

## Response to Ontario Budget Meeting from an Income Security Perspective

On March 28, 2018 the Ontario Government announced the provincial budget entitled “A Plan for Care and Opportunity”. Overall, the recommendations represent a step in the right direction for the province’s income security system, including a \$2.3 billion investment over three years. However, there is minimal change in the Ontario Works (OW) and Ontario Disability Support Program (ODSP) rates, arguably the most critical reform needed to revolutionize the social assistance system.

“The reforms take a good step towards implementing the working group's vision of a reformed and restructured income security and social assistance system, and I applaud the government for taking some bold steps. For recipients living in the deepest poverty, however, the limited social assistance rate increase will still leave them destitute.” said Gary Bloch, member of Health Providers Against Poverty and the Income Security Reform Working Group.

The Income Security Reform Working Group (ISWG) recommended large adjustments in OW and ODSP rates, 10%, 7%, and 5% per year for the next three years respectively. Additionally, the ISWG had suggested setting and meeting a minimum income standard over ten years so that no person using social assistance lives below the poverty line. Advocates were deeply disappointed by the minimal increase of 3% per year for the next three years with no mention of a minimum income standard. This will mean nearly stagnant rates that do not support a move towards a minimum income at or above the poverty line.

Despite falling short on setting and meeting a minimum income standard, the budget outlines some positive steps towards system fairness. Broadly, there are significant changes that will create equality among recipients, reduce detailed questions about recipients’ living circumstances, allow couples to live together for longer before reducing support, and increase support for people experiencing homelessness. The key intervention is creating a standard, flat rate for everyone rather than one that is dependant on a recipient’s housing situation. There will also be adjustments made to asset and income limits. This will mean that recipients will be allowed to have savings, more liquid or cash assets, and can earn more income before their social assistance is affected.

The ISWG had discussed comprehensive, universal health benefits for all low-income persons, not just those accessing social assistance. The budget outlines a health benefit program that has more breadth but less depth. The drug and dental coverage is less than comprehensive (\$400 per year for a single person) but will apply to anyone without private insurance in the province.

From a more global perspective, there has been incredible investment in universal child care, mental health, and addictions services. Most notably, free, high-quality child care to all pre-school children over 2.5 in 2020, and an additional \$2.1 billion invested in mental health and addictions services across many areas over 4 years.

Overall, this year’s budget is highly progressive with pivotal funding in support of a broad range of social services. The budget signals change that will reform the punitive nature and support fairness in the income security system as suggested by the ISWG. However, it doesn’t offer adequate funding to improve the system’s main deficiency, the inadequate income that keeps recipients in poverty. There are strides in other areas of health care including child care, mental health, and addictions which will certainly have downstream effects for persons accessing social assistance.

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