

PART I >>

Executive Summary

This report charts a new course for social assistance in Ontario, a course designed to support all recipients to participate in the workforce to the maximum of their abilities and to guarantee income security for those who cannot work. It is the final report of the review of social assistance established as part of Ontario's 2008 Poverty Reduction Strategy. That strategy articulated a vision of a province where all people have the opportunity to realize their full potential.

If social assistance is to do its part to help achieve this vision, the system must be simple, and it must be effective in helping people move into employment as well as in providing income support. This requires fundamental change, both within social assistance and outside the system. Inside social assistance, change is needed to remove complexity and ineffectiveness. Outside the system, change is needed to address policies that negatively affect social assistance outcomes. This report proposes action on both fronts. We are aware that achieving a fully transformed social assistance system will take time, and this report identifies early implementation priorities to begin the process of change.

Changes inside social assistance

In a transformed social assistance system, Ontario Works and the Ontario Disability Support Program (ODSP) would be replaced by one program, focused on ability and not on disability. It would provide individualized employment services and related supports to all social assistance recipients, including people with disabilities. In collaboration with their caseworkers, all recipients would develop a Pathway to Employment Plan identifying their employment goals, activities, and needed services and supports. The new program would be managed and delivered by municipalities and First Nations because they have the necessary on-the-ground understanding of their communities.

Municipal management would leverage municipalities' connections with local employers and their expertise in local economic development. It would also facilitate integrated

access to other human services, such as child care and housing, which are already delivered by municipalities and often needed by social assistance recipients.

Given the importance of providing integrated human and employment services, municipalities and First Nations would continue to be responsible for employment services for social assistance recipients. As now, they would deliver services directly, through partnerships or under contract with community organizations. Municipalities would also be full partners with the Province in managing and planning employment services in their communities.

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The level of employment services and supports people receive would be proportional to their level of need, so that people with disabilities and others who face multiple barriers to employment would not be left behind. This would be achieved through a standard way of defining the needs of the various segments of social assistance recipients and then allocating resources appropriately so that people with multiple barriers receive more intensive supports than they do today.

Employment services would include a strong focus on meeting employers' needs.

Standards and best practices would be developed for employment services, which would include a strong focus on meeting employers' needs and marketing the skills of social assistance recipients to them. Employers would also be involved in the design of employment services and the Province would support employer-driven initiatives to promote the hiring of social assistance recipients. The

Province would partner with corporate leaders to champion the hiring of people with disabilities.

On the income support side, the benefit structure would be greatly simplified. It is expected that at least half of the rules and directives in the existing system would be eliminated. Achieving a much simpler and more transparent system would make it easier to ensure that it is accountable to all Ontarians, including social assistance recipients themselves. The mechanisms in place to prevent and address misuse of the system would continue. In addition, the increased focus on interacting directly with recipients (starting with the Pathway to Employment Plan) would provide more opportunities for even stronger accountability.

The approximately 30 special benefits in the current system would be streamlined and a new rate structure, based on simple building blocks, would be introduced. The basic building block would be a standard rate for all adults. Future increases to the rate would include regional variations to reflect differences in living costs across Ontario. The standard rate would be based on a rational methodology that would help the Province achieve a balance of three objectives: adequacy of rates to cover healthy food, secure housing, and other basic necessities; fairness between social assistance recipients and low-income people who are working; and financial incentive to work.

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Until the system is fully transformed, there would be two additional building blocks on top of the standard rate: a disability supplement provided to people with disabilities and uniform supplements provided to families with children and sole-support parents. Additional changes would provide access to the same extended health benefits (prescription drug, dental, and other health benefits) for all social assistance recipients.

Asset rules would be simplified and harmonized for all social assistance recipients. They would also better reflect the

broader policy goals of supporting people to save and become more financially resilient.

Undertaking change of this magnitude requires a political champion, dedicated leadership, and a whole-of-government approach. This report recommends that the Province broaden the mandate of the Poverty Reduction Results Table to include monitoring the implementation of social assistance reform across ministries. It also recommends that the Province appoint a Provincial Commissioner for Social Assistance, at the associate deputy minister level, to drive change and to be the clear point of accountability for social assistance in Ontario. The Provincial Commissioner would work with municipalities, First Nations, and other stakeholders to establish performance measures, track progress, and publish an annual report card on social assistance in Ontario.

Many of the changes recommended in this report will help to address the issues with the current system that First Nations raised during the review. These include problems in the rate structure and asset rules and the need for greater flexibility in defining appropriate employment-related activities. Such changes, however, can only go so far in responding to the unique circumstances of First Nations. Getting to the root of the high rate of social assistance dependency requires other solutions, including education and economic development. Tripartite (First Nations/federal/provincial) discussions at the senior level are also required to explore the potential for a greater role for First Nations in designing and managing the social assistance system in their communities.

Changes outside social assistance

Helping people move into more sustainable employment and achieve stable incomes cannot be achieved through social assistance reform alone. Many policies outside the system affect both the need for people to seek social assistance and their ability to exit the system. In addition to the changes highlighted above, this report recommends a number of key changes that must be made outside the social assistance system.

In order to fully transform the system, disability benefits, children's benefits, and extended health benefits should be removed from social assistance and be made available entirely outside the system. Providing these vital benefits to all low-income individuals and families would eliminate

structural barriers for people trying to exit social assistance for work.

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The high level of unemployment among people with disabilities, and their growing dependence on income support, is a critical issue for Ontario. A disability benefit outside social assistance should be a priority, and it should be available to all low-income people with disabilities regardless of whether they are working or receiving social assistance. This benefit would recognize that there can be additional costs of living with a disability, and that employment opportunities and earnings can be constrained for people with disabilities. The benefit would help people with disabilities maintain employment and reduce their financial risk in leaving social assistance for work.

The proposed disability benefit would complement the package of other initiatives recommended in this report (including an integrated program of services and supports that focuses on ability, an accelerated Comprehensive Mental Health and Addictions Strategy that focuses on employment, and public/private partnerships to champion the hiring of people with disabilities) and the implementation of the *Accessibility for Ontarians with Disabilities Act*. This set of initiatives has the potential to make a real difference for people with disabilities over time. A similarly multifaceted strategy, the National Children's Agenda, has been implemented over the last two decades and has shown success in helping low-income families with children move out of poverty.

The changes in the labour market over the last 20 years have been significant, in Ontario and throughout Canada. The prevalence of temporary and part-time jobs, often at low wages and without stability or health benefits, directly affects people's ability to exit social assistance. The Province has established the Jobs and Prosperity Council to consider labour market issues. This report recommends that the Province build on this effort and develop a comprehensive human capital development strategy.

This report also identifies the urgent need to address increasing income inequality and the erosion we have seen, over time, in the effectiveness of our tax-transfer system in dealing with this growing challenge. The downward pressure on incomes at the low end of the income scale has major implications for social assistance recipients trying to move into employment as, increasingly, "work doesn't pay." This report calls on the Province to engage the federal government to help initiate a review of rising income inequality and the inability of the tax-transfer system to address it as it did in the past. Such a review should consider the consolidation of federal and provincial benefits and tax transfers, and it should address the problem of high marginal effective tax rates that undermine financial incentive to work.

People with lived experience, caseworkers, and other stakeholders must be meaningfully involved in the process of change, and care must be taken to minimize adverse impacts.

Achieving a fully transformed system, brought about by changes both inside and outside social assistance, will take time. This report identifies early implementation priorities to begin the process of reform and to lay the foundation for integrated local services and a simplified benefit structure. It proposes steps to develop transparent benchmarks to guide the methodology for setting rates, which would help improve the adequacy of rates over time. The new Provincial Commissioner for Social Assistance would lead the process of change, and would also work toward the development of a more positive system culture.

People with lived experience, caseworkers, and other stakeholders must be meaningfully involved in the process of change, and care must be taken to minimize adverse impacts on people's lives and livelihoods. With vision, sustained commitment, and sensitivity, the Province has the opportunity to improve the prospects for social assistance recipients and all people with low incomes throughout Ontario.