

ISARC

Interfaith Social Assistance Reform Coalition

"Faith Communities In Action Against Poverty"

ISARC e-Newsletter, January 2010

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In This Issue:

- **Will the Social Audit make a difference?**
- **How will the HST affect the poor?**
- **Affordable housing is key to our future**
- **Ontario Pre-Budgetary Hearing**
- **No one in Ontario should go hungry**
- **Community Justice Camp - live the change you want to see May 9 – 14**
- **Multifaith Calendar 2010**

ISARC Social Audit: Does It Make a Difference?

by Brice Balmer, ISARC Director

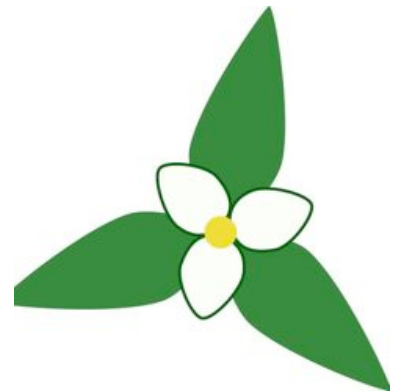
In 2003, a group of persons with mental health issues hosted an ISARC Social Audit Team. A few people told of their experiences with Ontario Works (OW) and Ontario Disability Support Program (ODSP) and then one man said, “Is this going to make any difference? How much power do you have?”

The group took a break for coffee and “a smoke”.

When they returned, it was obvious there had been conversation. The same man said, “You listen. Most people don’t listen to us.” But there were other changes, one of the rapporteurs, a pastor of a large church in the area, found the social audit a personally transforming experience. As a leader in his denomination, he often talked about his day listening to people he rarely met. He spoke to his MPP and others of his experience and urged changes to eliminate poverty in Ontario.

The Social Audit process will not bring revolutionary changes to the lives of Ontarians most marginalized by social assistance and low wage jobs. It will not build affordable housing nor put food on the table.

But it will allow for a different kind of power or influence to emerge for all who participant in the Social Audit. People testifying feel a spark of dignity returning. A group of persons with low incomes, after holding a session to talk about their experiences with staff from a social planning centre, decided that they would testify at a public meeting where politicians and other community leaders attended. They found courage.



The truth is that the Interfaith Social Assistance Reform Coalition (ISARC) has no power to make changes. On that day in 2003, the audit team listened, the testimony of people living in poverty became part of the audit report, *Lives in the Balance*, which was distributed to all Members of the Provincial Parliament, and later ISARC was involved in working for significant changes to social assistance as well as other measures to eliminate poverty.

Rapporteurs, recorders, facilitators, and conveners who listen have the opportunity to reflect on the difficult experiences of people on the margins. How do I walk with them? How would I cope? What does this do to their spirituality and faith? How do we understand how a “higher power” allows these tragedies? How can we understand justice? How do we get beyond charity? What can be done?

The social audit is a transforming event both professionally and spiritually for the many who participate. This is a power stronger than changing legislation. One that encourages people to participate in the political process and argue for the elimination of poverty. It is passion, which moves not only in the political sphere but also builds solidarity.

As a result of past social audits, there are new ideas in the legislative, rules and regulations around social assistance in Ontario. Citizens have been mobilized to speak with politicians. Many who participated no longer believe in the myths, political ideologies, and the media that speak about poverty being only their fault. They also see that there are systemic reasons for poverty and these need to be changed.

When the results of the 2010 ISARC Social Audit are published, all Members of the Provincial Parliament and Members of Parliament in Ontario will receive a copy. Many provinces have now passed poverty reduction laws. A federal legislative committee has been working on similar legislation at the national level, but has been stopped while Parliament is prorogued. The Social Audit is another moment and opportunity to propose positive alternatives to these processes.

Our intention is that the 2010 Social Audit be part of the growing effort to eliminate poverty in Ontario and Canada. People on the margins will be heard and their voices and ideas will significantly contribute to that goal. And the results of the audit and the final report will contribute to legislative solutions to end poverty.

Contact us at info@isarc.ca if you would like to help out. Go to <http://isarc.ca/socialaudit2010.html> for more information and to download *Social Audit 2010: A Faith Community Assessment of the Status Of Poverty in Ontario - Guidelines for Local Planning Committees, Facilitators, Rapporteurs, and Recorders*.

How will the HST affect the poor?

by Greg DeGroot-Maggetti

Greg is a member of ISARC's Steering Committee, Co-Chair of the 25in5 Network for Poverty Reduction (<http://25in5.ca/>), and works as a Poverty Advocate for the Mennonite Central Committee Ontario (www.ontario.mcc.org).

When the McGuinty Government tabled its poverty reduction legislation, the 25 in 5 Network for Poverty Reduction recommended it should require all new legislation, policies and programs be reviewed through a poverty lens to see the impact on people living in poverty and in reducing poverty.

That recommendation did not make its way into the Poverty Reduction Act. But with the introduction of the Harmonized Sales Tax (HST) and accompanying tax changes, there is an

opportunity to take a careful look at what these tax changes mean for people with low incomes and for Ontario's poverty reduction strategy.

Ernie Lightman and Andy Mitchell have done just that in a recent Canadian Centre for Policy Alternatives study, *Not a Tax Grab After All: A second look at Ontario's HST*. At first glance, the new harmonized sales tax spells bad news for low income households. Since it harmonizes Ontario's Provincial Sales Tax (PST) with the federal Goods and Services Tax (GST), many more goods and services, including things like heating fuel, will now be taxed by the province. As a rule, sales taxes fall more heavily on low income households because they spend most of their income, while wealthier households save more of theirs.

What Lightman and Mitchell found, however, was that when you take into account the new refundable sales and property tax credits and a reduction in the lowest personal income tax rate introduced with the HST, lower income households could pay less tax. "Poor families, those with incomes below the Low Income Cut Off (after-tax), come out ahead by around \$140, while non-poor families will lose only about \$60 per year on average."

The refundable tax credits will be paid out in quarterly installments rather than in a lump sum once a year. And the quarterly payments are staggered with the GST credits. This will provide a more even, albeit modest, stream of income for low income households throughout the year.

The caveat is that you need to file a tax return in order to receive the refundable tax credits.

"Low income families and individuals, many members of First Nations and others *who do not tend to file tax returns* will be significantly worse off as they will derive no benefit from the credits or the PIT [personal income tax] cuts."



That means that without a clear strategy to make sure low income families and individuals actually receive the refundable credits, the HST could make them worse off. That is why the 25 in 5 Network for Poverty Reduction has recommended that the Provincial Government undertake outreach efforts in partnership with communities, including First Nations communities, to ensure take up by low income Ontarians of the refundable sales tax and property tax credits.

Whether the Province undertakes those outreach efforts and evaluates the impact of the tax changes on low income households will be a test of the McGuinty Government's commitment to its poverty reduction strategy. And this is an area where groups working to end poverty in

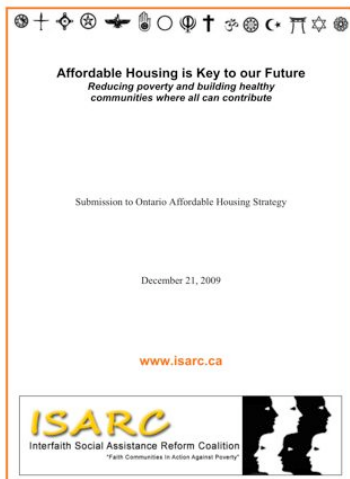
Ontario should pressure the Government to do the outreach and make sure people receive the refundable credits.

Sources

- 25 in 5 Submission to the Government on Bill 218, the HST legislation
<http://25in5.ca/submission-to-the-ontario-government-on-hst/#more-530>
- Not a Tax Grab After All: A second look at Ontario's HST
http://www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/Not_a_Tax_Grab_After_All.pdf
- Bill 218 http://www.ontla.on.ca/web/bills/bills_current.do?locale=en#bill218

Affordable housing is key to our future

Reducing poverty and building healthy communities where all can contribute



Read ISARC Submission to Ontario Affordable Housing Strategy

http://isarc.ca/archives/HousingSubmissionDec21_09.pdf,

where we point out that affordable housing is key to our future.

The faith communities realize that building affordable housing is an important way out of the economic recession. Production of housing uses Canadian products, employs local labour, and increases the tax base for municipalities. Governments have often used housing construction as a boost for the economy.

Income security and affordable housing is key to reducing poverty and building healthy communities where all can contribute. This increases and maintains the dignity of all people, primary ethical criteria for the faith communities.

Ontario Pre-Budgetary Hearing

ISARC will be making a submission to the Standing Committee on Finance and Economic Affairs, as part of the Ontario Pre-Budgetary Hearings, in London, ON, Tuesday, January 26.

Pray for ISARC and the many who are making presentations to eliminate poverty and homelessness in Ontario. Look to our website and e-newsletter for eventual posting of our submission.

No one in Ontario should go hungry

View the compelling video <http://www.youtube.com/watch?v=BCru0SXIJEM> of Darren Nesbit (Sarnia) as he tells of his struggle to live on limited groceries after paying his rent. This presentation occurred at an event convened in Hamilton on Friday, December 4 to mark the first anniversary of the Ontario Government's Poverty Reduction Strategy

<http://www.children.gov.on.ca/htdocs/English/growingstronger/index.aspx>.



The focus of the day was on the Put Food in the Budget Campaign <http://www.povertywatchontario.ca/put-food-in-the-budget/>, advocating for the introduction of a \$100 a month Healthy Food Supplement for all adults on Ontario Works and the Ontario Disability Supports program.

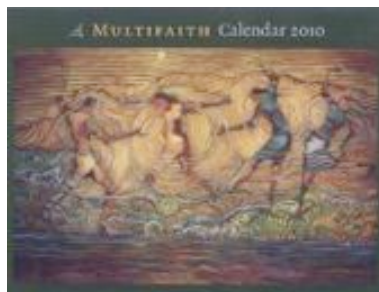
ISARC (as a member of the 25 in 5 Network) was there, participated and shared about our upcoming Social Audit <http://isarc.ca/socialaudit2010.html>.

Community Justice Camp - live the change you want to see May 9 - 14

In May, the Anglican Diocese of Niagara is hosting a Community Justice Camp, focused on the theme of community development. The camp will be interactive with learning through immersion experiences with local justice partners.

Go to <http://www.justicecamp.ca/> for more information and to download a poster.

Multifaith Calendar 2010



Still need a 2010 calendar? This multifaith calendar is a unique reference publication containing important information that is helpful in understanding the religious and cultural activities of those around us. To order go to

<http://multifaithcalendar.org/pages/Home.php>.

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