

## Executive Summary

There is deep and continuing dissatisfaction with the existing approach to social assistance from all quarters: community groups, business, labour, policy makers, the people who run the system and those who receive its benefits.

Ontario's core social assistance programs – Ontario Works and the Ontario Disability Support Program - together with the other programs that make up Ontario's income security system, continue to fall short in providing an economic safety net for individuals and families as well as promoting opportunity to ensure everyone can contribute to the long-term prosperity of the province.

The current social assistance system is based on the budget deficit model. By its nature, the budget deficit model is intricate, rule-bound, complicated, hard to understand and difficult to administer fairly. The consequences are stigma, a high degree of invasiveness into the personal lives of recipients and the enforcement of rules placed above real support. The system requires applicants to deplete most financial assets, making it harder to recover from an economic setback. Once in the system, recipients live on substandard incomes, and often become trapped in a cycle of poverty.

The income security system as a whole fails to provide effective alternatives to social assistance. Lack of Employment Insurance coverage, inadequate workforce development and lack of income benefits to ease recipients' transition to independence all make social assistance the first program many people turn to in times of financial hardship.

While a need for reform is widely acknowledged, a consensus about how to fix the system does not yet exist.

With these challenges in mind, the Ontario government's poverty reduction strategy, entitled *Breaking the Cycle*, undertook to initiate: "[A] review of social assistance with the goal of removing barriers and increasing opportunity – with a particular focus on people trying to move into employment from social assistance. The review will seek to better align social assistance and other key programs and initiatives and better communicate program rules to achieve the aims of increasing opportunity for the individual."

In December 2009, the Ontario government created the Social Assistance Review Advisory Council, made up of eleven members. The Council was asked to report on the "scope and terms of reference that would guide the development of the social assistance review."

The Social Assistance Review Advisory Council concludes that Ontario does not need a review solely of social assistance – it needs a comprehensive review of Ontario's

income security system. Ontario Works and the Ontario Disability Support Program represent 23 percent of all provincial and federal income security program spending that serves working-age adult Ontarians. Social assistance is but one piece of a patchwork of income security, employment and social supports.

The Social Assistance Review Advisory Council is fully cognizant of the current difficult fiscal situation facing the province. We recommend transforming the income security system not despite Ontario's fiscal situation but because of it. The province needs a plan for the income security system it wants to build as part of its economic recovery. Ontario needs to articulate its interests and perspective to the federal government and the other provinces and territories.

Now is the time to develop a coherent, purposeful and focused strategy for reform to guide successive governments over the next decade and beyond. A transformed income security system in Ontario should:

- Contribute to labour market opportunities to ensure jobs provide real pathways out of poverty;
- Provide workforce development and related services to help all Ontarians do better, including support for out-of-work and underemployed Ontarians to transition into sustainable employment;
- Support Ontarians in good and bad times, through liveable incomes and community supports.

Below is the summary of our recommendations for the substance and process of a review which, we believe, can create such a vision. The full report of the Social Assistance Review Advisory Council that follows sets out the recommendations and explains their background and rationale.

## ***Recommended Terms of Reference***

### ***Scope of the Ontario Income Security Review***

The Social Assistance Review Advisory Council recommends that Ontario initiate the Ontario Income Security Review, pursuant to its commitment in *Breaking the Cycle* and its vision “of a province where every person has the opportunity to achieve his or her full potential and contribute to and participate in a prosperous and healthy Ontario.”

The Social Assistance Review Advisory Council recommends that the Ontario Income Security Review be asked to undertake a comprehensive assessment of income security, employment supports and related services for working-age adults. The Review should include federal programs such as Employment Insurance, provincial programs such as

Ontario Works and the Ontario Disability Support Program, as well as municipal, local and community roles. The review should also include a plan to deal with financial and other mechanisms required to navigate through a changed income security system.

The process of transformation will necessarily involve other orders of government: the federal government must eventually be engaged. Lack of federal government co-operation, however, should not impede Ontario's work to define the reforms needed in federal programs to meet Ontario's interests.

### ***Key Strategies to Guide the Ontario Income Security Review***

The Social Assistance Review Advisory Council recommends the Ontario Income Security Review explore the following six strategic directions for reform. These strategies should form the basis for consultations with Ontarians. Based on the results of those consultations and research, the review would then develop a detailed 'road map' for implementing a transformed system.

- a. Building on the approach of the Ontario Child Benefit, develop an expanded range of income and services to be available to all low-income Ontarians.
- b. Strengthen initiatives such as minimum wage increases, enhanced employment standards, fair employment initiatives and the federal Working Income Tax Benefit to ensure the labour market offers effective pathways out of poverty.
- c. Replace short term coverage in Ontario Works with more appropriate financial support outside of the social assistance system for those who are temporarily unemployed.
- d. Re-engineer long-term coverage in Ontario Works as an opportunity planning program to support achieving full labour market potential through skills building, education, training, employment and related support.
- e. Develop standards for a liveable income and a process to use those standards to assess the adequacy of Ontarians' incomes.
- f. Improve income and social supports for those whose reasonable prospects of earning liveable incomes from employment are limited by disability or other circumstances, including a possible new vision for the Ontario Disability Support Program and exploring options for alternative models of financial assistance.

Specific reforms which could follow from each strategy are noted in the body of this report.

## ***Measurable Outcomes***

The Social Assistance Review Advisory Council recommends seven outcomes as a basis for measuring the performance of the system. These outcomes should form the basis for consultations with Ontarians on the development of a set of practical measurements for the new system – metrics – so that they may then be used to monitor the income security system.

- a. Social and economic inclusion
- b. Autonomy, responsibility and dignity of recipients
- c. Income for all Ontarians that at least meets a liveable income standard
- d. Human capacity development and its optimal employment to contribute to the economic prosperity of Ontarians
- e. Public and fiscal sustainability
- f. Fairness, equity and transparency
- g. Empowerment of recipients to improve their economic circumstances.

## ***The Review Process***

The Social Assistance Review Advisory Council recommends that the Ontario Income Security Review be structured with two commissioners and an advisory council. The Review would be supported by a small full-time Secretariat. The Review should develop a five part consultation process: a panel of persons with experience of being on assistance; public and province-wide consultation; separate and substantive discussions with First Nations to ensure reforms reflect their needs and priorities; expert panels; and written input. The Review should be completed within 12-18 months of being constituted.