

NOV 19 2018

Minister of
Families, Children and
Social Development



Ministre de
la Famille, des Enfants et
du Développement social

Ottawa, Canada K1A 0J9

NOV 05 2018

His Worship Fred Eisenberger
Mayor of Hamilton
71 Main Street W, 2nd floor
Hamilton ON L8P 4Y5

Dear Mr. Mayor:

I am responding to your letter of September 4, 2018, in which you convey your concerns regarding the Province of Ontario's decision to end the Basic Income Pilot. I, too, am concerned about this decision after a promise not to end it.

Since the pilot's introduction in 2016, I have been clear and consistent in saying that the Ontario Basic Income Pilot was a positive development and that I was looking forward to reviewing the results of the program. I am disappointed that social development policies in Ontario and across Canada will not benefit from a fulsome pilot and complete data. I am also deeply concerned that some pilot participants may have been made more vulnerable as the result of the pilot's premature cancellation.

That being said, it is important to acknowledge that it is up to the provinces to make decisions around the design of their social assistance systems and policies. The Government of Canada must balance its commitment to increasing economic and social security for all Canadians with the realities of federalism. Investments made under *Opportunity for All—Canada's first Poverty Reduction Strategy*, which was announced in August 2018, seek to achieve this balance and address many of the challenges that some pilot participants may be facing.

I am proud to say that we have already implemented several measures to support the objectives of the Strategy, which sets ambitious and concrete targets for poverty reduction. We aim to reduce poverty by 20 percent by 2020, and by 50 percent by 2030, according to the new Official Poverty Line. This year, the Government announced planned investments of nearly \$10 billion in new spending in support of poverty reduction. The federal government has invested \$22 billion over the 2016–2017 to 2018–2019 period, and we have also committed new investments of over \$12 billion for 2019–2020.

You will be pleased to know that, by design, many of our new initiatives act as a basic income to specific groups who need it most, like families, seniors, and low-income Canadians working hard to join the middle class. This includes the Canada Child Benefit (CCB), which provides

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substantial income support to families raising children. The CCB is tax-free, based on income, and provides more support to families who need help the most. The CCB helps almost 3.7 million families and over 6.5 million children, putting nearly \$24 billion annually, tax-free, in the hands of families. The CCB is lifting over half a million individuals, which includes about 300,000 children, out of poverty. In Ontario, during the 2017-2018 benefit year, there were almost 1.4 million families receiving the CCB, representing almost 2.5 million children. The average monthly CCB paid to these families was approximately \$540 during this period.

For Canadians in their senior years, the Old Age Security (OAS) program plays a significant role in providing income security. OAS pensioners who receive little or no income, other than the OAS pension, are also eligible for additional assistance through the Guaranteed Income Supplement (GIS). The GIS is income-tested to ensure that this additional assistance is provided to seniors most in need. In July 2016, the Government of Canada increased the GIS by up to \$947 annually for the lowest-income single seniors. This increase to the GIS represents an investment of \$670 million per year and improves the financial security of close to 900,000 vulnerable seniors across Canada.

In addition, in Budget 2018, the Government announced the strengthening of the Working Income Tax Benefit by making it more generous and more accessible. This strengthened benefit, which will be renamed the Canada Workers Benefit, will take effect in 2019. The Canada Workers Benefit offers real help to more than 2 million Canadians who are working hard to join the middle class.

We are also ensuring Canadians who face challenges in obtaining affordable and adequate housing benefit from Canada's first-ever National Housing Strategy— a 10-year, \$40-billion Strategy which will address housing needs in Canada across the continuum, from homelessness, to shelters and community housing, to affordable rental housing and homeownership. One of the key initiatives under the National Housing Strategy is the National Housing Co-Investment Fund, which will provide new funding and low-interest loans to repair existing rental housing and develop new, high-performing affordable housing. In addition, the Government will partner with provinces and territories on a jointly funded Canada Housing Benefit (to be launched in 2020), that will provide financial support directly to families and individuals struggling to pay rent.

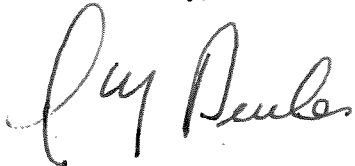
The Government of Canada is proud to have signed a bilateral agreement under the National Housing Strategy, which will provide long-term, predictable funding for housing in Ontario. The 10-year agreement will invest more than \$4.2 billion to protect, renew and expand social and community housing, and support Ontario's priorities related to housing repair, construction, and affordability. Since Budget 2016, we have invested more than \$1.5 billion in affordable housing for the Province of Ontario, assisting over 200,000 households.

The federal government, guided by the Poverty Reduction Strategy, remains committed to reduce poverty, working with all partners, including the provinces and territories, municipalities, Indigenous peoples, community groups, academics, social innovators and Canadians who have experience of poverty.

I encourage you to continue to work with the Government of Ontario to make poverty reduction a priority, and to make your views about the cancellation of the Basic Income Pilot, and those of your fellow Ontarians, known to their representative.

I hope that this information is helpful in addressing your concerns. Thank you for writing.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Jean-Yves Duclos".

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children, and Social Development