



Advancing the right to an adequate standard of living in Ontario

Written submission for the Ontario pre-budget consultations in advance of the 2024 provincial budget

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About Maytree

Maytree is a Toronto-based human rights organization dedicated to advancing systemic solutions to poverty. Taking a human rights-based approach to our work, we examine the systems that create poverty and advocate for ways forward that are grounded in human rights law.

The right to an adequate standard of living

Canada has signed many international declarations, covenants, and conventions that confer legal form on inherent human rights. These rights are not just civil and political, but also economic and social, which relate to our ability to live with dignity and participate in society.

A central component of economic and social rights, and the focus of Maytree's work, is the right to an adequate standard of living. This concept means that everyone has the right to a standard of living adequate for their well-being, including adequate food, housing, and social security.¹ By committing to fulfill this right, Canada committed to take continuous, proactive action towards helping everyone achieve an adequate standard of living.

Because human rights obligations apply to all orders of government, Canada received the full consent of all provinces before agreeing to fulfill economic and social rights under international law.² What's more, provinces have jurisdiction over many services necessary to fulfill the right to an adequate standard of living, such as income, employment, and housing supports.

It is in this spirit that Maytree calls on the Ontario government to advance the right to an adequate standard of living in its 2024 budget.

1 United Nations. (n.d.). *Universal Declaration of Human Rights*. <https://www.un.org/en/about-us/universal-declaration-of-human-rights>.

2 For a detailed discussion of the provinces' role in ratification of international human rights covenants, see P. LeBlanc. (1994). Canada's Experience with United Nations Human Rights Treaties. *The Agendas for Change Series: Perspectives on UN Reform* No. 3.

Guiding principles

Maytree's recommendations are guided by Canada's official human rights-based principles:³

- Equality and non-discrimination: Meaning that all individuals are recognized as equal and entitled to human rights, without discrimination. This principle also means recognizing and considering people's differing needs and circumstances.
- Participation and inclusion: Meaning that all individuals are given the opportunity to participate, and contribute to, the enjoyment of their rights. This principle also recognizes that the voices of those most affected by decisions should be given consideration.
- Transparency and accountability: Meaning that everyone has the right to access information on public policies, decisions, and funds. This principle also means being able to hold those in power accountable for their actions.

Together with these guiding principles, Maytree encourages the Ontario government to use its maximum available resources to advance the right to an adequate standard of living, as is required under international law. This means exploring all tools the government has at its disposal to achieve this goal, including fiscal means, but also legislation, regulations, and working with other governments.

Summary of Maytree's recommendations

1. Centre adequacy and dignity in Ontario's social assistance system

- Commit to a plan for multi-year rate increases to Ontario Works and Ontario Disability Support Program (ODSP) benefits.
- Immediately end the freeze on the maximum Ontario Works benefit and restore the benefit's purchasing power by:

3 Government of Canada. (2017). *Human rights-based approach*. https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/human_rights-droits_personne.aspx?lang=eng

- Increasing the maximum basic needs and shelter allowance by at least 15.5 per cent, from \$733 to \$847 per month. This increase is roughly equal to the average annual increase in the Ontario Consumer Price Index from 2019 to 2023.⁴
- Indexing Ontario Works benefits annually to inflation, like the ODSP and other Ontario benefits, to maintain their purchasing power over time.
- Establish an unearned income exemption for Ontario Works and ODSP benefits, in line with other jurisdictions, to ensure that earnings replacement programs like the Canada Pension Plan do not fully claw back social assistance.
- Commit to fully exempting proposed income supports that would complement, not replace, social assistance benefits, such as the Canada Disability Benefit.

2. Help workers keep more of what they earn

- Increase the amount of employment earnings that Ontario Works recipients can have before their benefits are reduced, from the current exemption of \$200 to \$1,000 per month, in line with ODSP.
- Ensure that the needs of social assistance recipients are prioritized when designing supports and performance measures in the newly integrated employment services program.
- Explore ways to enhance supports for workers with lower incomes who may not receive social assistance. This could include:
 - Working with the federal government to transform part of the Canada Workers Benefit (CWB) into the Canada Working-Age Supplement (CWAS) for unattached working-age single adults, as proposed by Maytree and Community Food Centres Canada.⁵
 - Developing an Ontario-specific solution that would support workers regardless of their personal income tax liability, such as by investing in the CWB for Ontario that reflects the CWAS design.

4 Authors' calculations based on Statistics Canada Table 18-10-0005-01.

5 For more details on the CWAS proposal, see: Talwar Kapoor, G., Tabbara, M., Hanley, S., & McNicoll, S. (2022). *How to reduce the depth of single adult poverty in Canada: Proposal for a Canada Working-Age Supplement*. Maytree and Community Food Centres Canada. <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>.

3. Make rental housing more affordable to those who need it most

- Refocus housing supply efforts on affordable rental housing by:
 - Investing in the expansion of non-profit housing solutions, such as by providing more support to non-profit, co-op, and rent-gearied-to-income housing providers.
 - Preserving the integrity of municipal authority to regulate the demolition and conversion of multi-family residential rental buildings.
- Improve housing supports for people with the lowest incomes by:
 - Allowing all recipients of social assistance programs to access the maximum shelter allowance, regardless of their shelter cost and type.
 - Exploring ways to expand eligibility for shelter support outside of social assistance, similar to the Manitoba Rent Assist program.
 - Removing barriers and expanding the reach of the Canada Ontario Housing Benefit.
- Close gaps in rent stabilization policies by extending residential rent increase guidelines to buildings occupied after November 15, 2018.
- Consider ways to address the significant cost inequity between occupied and vacant rental units, such as forms of vacancy control.
- Invest in greater transparency and accountability of the Ontario Landlord and Tenant Board by making information about landlord and tenant filings public and expanding the capacity of the Rental Housing Enforcement Unit.

4. Work with other orders of government to achieve these goals

- Embed human rights considerations into Ontario's policies and programs by:
 - Committing to the progressive realization of the right to adequate housing, similar to the federal government's commitment in the *National Housing Strategy Act, 2019*.
 - Actively participating in federal/provincial/territorial efforts to implement Canada's obligations under international human rights law.

- Coordinate with other orders of government on income, employment, and housing supports, ensuring that efforts by one government are not undermined by another.
- Develop common standards for measuring, reporting, and monitoring progress on affordability and poverty reduction. This could include having a standard definition of affordable housing to be used for program eligibility, as well as using poverty rates and core housing need as progress measures.

The situation: Why an adequate standard of living is out of reach

Rising living costs are greatly impacting people with low incomes. A Statistics Canada study found that more than six in ten people in the lowest income quintile were very concerned with meeting everyday expenses – over three times higher than people in the top income group.⁶

But it is important to recognize that this situation is not a new one. Rather, it is the culmination of policy decisions that have failed to recognize that everyone has the right to an adequate standard of living. Recent increases to living costs have only exacerbated existing challenges.

To advance the right to an adequate standard of living for all people in Ontario, governments must address the systems that are acting counter to this goal – social assistance, employment-related supports, and housing services. And the Ontario budget is the perfect opportunity for the government to do so.

1. Social assistance programs keep people in poverty

Maytree's latest analysis of social assistance adequacy shows that Ontario's system keeps people in poverty.

Maytree found that all of the example households we considered would have had incomes in 2022 below Canada's Official Poverty Line, the Market Basket Measure

6 Uppal, Sharanjit. (2023). Rising Prices and the Impact on the Most Financially Vulnerable: A Profile of Those in the Bottom Family Income Quintile. *Statistics Canada Insights on Canadian Society*. <https://www150.statcan.gc.ca/n1/en/pub/75-006-x/2023001/article/00002-eng.pdf?st=cewFS5z0>.

(MBM).^{7,8} These households also had incomes below 75 per cent of the MBM, a common definition of living in deep poverty.⁹

Despite this dire situation, very few changes have been made to improve social assistance rates.

While we were pleased to see the recent increases to ODSP rates and the decision to index these benefits to inflation, more needs to be done to support the additional living costs and barriers faced by people with disabilities – not just one-off, ad-hoc increases.

What's more, people accessing Ontario Works benefits are being left behind. Even with inflation soaring to levels not seen since the early 1980s, Ontario Works benefits have remained flat. In 2024, a single person without children who accesses Ontario Works can only receive up to \$733 per month in social assistance benefits – the same level they received five years ago. If benefits had been indexed to inflation since 1995, after they were cut under the Harris government, Ontario Works rates would be over \$200 per month higher than they are now.¹⁰

To put Ontario Works benefits in context, the average monthly rent for a one-bedroom unit in Ontario was about \$2,238 in December 2023.¹¹ This means that the typical asking price for a unit suitable to a single-person household is just over three times the maximum Ontario Works benefit. Even if a person found a less expensive place, such as a \$650 per month shared accommodation unit in Scarborough, they would barely have enough left for necessities.¹²

On top of inadequate rates, people accessing social assistance are faced with complex rules that make it difficult to get the support they need. While there is

7 Laidley, J., & Tabbara, M. (2023). *Welfare in Canada, 2022*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2022.pdf.

8 The Market Basket Measure (MBM), Canada's Official Poverty Line, identifies households whose disposable income is less than the cost of a "basket" of goods and services that represents a basic standard of living.

9 Laidley, J., & Tabbara, M. (2023). *Welfare in Canada, 2022*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2022.pdf.

10 Stapleton, J. (2024). Welfare rates now \$200 a month below the Harris cuts of 1995. *Toronto Star*. https://www.thestar.com/opinion/contributors/welfare-rates-now-200-a-month-below-the-harris-cuts-of-1995/article_06db734a-ab33-11ee-ab89-23211679736c.html.

11 Rentals.ca. (2024). *January 2024 Rentals.ca Report*. <https://rentals.ca/national-rent-report#:~:text=Apartment%20rents%20for%20purpose%2Dbuilt,reaching%20an%20average%20of%20%241%2C932>.

12 Stapleton, J. (2024). Welfare rates now \$200 a month below the Harris cuts of 1995. *Toronto Star*. https://www.thestar.com/opinion/contributors/welfare-rates-now-200-a-month-below-the-harris-cuts-of-1995/article_06db734a-ab33-11ee-ab89-23211679736c.html.

a place for verifying eligibility to access a program, the social assistance system spends too much time policing the poor rather than supporting their needs and investing in their skills.

In addition, only some forms of “unearned” income are exempt from determining social assistance benefits. For example, children-related benefits like the Canada Child Benefit are exempt from calculating social assistance levels, but earnings replacement programs like the Canada Pension Plan Disability benefit or Employment Insurance are not. While some other types of income, such as refundable tax credits, are exempt from social assistance, more could be done for those who receive support from earnings replacement programs. This work should include exploring ways to exempt complementary income supports from other governments, like the proposed Canada Disability Benefit.

Taken together, the social assistance system simply is not working. Urgent attention is needed on changes that would make benefits more adequate and accessible.

2. Work supports do not reflect reality

Ontario has had strong job creation coming out of COVID-19. But focusing on this more recent trend masks the impacts of structural labour market changes over the past few decades.

From 1997 to 2015, non-standard employment grew at an average annual rate of 2.3 per cent per year – nearly twice as fast as standard employment.¹³ Non-standard employment includes temporary work, self-employed work without paid help, part-time work, and work in multiple jobs where the main job pays less than the median wage.¹⁴

In addition to more jobs with lower security, wages have not kept up with inflation. In 2022, the average hourly wage rate increased 4.2 per cent – well below the average annual inflation rate of 6.8 per cent.¹⁵ Only 2 of 16 industry groups and 5 of 34 occupation groups in Ontario had wages grow above the inflation rate in 2022.¹⁶

13 Government of Ontario. (2017). *The Changing Workplaces Review: An Agenda for Workplace Rights*. https://files.ontario.ca/books/mol_changing_workplace_report_eng_2_0.pdf.

14 Ibid.

15 Financial Accountability Office of Ontario. (2023). *Ontario’s Labour Market in 2022*. <https://www.fao-on.org/web/default/files/publications/EC2301%20Labour%20Market%20Report%202022/2022%20Labour%20Market%20Report-EN.pdf>.

16 Ibid.

Many of Ontario’s employment-related supports do not reflect this reality. When work is not a guaranteed ticket out of poverty, the role of government benefits must change to support the working poor.

Ontario’s social assistance programs, for example, only exempt a low level of earnings before they start to claw back benefits. In Ontario Works, the exemption for earnings is \$200 per month, while in ODSP, the exemption for earnings is \$1,000 per month. Any earnings gained after this amount claws back social assistance benefits by 50 cents per dollar for Ontario Works and 75 cents per dollar for ODSP.

This earnings exemption design reflects the flawed belief that a toehold in the labour market is enough to begin withdrawing government support. In reality, work is no longer a guarantee of security and an adequate income in Ontario.

It also assumes that continuing to receive additional public support would discourage people from working more, yet this is not the case. People often do not have control over how much they work – especially in a labour market with more non-standard work – limiting their capacity to earn more income outside of the social assistance system.

Instead of considering the unique needs and employment barriers of very low-income Ontarians, changes are focused on making employment services “...more efficient, more streamlined, and outcomes focused” through a one-size-fits-all approach that assumes a good job is just around the corner.¹⁷ For this reason, this type of design may end up doing more harm than good for people receiving social assistance.

Outside of the social assistance system, those families relying on low-wage work have benefitted from Ontario’s minimum wage increases. However, research from the Canadian Centre for Policy Alternatives shows that it is still too low to pay for rent – an Ontario worker would have to earn \$25.96 per hour to afford the average market rent for a one-bedroom unit in 2022, over \$10 higher than the minimum hourly wage.¹⁸ This analysis clearly shows that even for minimum wage workers, more support is needed for basic living expenses.

While the Ontario government has recognized the importance of supporting minimum wage workers through the Low-Income Workers Tax Credit, this benefit

17 Ontario Ministry of Colleges and Universities. (2022). *Employment Services Transformation*. <https://www.tcu.gov.on.ca/eng/eopg/programs/est.html>.

18 Macdonald, David and Ricardo Tranjan. (2023). *Can’t Afford the Rent: Rental Wages in Canada 2022*. Canadian Centre for Policy Alternatives. <https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2023/07/cant-afford-the-rent.pdf>.

is regressive – you get more when you earn more, instead of providing more support at lower earnings levels. As a non-refundable tax credit, it only reduces personal income taxes owing. If a person does not have a tax liability, they do not receive a benefit. In addition, recent changes to the credit deepen support for higher earners only – in 2022, the income level at which the benefit reaches zero was extended from \$38,500 to \$50,000 for singles, and from \$68,500 to \$82,500 for families.¹⁹

An alternative and progressive taxation model would provide the most support to workers with the lowest incomes, regardless of their personal income tax owing.

One example of this approach is the Canada Working-Age Supplement (CWAS), as proposed by Maytree and Community Food Centres Canada (CFCC). The CWAS proposes transforming the existing Canada Workers Benefit (CWB) for unattached single adults of working age by making the following parameter changes:

- Adding a floor benefit of \$3,000 per year, which would be provided to those with very little or no employment income. This change contrasts to the current CWB design, where people need \$3,000 or more in earnings per year before they receive the benefit.
- An employment boost – that is, a benefit that is phased in as earnings increase – of up to \$1,000 per year.
- A maximum benefit of up to \$4,000 per year, combining the floor benefit and the employment boost.
- A broader reach, meaning that benefits would continue to be provided to those more moderate earnings, until adjusted family net income reaches \$49,611.

Implementing the CWAS would markedly improve the quality of life of unattached working-age singles in Ontario. For example, Maytree’s analysis of the impact of the CWAS shows that many part-time minimum wage workers would no longer live in deep poverty and many full-time minimum wage workers would have incomes above the Official Poverty Line.²⁰

19 Government of Ontario. (2022). *Annex: Details of Tax Measures and Other Legislative Initiatives*. <https://budget.ontario.ca/2022/annex.html>.

20 Tabbara, M., & Talwar Kapoor, G. (2023). *Reducing poverty among minimum wage workers in Ontario: The potential impact of the Canada Working-Age Supplement*. Maytree. <https://maytree.com/wp-content/uploads/Reducing-poverty-among-minimum-wage-workers-in-Ontario-potential-impact-of-CWAS.pdf>.

To advance such an approach, Ontario could advocate for the federal government to develop a Canada-wide CWAS, or could redesign the CWB for Ontario to reflect the CWAS design.

3. Rents are not affordable to people who have low incomes

While many people in Ontario are struggling with housing costs, this challenge is most acute for people who have low incomes.

In 2021, approximately 12 per cent of people in Ontario were living in core housing need, meaning that their housing did not have enough rooms, needed major repairs, and/or would require them to spend 30 per cent or more of their income to pay for it.²¹ Renters were found to have particularly high rates of core housing need in larger cities – in Toronto, renters were more than twice as likely to live in core housing need compared to homeowners (28.7 per cent vs. 9.6 per cent).²²

Renters with lower incomes also face greater affordability challenges compared to renters with higher incomes. The Wellesley Institute found that in 2021, 90 per cent of Toronto households who made under \$20,000 reported spending over 50 per cent of their income on housing, compared to less than one per cent of households with incomes of \$100,000 or more.²³

Core housing need is impacted by the size of the subsidized housing wait list, and vice versa. According the Financial Accountability Office of Ontario, the number of households living in core housing need could grow to about 815,500 in 2027.²⁴ This projected growth in core housing need is also expected to put more pressure on the wait list for subsidized housing, which is already at roughly 215,000, with many people waiting over 10 years.²⁵

Despite the need for non-market housing, Ontario's Housing Supply Action Plan is mainly focused on creating more market housing and encouraging

21 Statistics Canada. (2022). To buy or to rent: the housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home. *The Daily*. <https://www150.statcan.gc.ca/n1/en/daily-quotidien/220921/dq220921b-eng.pdf?st=U1cDYatj>.

22 Ibid.

23 Sheppard, C., & Balasubramaniam, A. (2022). *Erosion of Affordable Rental Housing in Toronto: Findings from the 2021 Census*. Wellesley Institute. <https://www.wellesleyinstitute.com/housing/erosion-of-affordable-rental-housing-in-toronto-findings-from-the-2021-census/>.

24 Financial Accountability Office of Ontario. (2021). *Housing and Homelessness Programs in Ontario*. <https://www.fao-on.org/web/default/files/publications/FA1906%20Affordable%20Housing/Housing%20and%20Homelessness%20Programs-EN.pdf>.

25 Ibid.

home ownership. Instead, investments could be better targeted by, for example, providing greater support to non-profit providers that offer a wide range of housing options, including supportive housing programs for people living with mental health and substance abuse challenges.

Certain elements of the Housing Supply Action Plan could also harm the preservation of affordable rental housing.

For example, the Minister of Municipal Affairs and Housing has been given the authority to make regulations governing municipalities' rental replacement powers. While we are pleased to see the government move away from the language of "imposing limits and restrictions" in this regard, it will be important for municipalities to have the ability to protect existing affordable housing units. More supply is not just about building new, but also preserving the existing stock – these types of policies are one of the main levers that municipalities have to do so.

And while expanding the supply of affordable rental housing should be a priority for the government, these actions will take time to implement and affect the cost of rent. The reality is that many people need housing now and are required to find this housing in the private market. However, there is very little financial assistance available to lower-income renters.

Social assistance benefits, for example, are separated into two components: one for basic needs and one for shelter costs. To access the shelter component, people must report that they have shelter costs, and these costs must fall into one of the categories identified by the government. This means that people who do not have specific types of shelter costs, like people who live in encampments, would only be able to access the basic needs portion of the benefit.

There is just one broadly available province-wide shelter benefit offered outside of social assistance – the Canada Ontario Housing Benefit (COHB). The COHB provides financial assistance tied to the individual, not the housing unit, and is determined based on income and average market rents.

Having a benefit that is not tied to a specific housing unit can help reduce core housing need, but the current COHB design is restrictive, and funding is time-limited. Access is tied to eligibility for the wait list for subsidized housing, and once the benefit is accepted, people are taken off this list, despite the fact that the benefit will end in 2029.

Greater investment in the COHB is needed by all levels of government to better support existing recipients and expand eligibility. Ontario could also explore ways

to provide support to lower-income renters outside of social assistance or rent-geared-to-income programs, such as the Manitoba Rent Assist program.

Gaps in Ontario's rent stabilization policies must also be addressed to ensure that actions to make rental housing more affordable are not eroded over time.

For example, only residential buildings occupied or built before November 2018 are subject to rent increase limits. This allows property owners of newer buildings to increase rent each year by any percentage they wish, even if this percentage is higher than inflation.

There are also no limits to how much rent can be increased between tenancies, sometimes called vacancy decontrol. That is, when an existing tenant vacates a unit, the new tenant can be charged any amount.

A 2023 report from the Canada Mortgage and Housing Corporation highlights the impact of vacancy decontrol on affordability. The report found that between October 2021 and October 2022, the average rent for purpose-built two-bedroom units that were taken over by new tenants increased by 18.3 per cent in Canada, compared to 2.9 per cent for similar units occupied by existing tenants.²⁶ This disparity in rent between new and existing tenants is even wider in Toronto – the average rent for a two-bedroom unit taken over by a new tenant increased by a startling 29.1 per cent between October 2021 and October 2022, compared to 2.3 per cent for similar units with existing tenants.²⁷

While the Ontario Landlord and Tenant Board can help address tenant concerns, monitoring and compliance of tenant rights mainly relies on the tenant taking action. Information about filings related to rent increases and evictions are made public on an ad-hoc basis through independent research, rather than through a public monitoring mechanism.

Collectively, it is clear that a new approach to rental housing is needed. This approach should include a combination of income and housing supports, as well as transparency initiatives, that would help make rental housing more affordable to people with the lowest incomes.

26 Canada Mortgage and Housing Corporation. (2023). Rental Market Report: January 2023 Edition. *Housing Market Information*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>.

27 Ibid.

4. Governments are not working together effectively

All governments in Canada have the same obligation to respect, protect, and fulfill the right to an adequate standard of living. All governments also have roles and responsibilities in the provision of income and housing security programs, and competing priorities or a lack of coordination can impede progress.

To address this challenge, Ontario should not only work across its own government, but play a leadership role at federal/provincial/territorial meetings for ministers responsible for human rights. Ontario could use these meetings to:

- Collaborate on an accountability framework to implement Canada's human rights responsibilities, especially those related to economic and social rights;
- Develop a standard definition of affordable housing to be used across programs, grounded in the recognition of adequate housing as a fundamental human right;
- Monitor investments in income and affordable housing supports and set targets for these supports (e.g., the number of households lifted out of poverty or removed from core housing need); and
- Publicly report on progress against these targets over time.

The way forward

A systems-wide, whole-of-government approach is necessary to advance the right to an adequate standard of living in Ontario.

In the 2024 budget, Maytree calls on the Ontario government to:

1. Centre adequacy and dignity in the social assistance system;
2. Help workers keep more of what they earn;
3. Make rental housing more affordable to those who need it most; and
4. Work with other orders of government to achieve these goals.

Maytree is pleased to have the opportunity to provide input to the 2024 Ontario budget. We welcome any questions or comments on our proposed recommendations.