

Attachment 2: Recent Social Assistance Reform Initiatives in Ontario

Recent reform efforts can be traced through the following notable initiatives:

Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR)

A joint effort of the Province of Ontario, the Association of Municipalities of Ontario (AMO) and the City of Toronto, PMFSDR was established in 2006 to examine new approaches to the funding and delivery of services in Ontario. As well as calling for a new approach to the funding and delivery of municipal/provincial services, the final report, *Facing the Future Together*, highlighted the need for the simplification and modernization of the delivery of income assistance and employment-related supports. It also noted the need to better integrate Ontario Works (OW), Ontario Disability Support Program (ODSP) and Employment Ontario employment services to improve employment outcomes for clients and to make better use of resources.

Social Assistance Review Advisory Council (SARAC)

SARAC was established in 2009 following the release of the Province's first poverty reduction strategy, *Breaking the Cycle*, which committed to undertake a review "to better align social assistance and other key programs and initiatives." SARAC found that social assistance neither provides income adequacy, nor opportunity to move out of poverty and, as a result, there is a "a deep and continuing dissatisfaction with the existing approach to social assistance" from all stakeholders. Arguing that Ontario Works should be turned upside down, from a program that provides financial assistance with some employment supports to one that builds capacity, SARAC identified a number of strategic areas for future reform, including:

- Replacing short term coverage in Ontario Works with more appropriate financial support outside of the social assistance system for those who are temporarily unemployed;
- Re-engineering 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;
- Improving income and social supports for those whose reasonable prospects of earning livable incomes from employment are limited by disability or other circumstances;
- Building on the Ontario Child Benefit to develop an expanded range of income and services to be available to all low-income Ontarians; and
- Strengthening 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.

Commission for the Review of Social Assistance in Ontario

In 2010, responding to the recommendations of SARAC, the province established the Commission for the Review of Social Assistance in Ontario. Following extensive consultation, in 2012, *Brighter Prospects*, the Commission's final report was released. It

set out more than 100 recommendations to transform social assistance into a simpler, more effective and more accountable system that removes barriers to employment and increases opportunities to work. More specifically, to enhance employment, the Commission recommended:

- Replacing Ontario Works and Ontario Disability Support Program with a single, integrated employment-focused program and providing individualized employment services and supports to all recipients based on "distance from the labour market";
- Positioning municipalities as full partners with the province in managing and planning employment services in their communities;
- Harnessing municipal delivery to leverage connections to local employers and other human services; and
- Improving access to strengthened employment services and supports and ensuring collaborative employment planning between recipients and caseworkers.

Meanwhile, with regard to benefits, the Commission recommended:

- Introducing a simplified benefit structure with a single, standard rate for adults that reflects different costs of living across the Province;
- Increasing the new standard rate by \$100 a month over the current rate and allowing all people on assistance to earn an additional \$200 per month in employment earnings without any impact on benefits;
- Set the new standard rate using a "Basic Measure of Adequacy" that balances adequacy, fairness and work incentives.
- Extending benefits to all low income Ontarians so that ultimately disability, children's and health benefits are removed from social assistance to eliminate structural barriers to work;
- Consolidating existing funding for employment-related benefits into a block fund to provide municipalities with greater flexibility to meet local needs; and
- Simplifying asset and other rules so that caseworkers can spend more time helping clients.

Collectively, these initiatives and reviews have consistently highlighted key limitations of the current social assistance system and outlined key steps to, for example, improve income adequacy, reduce administrative complexity, eliminate unnecessary rules and practices and to establish more client-centred and supportive relationships. In addition, they have also argued that changes to social assistance must be considered within the broader context of income security, and that many benefits and supports, such as housing allowances and dental benefits, might best be delivered outside social assistance. Finally, they have also recognized the need to provide more effective employment services, to work more closely with employers and to better integrate social assistance and employment services with economic development and other human services. In doing so, they have noted the unique role that municipalities can play with regard to the planning, management and delivery of services.