



Social Planning Network of Ontario

January 5, 2018

Ministry of Community and Social Services
Communications and Marketing Branch
7th Floor, Hepburn Block
Toronto, Ontario
M7A 1E9

Dear Ms./Sir:

RE: Response to *Income Security. A Roadmap for Change*

The Social Planning Network of Ontario (SPNO) is pleased to respond to *Income Security: A Roadmap for Change*, the recently released report on income security reform in Ontario produced by three Working Groups set up by the Ministry in 2016. The SPNO is an incorporated non-profit organization with a membership of 19 local and regional social planning and community development councils across Ontario, each with its own extensive network of non-profit and charitable community-based service agencies. Social planning councils have a long history of social research and policy analysis on income support issues for Ontario's most marginalized community members. We appreciate the opportunity to offer feedback to this latest report.

In doing so, we do wish to express our agreement with the analysis and recommendations with respect to *A Roadmap for Change* expressed in the submission of the Income Security Advocacy Centre (ISAC), which we have studied and support.

Conceptual Framework for Change

Overall, we find *A Roadmap for Change* to be an impressive and comprehensive approach to income security reform in Ontario. It properly situates social assistance within the larger income security system. Its critique of the social assistance system as it is now structured and operates is consistent with the research findings of community-based organizations that have documented the failure in the income support system for more than 20 years.

The review establishes up front a strong set of principles for a future income security system including "rights", "equity and fairness", "dignity and respect", and critically, in terms of making a material difference in the lives of Ontarians living in poverty, "adequacy", a principle and

objective for which SPNO has advocated along with many other community groups and organizations since the campaign for an Ontario Poverty Reduction Strategy in 2008.

A Roadmap for Change presents a conceptual framework on the future state of income security centred on the notion of creating social and economic inclusion for those who require public assistance with their daily living needs. The graphic representation on page 2 clearly reflects the inter-connected array of supports required to realize the vision of social and economic inclusion. Although labeled as “Income Security: Future State”, this is really a more all-encompassing vision of individual and family well-being. Ironically, while the six components identified as creating inclusion are all essential, “income support” or “decent income for daily living” is not among them. This may not seem to be important. But conceptually, especially in terms of clarity in the public’s mind, income support (often seen as “welfare” in a narrow, negative sense) should be explicitly identified and integrally linked to the other forms of social, health, and employment supports for stability, security, opportunity and participation in community life.

Seriously Addressing Deep Poverty

Since 2008, poverty reduction policy in Ontario has been about fighting child poverty. Although not as much as originally targeted, there has been some success in reducing child poverty, increased in the several years by action at the federal level. Commendably, *A Roadmap for Change* addresses the issue of poverty in general and is explicit about the need for action on people in deepest poverty, single working age adults. It proposes a Minimum Income Standard (income floor below which no one should fall), which at first uses the current official Ontario Poverty Rate (LIM-50) but may be modified as a result of research over the next few years on Market Basket Needs varying by region. This approach would be fairly consistent with the private member’s *Bill 6, Ministry of Community and Social Services Amendment Act (Social Assistance Research Commission), 2016*. *Bill 6* proposes setting social assistance rates based on field level research on the real cost of living, has wide community support, and received all-party support through second reading in the Ontario Legislative Assembly.

Proposing a Minimum Income Standard for all living in deep poverty is critically important, but *A Roadmap for Change* sets an unacceptably long time horizon for achieving this standard (10 years). The specific recommendations for increases amounting to about 22% by 2020 for a single adult would still leave single recipients just over half-way to the official income poverty line (\$10,700 for OW recipients). The recommended base rate OW increase in the first year is 10% and the recommended ODSP increase from a higher base level is 5%. Notably, the Lankin and Sheikh Social Assistance Review Commission Report in 2012 recommended that the Government implement a \$100/month Healthy Food Supplement endorsed by 25 municipal councils across the province, which would have been a 17% income increase for adults on social assistance in the first year.

As long as Government revenues reflect an Ontario economy that is showing strong growth, a first year commitment to a larger rate increase in the order of 15% to 17% in the 2018 provincial

budget would show a serious Government commitment to addressing deep poverty. Further, combined with development of the proposed Ontario Housing Benefit, an accelerated rate increase program to achieve the Minimum Income Standard earlier than the recommended 10 year horizon is necessary to achieve social and economic inclusion and well-being.

Finally, with respect to the issue of adequacy in setting a basic social assistance rate, it may be advisable to refer to a “Decent Standard Rate” or, as in the Lankin and Sheikh Commission Report, a “Basic Measure of Adequacy”, rather than a “Minimum Income Standard”. The term “minimum” has become strongly associated with the statutory hourly minimum wage rate, especially with the policy discussion and community advocacy campaigning for the recently successful *Bill 148, Fair Workplaces; Better Jobs Act*. Since there will be a differential between the final adequate standard social assistance rate and the annual income generated from full-year, full-time earnings at a minimum wage level, confusion between the two in the public mind should be avoided.

Balanced Restructuring of Benefits

Research and community development work by SPNO members across the province concur with *A Roadmap for Change* with respect to identifying the cost of housing as a major barrier to stability and security in the lives of low income individuals and families. The portable, income-tested housing benefit available to both social assistance recipients and working poor is good and would certainly factor into achieving a Minimum Income Standard. Again, however, as with the rate increase recommendations, the housing benefit proposal starts small, covering the gap between an affordable rent and the actual cost at 25% in 2019-20, 35% in 2020-21 and rising to 75% by 2027-28; another long time horizon to full implementation, which should be accelerated, especially since it seems there may be some complementary federal action on affordable housing.

How social assistance benefits should be structured can be a contentious issue in income security reform. The inclination in “simplifying” the system is to integrate or consolidate in a uniform way, which can ignore the importance of appropriate differentiation for particular conditions. *A Roadmap for Change* recognizes the need for balance in this respect. Integrating the two-part composition of the OW and ODSP benefit (Basic Needs and Shelter Allowance) into one Standard Flat Rate (a little higher for persons with disabilities) has been recommended by community-based organizations and groups as an appropriate change to the benefit structure. Retaining ODSP as distinct from OW in social assistance, however, recognizes some of the particular income security issues of persons with disabilities – especially regarding their tenuous connection to the labour market. An “assured income” for persons with disabilities and easier transition in and out of employment without loss of income and benefits is another recommendation responsive to their particular support needs.

A Roadmap for Change is highly sensitive to the myriad of fragmented benefit and support programs to persons with disabilities. It argues for consolidation and integration of these various

sources of income so that “stacking” them could approach an adequate “assured income”, but importantly, is also careful to avoid change to existing supplemental benefits without further study (e.g. Special Diet Allowance, medical transportation assistance, and assistive devices). SPNO supports the recommendation to retain special benefits such as these for now while engaging people now receiving them, policy experts and community advocates in a “co-design process” to determine how they might be re-fashioned into the overall income security system. This is a respectful and deliberative approach to system reform.

Further, in making the argument for “stacking”, *A Roadmap for Change* does attempt to distinguish between living needs that should be met directly through income transfers and extraordinary community living costs that require supplementary service or income supports (pp. 108-111, and pp.121-122). This is a critically important distinction, since people in particular circumstances have living expenses beyond the regular daily costs of living (e.g. person with disability needing attendant care; low income individual living in a remote community with costly transportation to needed health services; single or low income parents requiring help with childcare costs). In that regard, expanding core health benefits to all low income persons and families, including those in deepest poverty, is probably one of the most important and commendable recommendations in *A Roadmap for Change* (pp. 86-87). These kinds of essential supplementary benefits and service supports should always be recognized as coverage distinct from income adequacy for normal everyday living costs and should never be “monetized” into the calculation for a Minimum Standard Rate. A clear and precise distinction of the income benefit and support service structure for a comprehensive approach to social and economic inclusion would reflect three main components:

- (a) income – adequate to meet the cost of daily living needs, including housing (Minimum Income Standard);
- (b) employment supports for the opportunity to participate in the labour market and become more self-sustaining; and
- (c) health and social supports – stabilizing factors such as drug coverage, counselling, mental health services, childcare, extraordinary daily living needs for persons with disabilities such as attendant care.

Transforming the Culture to Trust and Collaboration

The section in *A Roadmap for Change* on “Transforming Social Assistance” reflects the leadership of George Thomson who facilitated the Review process. This section is an updated version of his landmark welfare reform report *Transitions* in the late 1980s. *Transitions’* positive vision of “welfare reform” got lost in the economic and political conditions of the early and mid-1990s. In fact, this period not only resulted in the slashing of benefit rates but it introduced the intrusive and punitive culture in the administration of social assistance that prevails to this day. Recognizing this as a major challenge, *A Roadmap for Change* calls for a “culture of trust, collaboration and problem-solving” and a “person-centred approach” to working with people on social assistance, converting social assistance workers from a policing and monitoring roles to “case collaborators” in helping people not only achieve stability in their lives a but also develop

opportunities to participate in the community (reminiscent of “Opportunity Planners” in *Transitions*). This transformation would not only have a major positive impact on the lives of people using the system but also on the sense of contribution and accomplishment of the workers who provide the services and supports. SPNO strongly supports this kind of cultural transformation in the design and delivery of income security in the province.

Conclusion

Finally, *A Roadmap for Change* devotes a good amount of time and attention to income security reform to First nations communities, which have special self-governance and resource requirements and claims on the provision of support to Indigenous peoples in Ontario. SPNO respects and supports the recommendations in *A Roadmap for Change* made by the First Nations Income Security Reform Working Group and the Urban Indigenous Table on Income Security Reform.

Sincerely,

A handwritten signature in cursive script that reads "Linda Terry".

Linda Terry
Chairperson
Social Planning Network of Ontario

Please direct any follow-up contact to:

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