



Diocese of Toronto

Anglican Church of Canada

A Budget for the People

Pre-budget Submission to the Standing Committee on Finance and Economic Affairs,
Government of Ontario

From Bishop Andrew J. Asbil and the Social Justice & Advocacy Committee

Anglican Diocese of Toronto

135 Adelaide St. E., Toronto, Ontario M5C 1L8

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Executive Summary: The Anglican Diocese of Toronto includes nearly 200 parishes over 26,000 square kilometres from Peel Region to Haliburton. Called by our Christian convictions, our congregations regularly engage in meeting needs in our communities through food and clothing banks, meal programs, Out of the Cold shelters, drop-in programs, and funding of more than a dozen non-profit ministry partners. At the same time, our faith calls us to speak out on behalf of, and in solidarity with, the most vulnerable among us, the many Ontarians who struggle daily to meet their most basic needs.

More than 500,000 Ontarians relied on food banks in the last year. Housing is increasingly unaffordable, not only in the GTA but in places like Barrie, Peterborough and Port Hope. A budget that is truly for the people must address this growing inequality.

Social Assistance. We agree: the current social assistance system isn't working. However, some of the changes proposed by your government will actually exacerbate the problems and end up costing more in the long term. Social assistance benefits do not even come close to covering basic needs for recipients. Increased clawbacks on earnings undermine the goal of returning people to the workforce by punishing those who work more. Moving to a stricter definition of disability will throw many people with conditions which preclude their full participation in the workforce onto the lower benefit rates of Ontario Works, making their health worse and creating an even heavier burden on the healthcare system. We urge your government to:

- Make a significant investment in social assistance rates so people can meet their basic needs.
- Maintain the clawback on earned income at 50% above the exempted limits.
- Maintain the existing eligibility criteria for ODSP.

Minimum wage and employment standards. Full-time work ought to be a pathway out of poverty. Raising the minimum wage to \$15/hr would put more money in the pockets of low-income earners than a tax credit for people making less than \$30,000 per year – money that will be spent in the local community and stimulate Ontario's economy. Paid personal leave days would also keep Ontario healthy, reducing costs to the healthcare system, and boost productivity. We urge you to:

- Raise the minimum wage to \$15/hr by September 2019.
- Restore two paid personal leave days under the Employment Standards Act.

Housing. Too many Ontarians are spending more than 50% of their income on housing. With matching funding available under the National Housing Strategy (NHS), now is the time to invest in truly affordable housing in Ontario. We urge your government to:

- Match federal funding under the NHS for the 2019 fiscal year.
- Prioritize development by non-profit, cooperative and supportive housing providers by offering them incentives such as:
 - 75% of NHS funding
 - Provision of surplus public land below market value
 - Exemption from development charges
 - Streamlining of the regulatory process

While our recommendations involve some spending, they will put money back in the pockets of low- and moderate-income Ontarians, lower healthcare costs, and boost productivity. The people of Ontario are waiting for this kind of leadership.

Introduction: The Diocese of Toronto is the most populous of the 30 dioceses in the Anglican Church of Canada. Its geographical area extends over 26,000 square kilometres from Mississauga to Brighton and north to Haliburton: an area which includes 5 of the 10 largest cities in Ontario and covers a variety of rural, suburban, and urban communities. Some 230 congregations in over 180 parishes are located in the Diocese, and serve the spiritual and physical needs of hundreds of thousands of Ontarians.

Called by our Christian convictions, our congregations are regularly engaged in meeting immediate needs in our communities, through food and clothing banks, meal programs, Out of the Cold shelters, drop-in programs and funding of more than a dozen non-profit ministry partners who provide food, shelter and supports to people in need from Peel to Peterborough. At the same time, our faith calls us to raise our voices and our influence on behalf of, and in solidarity with, the most vulnerable in our society. It is in that spirit that we make this submission today.

Many Ontarians struggle daily to meet their most basic needs. The 2018 report of the Ontario Association of Food Banks found that over half a million Ontarians relied on food banks between 2017 and 2018, a third of whom were children. Seniors are the fastest-growing segment of the population experiencing hunger¹.

The high cost of housing has put more and more people at risk of homelessness, which is reaching epic proportions. We see this not only in Toronto, where an estimated 8700 are homeless and 98,000 are on a waiting list for affordable housing² All around our Diocese - in Peterborough, Port Hope, Orillia, Barrie, Newmarket, Brampton and Mississauga - our churches are hearing of more and more people struggling to pay their rents, turning to homeless shelters, sleeping in tents or in cars or on a friend's couch.

We call on your government to address the following issues as you prepare the upcoming budget:

Income Security

We agree with Minister Lisa MacLeod that Ontario's social assistance system isn't working, and traps people in poverty. In November, Minister MacLeod unveiled a number of proposed changes, some of which have positive potential. However, we are concerned that some of the proposed changes to social assistance will actually exacerbate the problems your government has identified, while the central problem of income inadequacy has yet to be addressed.

1. **Inadequate benefit rates.** Currently a single person on Ontario Works (OW) receives only \$733 per month, and a single person on Ontario Disability Support Plan (ODSP) gets \$1,169 per month. These rates are nowhere near sufficient to allow social assistance recipients to meet their basic needs. When you consider that average rent for a one-bedroom apartment is \$1035 in Barrie, \$850 in Peterborough and \$1202 in Toronto and York Region³, while the cost of a nutritious food basket for one person is \$285 in Toronto, it is clear that these rates do not even cover adequate food and shelter, much less other needs such as transportation, heat and hydro, phone and internet access, insurance, clothing, laundry or personal care items. As a result, people on social assistance are forced to cut costs where possible, living in substandard, overcrowded or dangerous conditions, depending on charity, and/or going without. This is shameful in a wealthy province such as ours. Not only does it force people who have already experienced personal trauma and devastation into further loss of dignity and resilience, it

¹ <https://oafb.ca/wp-content/uploads/2018/11/Hunger-Report-2018-Digital.pdf>

² <https://torontolife.com/city/life/rents-high-shelters-full-8700-torontonians-homeless/>

³ <https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/rental-market>

exacerbates their stress and poor health. This results in further costs to our health care system, while leaving people farther from being able to participate economically and socially in our society. Moreover, supporting people on low incomes is a good investment, because every dollar they receive is spent in the local economy on things like rent, food, clothing, school supplies and personal care items. In fact, the federal government has estimated the multiplier effect of supports for people on low and moderate incomes as a factor of 1.3.⁴ That means for every dollar the province spends in increased social assistance rates, there is a benefit of \$1.30 to Ontario's economy.

➤ **We call on your government to make a significant investment in social assistance rates, to enable people on social assistance to meet their basic needs.**

2. **Higher clawbacks on earned income.** Currently, people on social assistance are able to keep the first \$200 in a month, beyond which 50% of any additional earnings is deducted from their benefits. In November 2018, Minister MacLeod announced that the earnings exemptions would be increased to \$300 per month for OW recipients and \$6000 per year for ODSP recipients. The rationale was to encourage people on social assistance to return to work. However, along with the increased exemptions, Minister MacLeod announced that the clawback of additional earnings would be increased from 50% to 75%. This increased clawback is not only far higher than the marginal tax rate on the highest earners in Ontario (which is only 53.53%), but it undermines the whole rationale of encouraging people to return to the workforce. The effect of the clawback means the increased earnings exemption will benefit those who earn small amounts but penalize those who work more, and lead to people losing their eligibility for benefits, including prescription drug coverage, at a much lower income than is currently the case.

➤ **We call on your government to maintain the clawback at 50% of earnings above the exempted limits.**

3. **Consequences of a stricter definition of disability.** We are also deeply concerned about Minister MacLeod's proposal to bring the definition of disability for Ontario Disability Support Program eligibility into line with that used in federal government benefit programs. All federal benefit programs use a much more restrictive definition than the current ODSP definition. People with recurrent episodic disabilities, people whose disabilities have the potential to improve, and people living with the cumulative impacts of multiple disabilities are currently eligible for ODSP, but do not meet the "severe and prolonged disability" standard of the federal Canada Pension Plan – Disability program. These would include people living with such conditions as multiple sclerosis, rheumatoid arthritis, chronic pain, mental health conditions, and some forms of cancer. Such individuals would be forced to rely on the much lower benefit rates of Ontario Works, while being required to work or take training in order to continue to be eligible for benefits, whether or not their disability allows them to do so. This will mean they will be even more unable to afford decent accommodation, healthy food and their other basic needs. Their health outcomes will become even worse, and they will become less, not more, able to participate in the workforce – which will end up costing the government more in health care and other costs than it saves in reduced benefits.

➤ **We urge your government to maintain the existing eligibility criteria for ODSP.**

⁴ 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>.

Minimum wage and employment standards

We agree: a job should be a pathway out of poverty. But for a job to be a pathway out of poverty, there must be decent wages and working conditions.

1. **Minimum wage:** Having long advocated for a significant increase to Ontario's minimum wage, we were glad to see the minimum wage increase to \$14.00 per hour in 2018 and disappointed that your government decided to postpone the increase to \$15.00 per hour until October of 2020. Contrary to dire predictions, the provincial economy did not suffer unduly as a result of the increase from \$11.60 to \$14.00 per hour. In fact, Statistics Canada's annual Labour Force Survey found employment in Ontario grew by 1.1% from December 2017 to December 2018, all in full-time work, with the service sector – where many minimum wage jobs are found - seeing an overall growth rate of 1.4%⁵

The proposed tax credit for Low Income Individuals and Families, or LIFT, does not offset the loss of the minimum wage increase. Firstly, nearly two-thirds of those who make less than \$30,000 per year do not presently pay any taxes, due to existing credits and deductions. For the minority of workers earning under \$30,000 who do pay income tax, the maximum LIFT tax credit would be \$850 per individual or \$1700 per family⁶, as opposed to the \$1899 in increased (post-tax earnings) for a full-time worker at a minimum wage of \$15.00⁷. This would be more dollars directly in the pockets of low-income workers, who would spend that money in the local community, thus contributing to the multiplier effect. Moreover, giving low-income individuals and families a tax break costs the government revenue, whereas raising the minimum wage does not.

➤ **We urge your government to raise the minimum wage to \$15.00 per hour by September 2019.**

2. **Paid sick days.** We are also concerned about the rolling back of the protections for precarious workers through Bill 47, especially the loss of paid sick days. The loss of paid sick days means that people are forced to decide between taking care of their health and losing a day's pay, which most low-income workers are unable to do. As a result, they come to work sick or injured. They pass their infections on to fellow-workers, fellow commuters, and their customers. If they are required to get a doctor's note, they are infecting their doctor's other patients and wasting the time the doctor could be using to treat seriously ill people. If injured, they may exacerbate their injury at work. All this puts even greater burdens on the healthcare system and the economy in general. In the words of two Ontario emergency physicians, "revoking paid personal emergency leave days does not immunize employees or their families against unexpected illness. On the contrary, it reduces access to preventive health care, increases the likelihood of contagion at work, and prevents workers from quickly recovering and returning to work. We can either pay for sick days, or pay for it with sick workers, sick coworkers, sick clients, and more overcrowded hospitals."⁸ Providing paid sick days will reduce health care costs, protect workers, and increase productivity.

⁵ <https://www150.statcan.gc.ca/n1/daily-quotidien/190104/dq190104a-eng.htm?HPA=1&fbclid=IwAR0q48rD6uZDYeGMhcsVa7g1hYp9kNgLEdAlRmHUpTxcX3qdXWpkrficOxA>

⁶ <https://www.fin.gov.on.ca/fallstatement/2018/tax-relief.html>

⁷ <http://behindthenumbers.ca/2018/04/17/15-minimum-wage-still-trumps-tax-cuts/>

⁸ Hayman, Kate and Jesse McLaren. 2018. Wage hike, paid sick days part of hallway medicine cure, Toronto Star (18 Aug 2018). Available at: <https://www.thestar.com/opinion/contributors/2018/08/21/wage-hike-paid-sick-days-part-of-hallway-medicine-cure.html>.

- **We urge your government to reinstate the two paid personal emergency leave days and remove the requirement to provide a doctor's note.**

Housing

You already know that housing in the GTA is unaffordable: Cabinet Ministers and MPPs living outside of the GTA just received a 20% boost to their housing allowances to help meet soaring housing costs. But the pressures on housing costs are increasingly being felt outside the GTA, as far away as Barrie and Port Hope. While the Canadian Mortgage and Housing Corporation regards housing as affordable if it consumes less than 30% of a person's or family's income, far too many Ontarians are spending 50, 60 and even 80% of their income on housing costs.⁹ Investing in housing makes good economic sense; it has an even greater multiplier effect than investing in income supports.¹⁰ It is past time for a real investment in affordable housing in Ontario.

1. **Maximize the impact of funding available to housing in Ontario through the National Housing Strategy.** In April 2018 Canada and Ontario signed a bilateral agreement under the new National Housing Strategy. This will bring over 4.2 billion of federal investment into housing in Ontario over the next ten years. However, the maximum benefit of the bilateral agreement requires that Ontario match the federal investment.
 - **We urge your government to ensure that the 2019 budget provides full matching funds for the housing dollars available from the federal government through the National Housing Strategy.**
2. **Prioritize non-profit, cooperative, and supportive housing providers.** The bulk of this funding should be invested in non-profit and co-operative housing, which provide the best value for public investment over the long term. Expecting private real estate developers to make a significant contribution to the provision of affordable housing is not realistic. It has been tried for the past thirty years and the result is increased homelessness, greater core housing need, and deterioration of existing social housing stock. Low-income tenants are not well-served by the private market because they can't afford the rents that are needed to make private market development profitable. By partnering with non-profit, co-operative and supportive housing providers, who have no built-in profit margins, every dollar goes to keeping rents affordable for the long term, which helps keep people out of homelessness. This is particularly true for especially vulnerable people who need extra supports to maintain their housing. On December 4, 2018, your government announced a plan to sell surplus government properties that would create opportunities for affordable housing and long-term care projects and reduce the "red tape" involved in making those properties available. This is potentially very good news. **We urge your government to use a range of incentives to encourage the non-profit sector to develop truly affordable, co-operative and supportive housing projects, such as**
 - **earmarking 75% of funding available through the National Housing Strategy for partnerships with non-profit, cooperative and supportive housing providers**
 - **making surplus public land available below market rates**
 - **exempting them from development charges**
 - **streamlining the regulatory process by combining the studies (environment, parking, noise, etc). needed to get project approval.**

⁹http://www.rentalhousingindex.ca/en/?fbclid=IwAR28cmOvPspH8GErJwwXDugNqIQFCF_6LBPCRbr0Fi3XGZcymA1cHrdGfGc#comp_prov

¹⁰ 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>.

Conclusion:

Our recommendations have been for greater investment in income supports, good jobs, and decent housing. We know that this will involve some government spending, at a time when you are looking for ways to reduce spending. However, the spending we have recommended will put money back in the pockets of low- and moderate-income Ontarians, lower healthcare costs, and boost the productivity of Ontario workers and the Ontario economy.

Your government has said that all Ontarians must make sacrifices to reduce the deficit. Respectfully, we submit that people of low-income in this province are already making sacrifices – sacrifices of health and dignity – which should not be asked of anyone, and that we as a province can ill-afford in the long term.

This government has greatly reduced its revenue through cancelling the cap-and-trade program, estimated to cost the province \$3 billion over the next four years¹¹, and through the cancellation of a planned surtax on the highest income earners, which is costing the province \$275 million per year.¹² Reinstating both of these measures could go a long way toward reducing the deficit while still making it possible to afford investing in the people of Ontario who need it most.

Anglicans in our Diocese remain committed to being part of the solution necessary to reduce poverty and housing need in Ontario, both in terms of direct assistance to our neighbours in need and in terms of continued advocacy at the municipal, provincial, and federal levels. We know that the needs of the most vulnerable among us do not disappear with one bag of food or one night spent off the street, but that sustainable, long-term solutions require the leadership, vision, and resources of all of us, including our elected government. The recommendations we have made call on you to exercise that leadership.

Respectfully submitted,

The Rt. Rev. Andrew Asbil, Bishop of Toronto

and

The Social Justice & Advocacy Committee, Diocese of Toronto

¹¹ <https://www.theglobeandmail.com/politics/article-scrapping-cap-and-trade-will-cost-ontario-3-billion-financial/>

¹² <https://www.cbc.ca/news/canada/toronto/doug-ford-ontario-economic-1.4908083>