



Society of Saint Vincent de Paul Ontario Regional Council

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Minister of Finance c/o
Budget Secretariat Frost
Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1

January 25 2016

RE: Ontario Budget 2016

Hon. Charles Sousa;

The Society of Saint Vincent de Paul, Ontario Region appreciates this opportunity to participate in the 2016 Pre-Budget Consultation process for Ontario

The Society of St. Vincent de Paul is a non-profit registered charity that has been serving our neighbours in need in Ontario since 1850. In 2014 over 5300 of our volunteers assisted more than 150,000 people through 69,000 visits. We offer assistance such as friendship, food and furniture vouchers. In partnership with other levels of government, our organization also operates shelters, homes for people with developmental disabilities, residences for people coping with mental illness or addiction issues and an affordable housing building in Toronto.

Our experience in serving vulnerable Ontarians leads us to suggest the following specific budget measures and revenue tools. They are compatible with the goals expressed in Ontario's Poverty Reduction Strategy as well as the government's stated objective of providing infrastructure investment that will move the province's economy forward.

Invest in the development of Affordable Housing

The vast majority of the people we assist are either living in substandard housing or paying far too much of their income to keep a roof over their heads. The availability of safe, secure and affordable housing is a basic element required to keep people out of poverty and to be able to live healthy, productive lives. The province's Expert Advisory Panel on Homelessness recommended an end to homelessness within the next decade. Since the government accepted this recommendation, its Budget needs to reflect the intention to make this a reality.

The Canadian Medical Association report, “What makes us sick” in 2014 states that inadequate housing contributes significantly to allergies and chronic health conditions. As well, market rent rates consume a huge portion of income that people who are economically disadvantaged have available. Many families cannot afford to buy healthy, nutritious food after paying the rent.

Studies have demonstrated that money invested in affordable housing pays other dividends. An economic multiplier effect is realized when the employment and goods and services generated by this infrastructure investment are considered. This stimulates local as well as regional economies. Providing safe affordable and secure housing improves the quality of life in the community on several fronts.

Increase Social Assistance Rates

For many years, the annual increase in Social assistance incomes has been around 1%, which is consistently less than the rate of inflation. In 2013, John Stapleton from the Mowat Centre wrote in the Toronto Star that social assistance rates would have to be raised 56% to equal the buying power that they had before they were cut in 1995.

We urge the 2016 Budget to take steps to stop the exacerbation of poverty for our most vulnerable citizens. When the increased cost of food is considered, the effect of inflation on people living on social assistance is far more severe than it is for the mainstream population. The government should set social assistance rates to the inflation-adjusted level that they were in 1995, before they were slashed. This can be achieved by raising them at double the rate of inflation annually until they reach this threshold, and then by the rate of inflation going forward.

Raise Minimum Wage to \$15 per hour

Currently a family of four with two adults working full time at minimum wage do not earn enough to rise above Statistics Canada’s Low Income Measure. People working full time should not be living in poverty. A \$15 an hour minimum wage would remedy this and bring people much closer to a Living Wage for the province of Ontario.

Low income earners do not invest their money in off-shore accounts or buy out of province vacation properties. This increased wage would stimulate local economies when people spend it on food, clothing, shelter and immediate necessities.

Revenue Generation – A Social Infrastructure Tax

We advocate the establishment of a Social Infrastructure tax. This would be accomplished by raising the Provincial Sales Tax 1% (to 6%) for a combined HST in Ontario of 14%. This is not unprecedented and in fact would still be 1% less than the combined GST / PST Ontarians were paying in 2005. It would put Ontario in line with the HST rate in PEI and 1% lower than both Nova Scotia and Quebec.

This 1% increase would see Sales Tax revenue increase from approximately \$22B (2014-15) to \$26B. These additional revenues would be dedicated to implementing the province’s Ontario Poverty

Reduction Strategy. Tax increases are more readily accepted when the reasons for the increases are transparent, accounted for and target specific objectives. Similar to the GST rebate, it should be means tested so that low-income earners are not too adversely effected.

Existing Revenue – Land Transfer Tax

Currently the Land Transfer Tax in Ontario generates approximately \$1.4B annually. It is fitting that a portion of this revenue should be dedicated to the development of Affordable Housing. Vehicle owners and operators understand that license fees help offset the cost of building and maintaining our roads and highways. In a similar way, home buyers should contribute to the development of Affordable Housing through the purchase of their home. It acknowledges that there are members of our community who cannot afford their own home and provides a social safety net that the payer might need should their own circumstances change over time.

In summary, we believe the budget needs to include measures to increase access to safe, secure affordable housing. This is in keeping with the objectives of the current Poverty Reduction Strategy and truly serves the greatest number of economically vulnerable people.

An increase to Social Assistance Rates and a \$15 per hour minimum wage that comes closer to lifting workers out of poverty would serve as economic stimuli to local and regional businesses.

A 1 % increase to the Provincial Sales Tax, dubbed the Social Infrastructure Tax, and dedicating a portion of the existing Land transfer Tax to the development of Affordable Housing provides a transparent and accountable revenue source that Ontario taxpayers can support and endorse.

Sincerely;

Danny Bourne & Corry Wink
Co-Chairs
Voice of the Poor Advocacy Committee
Society of Saint Vincent de Paul, Ontario Region