

June 22, 2010

**Greg deGroot-Maggetti, Co-Chair
Mike Creek, Co-Chair
25 in 5 Network Steering Committee**

Dear Greg, Mike and Steering Committee Members,

The Put Food in the Budget (PFIB) Campaign Advisory Committee, supplemented with partners from communities across the province, had a teleconference call this week to discuss the Advisory Council's Report released last week.

There was agreement among our partners that an income security system must be developed that provides both adequacy and dignity to all low income people in Ontario. There is concern about the twelve to eighteen month timeframe that the Advisory Council projects for conducting a review that would result in a transformed income security system. We agree with the 25 in 5 Network's position that the Premier should be urged to establish the review process as soon as possible.

The PFIB leadership and supporters, however, are seriously concerned about the inadequacy of the Advisory Council's recommendations for immediate action and the 25 in 5 Network's support for the Advisory Council's recommendations in that regard. Tax credits, rate increases, or a new housing benefit are presented as options for immediate action by the Advisory Council. The Report clearly expresses favour for either tax credits (pp. 8-9) or a new housing benefit (p. 15), while it refers to "the futility of attempting to achieve the goal of 'income security' solely through social assistance rates" (p. 9). PFIB challenges this position as indicated in a copy of our letter to the advisory Council accompanying this letter to 25 in 5.

The PFIB Campaign appreciates that the 25 in 5 Network did not reinforce the notion that rate increases are futile. We especially recognize and appreciate that the Network specifically recommended the Healthy Food Supplement as the first option for immediate action in its media release on the Report.

We are concerned, however, that the 25 in 5 Network is considering tax credits or a housing benefit as viable options for immediate action and that promoting these options alongside the HFS will dilute and create confusion in our advocacy efforts for improved income support to OW and ODSP recipients now.

The most consistent and specific proposal for immediate action remains the \$100/month Healthy Food Supplement as the first step towards income adequacy in social assistance rates.

Tax credits are not an immediate response to the pressing issue of woefully inadequate incomes. The SARAC Report is completely vague on what type of credits it has in mind. Current tax credits for adults out of the labour market tend to be low. It will take time for provincial and federal governments to consider and implement tax credits that can become adequate sources of basic income for all adults on social assistance. In contrast, the Healthy Food Supplement is clear, serious and practical. It is a matter of adding \$100/month to the existing Basic Needs Allowance that people already receive.

A housing benefit is consistent with SARAC's call for long-term reform of the income security system. However, as with tax credits, it is not an immediate response to existing needs. A well-designed and adequate housing benefit will take a year or more to develop and implement. Nor is it clear how many households on social assistance will qualify for the benefit, and how significant the benefit will be, until a concrete proposal is presented for public consideration. In contrast, the Healthy Food Supplement is to be an immediate benefit of \$100/ month for all adults on social assistance.

Therefore, PFIB asks that the 25 in 5 Network support the position that the Government be urged to take immediate action on chronic hunger and poor health among people living on social assistance by introducing the \$100/month Healthy Food Supplement as the first step toward income adequacy for people on OW and ODSP. Again, this is the only specific proposal that is on the table that really responds to the immediate needs that exist now.

We ask 25 in 5 to distinguish immediate action on the HFS from support for tax credits and/or a housing benefit, which, depending on their design, may be viable options for consideration in the longer-term review of the income security system.

Respectfully Yours,

**Mike Balkwill
On behalf of
Co-ordinating Committee,
Put Food in the Budget Campaign,**

**Susan Bender, South Riverdale Community Health Centre
Trudy Beaulne, Social Planning Council of Kitchener-Waterloo
Naomi Berlyne, Houselink, ODSP Action Coalition
Peter Clutterbuck, Social Planning Network of Ontario
Nadia Edwards, The Stop Community Food Centre
Michelle Gratton, Social Planning Council of Cornwall and Area
Ruth Ingersoll, Community Development Council Quinte
Gracia Janes, Niagara Social Assistance Reform Network
Tara Kainer, Sisters of Providence, Kingston.
Yvonne Kelly, York Region Food Network
Susan Muma, 25 in 5 Hamilton Network for Poverty Reduction
Darren Nesbit, leader in poverty reduction from Sarnia
Deirdre Pike, Social Planning and Research Council of Hamilton and
25 in 5 Hamilton Network for Poverty Reduction
Tom Pearson, Poverty Action for Change Coalition, York Region
Jonah Schein, The STOP Community Food Centre
Jim Sinclair, Poverty Reduction Work Group of Nipissing
Sister Priscilla Solomon, Poverty Reduction Work Group of Nipissing
Bronwyn Underhill, Fairview Community Health Centre**