

# Steering our course on the road to change

**OPSEU's response to the joint report of the Income Security Working Group,  
the First Nations Income Security Reform Working Group, and the Urban  
Indigenous Table on Income Security Reform**

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*“Past decisions to create savings through reductions in social assistance have led to worse outcomes for people and exacerbated issues associated with poverty. These savings equal an estimated \$36 billion in foregone spending over the past 22 years.”*

- Income Security: A Road Map for Change

## About OPSEU

The Ontario Public Service Employees Union represents more than 130,000 Ontarians who work in the provincial and municipal public sectors across Ontario as well as for private companies contracted to perform work in the public sector. More than 20,000 OPSEU members work in the social services sector. With respect to the administration of social assistance, OPSEU represents all frontline workers in the Ontario government's Ontario Disability Support Program (ODSP) as well as frontline workers in the Ontario Works program in a number of municipalities.

OPSEU is pleased to offer its response to *Income Security: a Roadmap for Change*, the report of the Income Security Reform Working Group, the First Nations Income Security Reform Working Group, and the Urban Indigenous Table on Income Security Reform.

## Introduction

Around the world, civil society, unions, and social movements have successfully mounted pressure on governments to respond to growing inequality, precarious employment, systemic racism, and discrimination. Here at home, the Ontario government has made some movement to attempt to address growing inequality by:

- introducing *Bill 148, the Fair Workplaces, Better Jobs Act*;
- committing to creating 100,000 child care spaces over five years;
- providing free pharmaceutical drugs for youth under 25; and
- providing post-secondary tuition grants for families earning less than \$50,000/year under the Ontario Student Assistance Program (OSAP).<sup>1</sup>

At the federal level, the government has announced a modest national housing strategy, which includes a portable housing subsidy that averages \$2,500 per year per household for low-income Canadians.<sup>2</sup> In 2016, the Canada Child Benefit also came into effect. This benefit targets low and middle income Canadian and eliminates any benefit to households earning more than \$200,000 a year. Canadian households can receive up to \$6,400/year for each child under the age of six, and \$5,400/year for each child between the ages of six and 17 (maximum benefit levels apply to households earning less than \$30,000 annually). The benefit levels decrease with rising income.<sup>3</sup>

But despite these changes, after decades of cuts to the social safety net, the utterly solvable problem of poverty persists. The most recent Campaign 2000 report on child poverty in Ontario confirms that one in six children and youth under 18 continue to live in poverty. This is not because Ontario lacks the resources to tackle the problem; indeed, Ontario's real Gross Domestic Product per capita is at record levels – as a province, we have never been richer.<sup>4</sup> Ending poverty in Ontario is a question of political will, as pointed out by Campaign 2000: “Ending child and family poverty is not negotiable, especially in a province such as Ontario where there is so much wealth.”<sup>5</sup>

In 2016, the Government of Ontario established three working groups to help guide its thinking around tackling poverty: the Income Security Reform Working Group, the First Nations Income Security Reform Working Group, and the Urban Indigenous Table on Income Security Reform. The Working Groups released their report, *Income Security: a Roadmap for Change*, this fall – at a time when nearly two million Ontarians are living in poverty.

The report of the Working Groups is unprecedented in its recognition of the failure of the current system to address poverty, and in its call for a complete overhaul of the system. The report's 10-year plan to reform and expand the income security system calls for incremental changes, including a 22 per cent increase in social assistance rates over three years; a new housing benefit to begin in 2019; and expanded health benefits for all low-income Ontarians, starting with prescription drug coverage in 2020.

OPSEU supports the progressive principles and vision outlined in the report. The strength of the proposed new framework lies in its multi-pronged approach, which recognizes systemic barriers, such as discrimination, racism, and inequality, and seeks to reform “the whole income security system.”

We applaud the recognition of First Nation treaty rights as confirmed in section 35 of the *Constitution Act* of 1982, and the call for First Nation authority to develop and control their own social service programs.

While the report does not provide an estimate for the full cost of implementing the 10-year road map, the estimated cost for the first three years of implementation is \$3.2 billion to cover:

- a portable housing benefit;
- modest increases in Ontario Works (OW) and Ontario Disability Support Program (ODSP) rates; and

- expanded access to core health benefits for OW/ODSP recipients who are currently not covered.

To put this cost estimate into context, \$3.2 billion would amount to roughly 0.7 per cent of total expenditures by the province over three years, as forecast in the most recent Ontario budget.<sup>6</sup>

The authors note that the cost of inaction to the economy amounts to a loss of \$48 billion as a result of higher health care costs, higher social services costs, and lower tax revenues, not to mention persistent human suffering and deprivation in the midst of growing wealth.

## **OPSEU recommends the following:**

**Recommendation #1:** That the province establish a more immediate timeline to significantly increase OW and ODSP rates to bring them up to the Low-Income Measure (based on the most recent income distribution rates).

**Recommendation #2:** That the province establish a more immediate timeline to extend core health benefits to all recipients of income support.

**Recommendation #3:** That the province and the municipalities hire more workers and set new, significantly lower caseload thresholds for OW/ODSP workers to support the new service requirements to provide a person-centered, case-management approach focused on building positive relationships.

**Recommendation #4:** That, to support new service delivery practices, the Ministry Employee Relations Committee of the Ministry of Community and Social Services (MCSS) should include OPSEU member representatives from the OW program when the new service delivery practices are being discussed. This would help to:

- facilitate the transitions involved in supporting the workforce to adjust to new job requirements;
- provide input into a new program of mandatory professional development;
- involve worker representatives in collaboration with their union in creating and testing new pilot assessment tools;
- review and provide input to the implementation of new quality standards tied to performance; and
- troubleshoot issues arising in the process of facilitating a joint culture change.

**Recommendation #5:** That the province recommend that the federal government create a national, universal child care program and universal, free access to post-secondary education.

**Recommendation #6:** That the money proposed by the Working Group to be spent on the portable housing benefit be spent instead on expanding the province's affordable housing stock and strengthening the *Ontario Rental Fairness Act, 2017*.

**Recommendation #7:** That the third-party body established to review and assess progress include a formal consultation process with unions involved in the delivery of social assistance in particular and social services generally.

## Helping those in deepest poverty

*"In 1990 the single social assistance rate was 70% of the minimum wage. Today, the single rate is 38% of the minimum wage."*

- Income Security: A Road Map for Change

The Working Groups' proposal to raise OW/ODSP rates by 22 per cent over three years will not make an impact on those living in deep poverty. The policy goal to establish consensus on a Minimum Income Standard over 10 years is needlessly drawn out. Even with the potential development of other income security reforms to be implemented over time, social assistance rates must address immediate deprivation.

### Flat rates

The Working Groups recommend moving to a flat rate structure to simplify social assistance and reduce policing aspects of intervention. The flat rate would incorporate basic needs and shelter. By 2020, the proposed flat rates would amount to: \$893 per month for an adult; \$1,339 for a couple (spouse deemed after three years); and \$1,334 for an adult with a disability. Adult children (18-24) without a disability who live with their parent(s) on social assistance would receive a Dependent Rate of 75 per cent of the Standard Flat Rate for the first dependent and 35 per cent for each additional dependent. Non-disabled adult children over age 24 who live with their parent(s) would receive the full Standard Flat Rate. Individuals with disabilities will continue to qualify for ODSP at age 18.

To further the asset policy changes made by MCSS in 2017, the Working Groups' report recommends that assets in Tax-Free Savings Accounts (TFSA) and Registered Retirement

Savings Plans (RRSPs) be exempt from the calculation of income for those on social assistance, and that, initially, 25 per cent of the Canada Pension Plan Disability benefit, Employment Insurance, and Workplace Safety and Insurance Board payments be exempt as well.

The Working Groups also recommend that supplementary programs (Special Diet Allowance, Mandatory Special Necessities for medical transportation, Pregnancy and Breastfeeding Nutritional Allowance, and the ODSP Work-Related Benefit) be retained and assessed as income adequacy is gradually achieved over a 10-year period and that eligibility criteria be expanded for the Remote Communities Allowance.

### **ODSP “assured income”**

The Working Groups recommend maintaining two distinct OW and ODSP programs and retaining the current definition of disability. The ODSP program would develop an “assured income” model that would be tax-based. The new model would enable recipients to go in and out of the workforce without losing disability designation. The model would be co-designed with the involvement of experienced advocates and caseworkers.

### **Children and youth**

Under the Working Groups’ proposal, benefits for children under 18 would be merged under the Ontario Child Benefit (OCB). The proposal is to bridge child supplements within social assistance for the first three years of transition to a flat rate. The social assistance amounts for essential needs would be shifted to the OCB as a supplement targeted to lowest-income families.

For youth in the care of children’s aid societies, 15 years and older, the Working Groups’ recommendation would require societies to place funds from the federal Children’s Special Allowance (CSA) into a savings program. The new *Child, Youth and Family Services Act, 2017* raises the age of protection from 16 to 18 years and requires that children’s aid societies continue to offer care and support, including connecting youth to education, housing and employment programs, to individuals beyond their 18th birthday.<sup>7</sup> Creating a savings program would further maximize potential for success for this vulnerable population.

### **Health benefits**

Currently, children and seniors on social assistance and ODSP receive dental services and drug coverage through two targeted programs: Healthy Smiles Ontario and the Ontario Drug Benefit

Program. The Working Groups recommend that these programs be extended to all adults receiving OW and adult children in families receiving ODSP over a 10-year period and that additional core benefits would be added including dentures, vision and hearing, and access to medical transportation.

**OPSEU recommendation #1:** That the province establish a more immediate timeline to significantly increase OW and ODSP rates to bring them up to the Low-Income Measure (based on the most recent income distribution rates).

**OPSEU recommendation #2:** That the province establish a more immediate timeline to extend core health benefits to all recipients of income support.

## **Transforming social assistance**

“Accessing social assistance should not be seen as a personal failure. It should not be frustrating or stigmatizing or so difficult that just getting help becomes a full-time job on its own.”

- Income Security Roadmap for Change

OPSEU supports changing the legislative framework (policies, laws and regulations) for social assistance to a new set of priorities that foster a culture of trust, collaboration and problem-solving. This is a radical departure from current practices and regulations, which place sole responsibility on the individual for their experience of poverty.

The new legislative framework will require changing service provision at the front end. Frontline workers would work under new regulations and new job descriptions, emphasizing interventions based on problem-solving, individualized plans, assistance with referrals, and system navigation. The authors recognize that this reconceptualization of frontline work will require more workers, but the Working Groups' report falls short of making this recommendation explicit.

Transitioning to providing access to income security through a universal, income-tested benefit provided through the tax system has the potential to exclude individuals who do not file taxes. Case workers will be instrumental in ensuring that support be provided to all low-income people, including First Nations communities, to facilitate access.

**OPSEU recommendation #3:** That the province and the municipalities hire more workers and set new, significantly lower caseload thresholds for OW/ODSP workers to support the new

service requirements to provide a person-centered, case-management approach focused on building positive relationships.

## Consulting with the union

OPSEU supports the provision of services that eliminate stigma, enhance supports, and expand and renew the role of income support workers. The culture shift required to support a professional transition to that of “case collaborators” for both OW and ODSP workers will require participation from all levels involved in the provision of services. It is critical that the experience and knowledge of workers who provide the service be harnessed in this process. OPSEU supports involving caseworkers in OW and ODSP programs with the *Disability Adjudication Working Group*, to review and streamline the ODSP application and adjudication process, and to participate in the co-design of an Assured Income Program that involves advocates and caseworkers to ensure that people have full access to ODSP caseworker services.

**OPSEU recommendation #4:** That, to support new service delivery practices, the Ministry Employee Relations Committee of the Ministry of Community and Social Services (MCSS) should include OPSEU member representatives from the OW program when the new service delivery practices are being discussed. This would help to:

- facilitate the transitions involved in supporting the workforce to adjust to new job requirements;
- provide input into a new program of mandatory professional development;
- involve worker representatives in collaboration with their union in creating and testing new pilot assessment tools;
- review and provide input to the implementation of new quality standards tied to performance; and
- troubleshoot issues arising in the process of facilitating a joint culture change.

## Engaging the whole income security system

“It is time for a new social contract with a renewed foundation built on equity and dignity. The goal must be that no person in Canada lives in poverty, no matter their age, ethnicity, gender, religion, ability, sexual orientation or education.”

- 2017 Report Card on Child and Family Poverty in Canada, Campaign 2000<sup>8</sup>



The federal government has a key leadership role to play in establishing and funding universal programs that enhance income security and eliminate poverty. The announcement of a national housing strategy signals a welcome shift in this direction.

The Working Groups' report highlights an extensive list of much-needed improvements to federal programs needed to tackle systemic poverty. These include:

- improving the *Working Income Tax benefit* for low-income workers;
- establishing a national pharmacare program;
- indexing the Canada Child Benefit;
- increasing the amount of support in the Canada Pension Plan Disability benefit;
- reforming Employment Insurance;
- creating a national income program for people with disabilities;
- increasing seniors' benefits, including Old Age Security and the Guaranteed Income Supplement;
- improving access to the child tax benefit for families with precarious immigration status and those who experience catastrophic in-year income change; and
- working directly with Indigenous peoples in a nation-to-nation relationship to address areas of need in First Nations communities.

**OPSEU recommendation #5:** That the province recommend that the federal government create a national, universal child care program and universal, free access to post-secondary education.

With the announcement of a national housing strategy, the province has the support of a federal partner to provide supply-side interventions, such as building and preserving non-profit and cooperative housing stock. Under the recently passed *Rental Fairness Act*, landlords are still allowed to raise the rent when units become vacant, and they have the ability to apply to the Landlord Tenant Board for above-guideline increases to cover extraordinary increases in operating costs or capital expenditures.<sup>9</sup> Ontario needs stronger rent control regulations.

Housing is a human right. Governments should intervene in the housing market to ensure that affordable and decent housing is available to all members of society. The proposed universal income-tested portable housing benefit will provide individuals and families with greater options. However, the 10-year phase-in to fund the housing gap to a limit of 75 per cent is too long to wait.

**OPSEU recommendation #6:** That the money proposed by the Working Groups to be spent on the portable housing benefit be spent instead on expanding the province's affordable housing stock and strengthening the *Ontario Rental Fairness Act, 2017*.

### **First Nation communities**

The First Nations Income Security Reform Working Group and the Urban Indigenous Table produced a series of recommendations that are grounded in First Nations' right to establish government-to-government relationships with Ontario and to exercise inherent jurisdiction over all social service programs as recognized in the 2015 Political Accord signed by the Premier and Ontario First Nations. In 2016, the Ontario government announced a formal commitment to reconciliation with Indigenous peoples, *The Journey Together*, following the final report of the Truth and Reconciliation Commission.

The call for Indigenous control over design and administration of income support programs that promote social and economic development, rooted in Indigenous traditions and values, was recommended by the Royal Commission on Aboriginal Peoples in 1996 and reiterated by the Ontario Regional Chief in a presentation to the Standing Committee on Ontario Works in 1997. OPSEU supports all of the recommendations put forward by the First Nations Income Security Reform Working Group and the Urban Indigenous Table.

OPSEU members who work in the Ontario Public Service and the Broader Public Service are committed to providing service that is culturally appropriate and recognizes Indigenous peoples' right to choose service in their preferred location. Workers welcome the opportunity to participate in ongoing training to improve cultural awareness and understanding and support inter-agency relationships.

### **Pilot ODSP programs within First Nation communities**

The Working Groups recommend a commitment to working with First Nations to design and launch pilots for the direct delivery of programs including the Ontario Disability Support Program, Employment Ontario, Assistance for Children with Severe Disabilities, and Special Services at Home within their communities, with the long-term goal of First Nations delivery as they choose.

In the event that any ODSP work is transferred out of the Ontario Public Service, workers will maintain all of their rights and entitlements under the collective agreement.

## Accountability

OPSEU supports the creation of an independent third-party body to review progress towards achieving expanded and dignified supports for people living in poverty and strengthening federal and provincial programs for low-income individuals and families.

**OPSEU recommendation #7:** That the third-party body established to review and assess progress include a formal consultation process with unions involved in the delivery of social assistance in particular and social services generally.

## Conclusion

The Working Groups' report highlights that cuts to spending on income support in Ontario over the last 22 years have amounted to a real loss of \$36 billion to our social safety net. With the increasing concentration of wealth outstripping gains for the vast majority of individuals, and the rise of precarious work, governments are increasingly hard pressed to ignore the need to overhaul a system that is clearly broken; this much-needed change will require sustained pressure from civil society, unions and social movements to hold provincial and federal governments accountable.

## Notes

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<sup>1</sup> (Campaign 2000 , 2017)

<sup>2</sup> (Employment and Social Development Canada, 2017)

<sup>3</sup> (Allan Moscovitch, 2017)

<sup>4</sup> (Statistics Canada, CANSIM tables 384-0038 and 051-0001)

<sup>5</sup> (Campaign 2000, 2017 )

<sup>6</sup> (2017 Ontario Budget, p. 219)

<sup>7</sup> (Child, Youth and Family Services Act, 2017)

<sup>8</sup> (Campaign 2000 , 2017)

<sup>9</sup> (Bill 124, Rental Fairness Act, 2017)