



Poverty Free Kitchener-Waterloo Action Group
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Kitchener, January 31st, 2014

The Honorable Charles Sousa
Minister of Finance
Government of Ontario
c/o Budget Secretariat
Submitted by email: submissions@ontario.ca

Pre-Budget Consultation Submission to the Ministry of Finance

Poverty Free Kitchener Waterloo Action Group is built through participation of social service agencies, groups, and individuals. The Group has been mobilizing local voices in consultations on the Ontario Poverty Reduction Strategy and the Social Assistance Review since 2011.

The group has dedicated its stretched resources to pass its knowledge and experience to different government bodies. We are still waiting for a holistic vision and approach regarding poverty elimination in Ontario that shows our political leadership has heard what has been said in our community and in communities across all of Ontario.

In 2013, **Poverty Free Kitchener-Waterloo Action Group** participated in different consultations: Social Assistance Reform, New Ontario Poverty Reduction Strategy and the Minimum Wage Advisory Panel. We have already presented our ideas in wide strokes before the all-party Standing Committee on Finance and Economic Affairs on the 2014 Budget.

Upon reviewing the Economic Outlook and Fiscal Review from November 2013, and after following media announcements, we decided to submit our response to the investment priorities that the Ministry has announced for 2014. It seems that the bold government leadership to eradicate poverty, much needed to tie together many promises made up until now, is still in the making as the overwhelming emphasis in the current government's priorities is on jobs and economic support for only some populations.

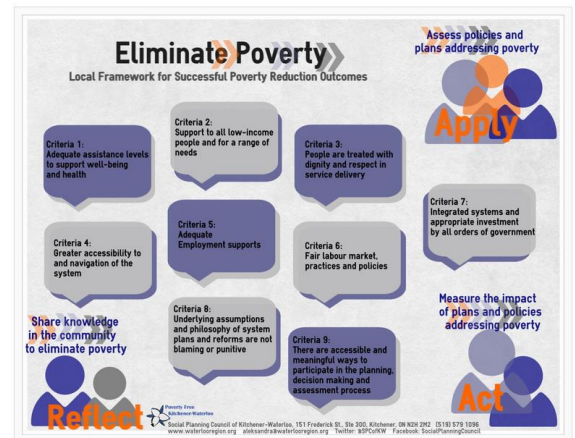
Ontario Government Priorities: Invest in People, Infrastructure and Business

We have used local criteria, based on local discussions over many years, to better understand and assess the impact of 2014 government investment priorities in creating an equitable and prosperous Ontario for everyone. Our aim is to have an evidence based tool to use

In our local community so that all stakeholder can stay aware of our progress in resolving the complex issues related to poverty elimination. We trust that the Minister of Finance understands the urgency to resolve the issues we raise here. The points outlined in this submission echo what has been raised many times in the past and are similar to what you will hear from many others in communities across Ontario.

If we are serious about creating a prosperous Ontario, it is imperative to address the significant and growing income disparity we have in this province AND also to mitigate the reality that not everyone can be employed in traditional or emerging employment markets.

A market based solution will serve to increase disparity and desperation. Ontario's budget must demonstrate strategic understanding of what is needed to lead the province. Appealing to popular opinion is not enough.



Invest in People!

Adequate Social Assistance System – Rates and More - Our political leaders have made steps to move away from language that blames people for being poor. This is progress. However, social assistance rates must be increased if we want this language to have substance. Inadequate social assistance levels are not an incentive to get people into the workforce. This is the opposite of investing in people.

Further steps to reform the social assistance system should be part of a clear and transparent plan and must be adequately funded. Social assistance and government transfer payments for support services are important to investing in people, it's not just about jobs. The 2014 Ontario budget should reflect what people living in low or no income people have said, and repeated for a long time:

- **Social service recipients and low income earners have to feel they are being treated with dignity and respect** and that they are really being listened to by service providers and by their government leaders.



- **Resources for system navigation** are needed in local communities, especially during periods of change such as with Ontario's social assistance reforms.

In order to build a *Fair Society*, the government has to follow through after the positive first steps in defining and ensuring income adequacy, and should be more open to the requests for put forward by municipalities, health professionals and poverty advocates:

- Further raise social assistance rates and eligibility criteria to **bring these to 80% of the Ontario Low Income Measure**, below which people are in deep poverty.
- **Ensure there is support to all-low income people for a range of needs by:**
 - o making investment in housing and homelessness prevention programs in municipalities and renewing the \$42 million in 2014 to mitigate the transition after cutting the funding for the Community Start Up and Maintenance Benefit to ensure adequate and evenly administered eligibility to programs and make appeals to negative decisions available again
 - o raising the cap per person for discretionary benefits to at least \$15
 - o making sure there is enough funding across all support programs so we do not have to pit one need against another – how is a hearing aid any less important than someone needing a specialize diet because of a health condition?

The government is talking more often about “decent” jobs, but little is said about what it means (what is a decent wage; what are good benefits) and particularly how these be achieved?

- Income security for retirement is important, but we must also ensure **income security for the workers today** through strategies such as raising minimum wage and enforcing labour standards that keep and create stable employment with at least minimum benefits and ensure living above the poverty line
- Cutting further corporate taxes or reducing investment in public services and stable well-paid jobs today will not help create more jobs, but threaten to erode the existing ones, contribute to the slow economic growth and deepen the income inequality



- **Youth Job Strategy and connecting laid-off workers with training and re-employment** should raise the employment rates in Ontario; but these programs are short term and not a solution to lack of jobs or need to extension training. The economic growth language being used has a focus on businesses, banks and corporations and not on people.
- Employment cannot be the primary focus of social assistance reform nor should the purpose of this reform be to “reduce reliance on the social services” – people on current levels of social support are facing many health related and social integration challenges that need to be addressed first
- Not everyone is employable in the current labour market. As everyone finds pride and autonomy in work, more programs should be funded for local nonprofits and community groups that would have the values and commitment to support those who have various challenges to work in traditional jobs. These could provide more flexible and supportive work environments for many, particularly those with little experience or those who have a disability.
- Many people receiving disability supports are not being helped by employment programs. A realistic assessment needs to be done of these programs to better understand what is needed and will be successful for those who face challenges in traditional work settings.

Many of the **proposed consumer and service changes, and infrastructure improvements** benefit only a limited portion of our population – those with disposable income or who own a car. Ontarians need:

- A comprehensive review of the tax system as a whole to ensure we have progressive taxation that is fair and allows investment in much needed public services
- Investment in hospitals and health system infrastructure is positive and will benefit only some Ontarians unless everyone has access to extended medical benefits to ensure they can afford specialize care
- Attention to the basic infrastructure of communities that includes housing with adequate investment in affordable and subsidized housing provide solutions for low income people to get into decent rental housing or stay in their homes, while significantly reducing health care or judicial system costs. Appropriate options for



affordable, supportive, accessible or visit-able housing will provide a more inclusive community infrastructure that benefits the entire population.

The pre-budget consultations are an important opening for people from local communities to contribute their vision of Ontario, and many people appreciate the open format for submissions we had in this pre-budget phase, however:

- The invitations and the information about consultations still comes in extremely short period that limits time for local groups to review and adapt documents and information, to mobilize and inform people, and prepare input
- We are having to respond to multiple calls for consultations on similar or tightly connected issues and by different bodies, committees, teams or consultant firms analyzing all of this input separately and never reaching a point where these are integrated into a coherent plan
- The results from these consultations do not come back to the communities that gave input which limits the local community capacity to better inform its community members about the follow up or actions to be taken, or even to see if participant contributions have been listened to or influence government decisions in any way
- Strong relationships need to be built with local partners such as the Poverty Free Kitchener Action Group or Social Planning Councils across Ontario and investment in meaningful and accessible opportunities to participate has to accompany the promise of the future Open Government

Conclusion

We urge the Minister of Finance and Government of Ontario to consistently apply your priority to *invest in people* as your lens to consider the impact every other priority for your 2014 budget has on **people**. How do your directions affect those who will be impacted, or not, by your decisions? As primary stewards of our shared public resources, we implore you to be humane leaders for a strong government that builds communities through the people who live in these communities. One person living in deep poverty or lacking material means to live in health and dignity diminishes prosperity for us all.

We ask you to lead and, at the same time, to follow:

- Follow the example of the many citizens who each night give up time in their own



warm and cozy beds to ensure that more than 80 individuals enjoyed the simple privilege of sleeping indoors (Out of the Cold volunteers).

- Follow the example of the countless men and women who struggle day in and day out to provide services to those in need.
- Follow those of us who speak up for those who don't get the opportunity to come before you or do not have the resources to submit to you directly.

Please listen to what we have heard time and time again from people in our local community who want to contribute in meaningful ways to their communities but whose daily lives have become progressively more dismal as increasing income disparities has put growing pressure on their ability to live a healthy and dignified life.

Respectfully Submitted,
Aleksandra Petrovic, on behalf of the Poverty Free Kitchener Waterloo Action Group
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Poverty Free Kitchener Waterloo Action Group is a diverse group with the following shared principles and values:

- ✿ Austerity is not the way to set budgets in Ontario. **Investment is needed in public services and the income security system**, which are most needed in times of growing economic and social inequality;
- ✿ There should be **no further partial changes to the social assistance system**, while the Province is working toward a high level vision and an implementation plan for its new Poverty Reduction Strategyⁱ.
- ✿ The way to set Province's budget should be to **raise everyone from deep poverty or working poverty** by setting decent social assistance rates and decent minimum wage;ⁱⁱ
- ✿ Different Ministries and levels of government have to work together if we want **to help people find and keep decent work, or access disability support programs with dignity and respect**
- ✿ We **do not believe that everyone is able to work in the current labour market**; Insisting on employment as the solution for poverty is not recognizing that as much as labour standards and income security are being eroded, the health conditions and life



expectancy of the population are being negatively impacted. ⁱⁱⁱ

✿ We believe the government has to keep honest and ongoing conversation with people from all social groups and do it in a **more meaningful and accessible ways**^{iv}

✿ **There is no economy without people.** There is no real investment into economy if there is no investment in people first.

ⁱ Ontario Poverty Reduction Strategy Consultations, October 2013

http://www.waterlooregion.org/sites/default/files/PovertyFreeKW_OPRSConsultationOct4th2013.pdf

ⁱⁱ Pre-budget submission to the Standing Committee on Economic and Financial Affairs, January 2014

http://www.waterlooregion.org/sites/default/files/PFKWPreBudgetSubmission_SCEFA_Jan13_2014.pdf

ⁱⁱⁱ Submission to the Advisory Panel on the Minimum Wage, October 2013

http://www.waterlooregion.org/sites/default/files/PFKW_MinimumWageAdvisoryPanel_Oct18_2013.pdf

^{iv} Submission to the Engagement Team on Open Government, January 2014

http://www.waterlooregion.org/sites/default/files/Open_Government_Consultations_SPCKW_Jan28.pdf