ontario). Accessed October 13, 2020.
- ⁵ From email correspondence with Bonnie Reid, Manager Correspondence Unit, Ministry of Children, Community and Social Services September 14, 2020.
- ⁶ Ministry of Children, Community and Social Services "[Ontario Works Monthly Statistical Report – August 2020](#)"; Ministry of Children, Community and Social Services "[Ontario Disability Support Program Monthly Statistical Report – August 2020](#)." Accessed October 15, 2020.
- ⁷ Ministry of Children, Community and Social Services "[Ontario Works Monthly Statistical Report – August 2020](#)". Accessed October 15, 2020.
- ⁸ O. Reg. 222/98, s.30, 31: <https://www.ontario.ca/laws/regulation/980222>; O. Reg 134/93, s. 41, 42: <https://www.ontario.ca/laws/regulation/980134>. Accessed October 15, 2020.
- ⁹ In 2018 (the most current year for which data is available), average rent for a one-bedroom apartment in Ottawa, for example, is \$1023 and is \$1,261 in Toronto. The cost in Barrie is \$1035 and in Peterborough it's \$850. The cost of a Nutritious Food Basket in Ottawa is around \$300 for a single person, according to Ottawa Public Health. In York Region, it's \$292. In Thunder Bay, \$250. See: Canada Mortgage and Housing Corporation. 2018. *Rental Market Report – Ontario Highlights – 2018*: <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/rental-market-reports-canada-and-provincial-highlights>. Public health units in Ontario publish annual Nutritious Food Basket statistics to monitor the cost and affordability of a nutritious diet for individuals in various age and gender groups. These numbers represent the NFB amount for an average single adult male in these communities.
- ¹⁰ Daily Bread Food Bank (2019), "[Who's Hungry? 2019](#)" (Toronto: Daily Bread Food Bank) at pp. 21-23.
- ¹¹ See discussion of the multiplier impacts of investment in low-income benefits in federal 2016 budget papers at page 255: <https://www.budget.gc.ca/2016/docs/plan/budget2016-en.pdf>.
- ¹² Nate Laurie (2008), "[The Cost of Poverty: An analysis of the economic cost of poverty in Ontario](#)" (Toronto: Ontario Association of Food Banks).
- ¹³ Anita Khanna (2016), "[2016 Report Card on Child and Family Poverty in Canada: A Road Map to Eradicate Child and Family Poverty](#)" (Campaign 2000) at p. 1.
- ¹⁴ O. Reg. 134/98, s. 54(1)8 and 38(1)a <https://www.ontario.ca/laws/regulation/980134#BK45> Accessed October 15, 2020.
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- ²⁰ Garima Talwar Kapoor (January 2020), "[System Transformation in Ontario Works: Considerations for Ontario](#)" (Toronto: Maytree) at p. 6.
- ²¹ Stuart Morris, Gail Fawcett, Linden R. Timoney & Jeffrey Hughes (December 3, 2019), "[The Dynamics of Disability: Progressive, Recurrent or Fluctuating Limitations](#)." (Ottawa, Statistics Canada) at p. 27.
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- ²³ Accessibility Directorate of Ontario (2017), "[Accessibility compliance and enforcement report 2017](#)" at pp. 7-8.
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- ²⁸ Mark Daku and Jody Heymann (2014), [“Ensuring equitable access to sick leave”](#) Canadian Medical Association Journal. September, 186(13) pp. 975-976.
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- ⁴¹ Statistics Canada, Labour Force Survey, Table 14-10-0019-01, (seasonally adjusted data).
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