

Community Dispatch

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POVERTY REDUCTION STRATEGIES IN QUEBEC AND NEWFOUNDLAND & LABRADOR

In September 2007, Community Development Halton's Community Dispatch focused on the Poverty Reduction Strategy outlined in the report "Summoned to Stewardship: Make Poverty Reduction a Collective Legacy." "Summoned to Stewardship" calls for a joint commitment and investment by federal and provincial governments to specific targets and timelines to seriously address poverty, particularly child poverty, in Canada. It also noted with disturbing clarity that Ontario has become the "child poverty centre of Canada."

Released during the campaign period leading up to the Ontario election, "Summoned to Stewardship" resonated in many quarters as an urgent call to action.

Shortly after its release, Premier Dalton McGuinty made a commitment to making poverty reduction a priority of his government, stating that he would introduce firm targets for poverty reduction within a year of re-election. He named Deb Matthews as minister responsible for the development of an Ontario poverty reduction strategy. This commitment was reiterated in the recent Speech from the Throne.

In Halton, Regional Chair Gary Carr, on behalf of Regional Council, has recently written to Premier McGuinty, applauding this action toward poverty reduction in Ontario, and affirming Halton's understanding that poverty reduction requires the commitment of all levels of government.

Despite widespread agreement that to successfully address poverty requires investment and cooperative action among all levels of government, Canada has no national poverty reduction strategy. Nevertheless, two provinces, Quebec and Newfoundland and Labrador, have boldly struck out on their own to do what can be done within their areas of jurisdiction. Both initiatives are of recent vintage, Quebec's strategy dating from 2004, and Newfoundland and Labrador's from 2006; however, there are already indications that these ambitious endeavours are achieving considerable success in poverty reduction in those provinces.

Specific strategies may vary according to the particular circumstances in different provinces and regions; however, those adopted by Newfoundland and Labrador and by Quebec share with "Summoned to Stewardship" an understanding of the policy components that are required in a successful poverty reduction strategy, as well as recognition of the vital importance of concrete targets and timelines. We believe they may provide important examples to Ontario of what can be achieved. This edition of our Community Dispatch provides some highlights of the strategies being followed in those two provinces.

May poverty reduction be the legacy of the New Year 2008.

Joey Edwardh, Executive Director

NEWFOUNDLAND AND LABRADOR

In 2005, the government of Newfoundland and Labrador's Speech from the Throne affirmed its commitment to:

transform Newfoundland and Labrador over a ten-year period from a province with the most poverty to a province with the least poverty.

The government embarked upon consultations with individuals and organizations, identifying the complex dimensions of poverty and developing medium-term goals to be accomplished over the ensuing four years: improved access and coordination of services for those with low income; a stronger social safety net; improved earned incomes; increased emphasis on early childhood development; a better educated population.

The government began implementing the *Action Plan* in its 2006/07 fiscal year. In addition to the initiatives shown in the comparison table, Newfoundland also embarked on numerous other endeavours, among them initiatives for nutrition programs for children; education initiatives for skilled trades, literacy and adult education; and increased funding for family justice and women's centres. It has also recently named, as has New Brunswick, a Minister Responsible for the Volunteer and Non-Profit Sector, important community actors in poverty reduction and prevention. One of the most important components of Newfoundland and Labrador's *Action Plan* is its commitment to measuring outcomes. Recognizing that improving its capacity to track progress is a priority, the *Action Plan* nonetheless embodies important mechanisms for making government accountable for progress toward reaching the goals of the poverty reduction strategy.

QUEBEC

Quebec's poverty reduction strategy is enshrined in legislation. The goal of the *Act to Combat Poverty and Social Exclusion* (2002) is:

to progressively make Québec, by 2013, one of the industrialized nations having the least number of persons living in poverty, according to recognized methods for making international comparisons.

The Act mandates some extremely specific measures, especially in regard to eligibility and income calculations under Quebec's Employment-Assistance Program, as well as clear expectations of reporting, consultation and an "observatory" to exchange information on statistics and indicators by which progress can be measured.

In addition to the elements shown in the following table, Quebec's initiative also includes nutrition and food security measures; specific recognition of social inclusion as a goal of its poverty reduction strategy; the promotion of respect for and protection of the dignity of persons living in poverty; and supporting gender-based analysis.

Comparison of Strategies:
“Summoned To Stewardship” – Quebec – Newfoundland & Labrador

Poverty Reduction Strategies	“Summoned to Stewardship” proposals	Quebec <i>Government Action Plan to Combat Poverty and Social Exclusion</i>	Newfoundland & Labrador <i>Poverty Reduction Strategy (PRS)</i>
Targets, timelines and progress	Reduction of poverty by at least: 25% by 2012 50% by 2017	<p>“To progressively make Québec, by 2013, one of the industrialized nations having the least number of persons living in poverty, according to recognized methods for making international comparisons.” <i>(An Act to combat poverty and social exclusion (2002)</i> www2.publicationsduquebec.gouv.qc.ca)</p> <p>Progress to Date: 2004-2007 (First 3 years of the first 5-year plan, 2004-2009)</p> <ul style="list-style-type: none"> • 14% reduction (since Apr/03) in number of children in families receiving “last resort” assistance • Increase in disposable income (23.3% for single-parent families with pre-school age child, where parent works full-time at minimum wage; 21.9% for single-parent family receiving Social Assistance benefits) • 10% increase in new participants in job-entry measures • 20% rise in participants aged 50+ in public employment services • 12% increase in participation in measures designed to favour labour-market access for people with disabilities <i>(From Year Three Report, Oct 2007</i> http://www.mess.gouv.qc.ca/publications/pdf/ADMIN_bilan-plan-action_annee3_en.pdf) 	<p>“To transform Newfoundland and Labrador over a ten-year period from a province with the most poverty to a province with the least poverty.” <i>(Reducing Poverty: An Action Plan for Newfoundland and Labrador (2006)</i> www.hrle.gov.nl.ca/hrle/poverty/pove-ty-reduction-strategy.pdf)</p> <p>Progress to Date: June 2006-July 2007 (First year of PRS). The PRS is so new, many outcomes are not yet available, and not all aspects of the program have yet been implemented</p> <ul style="list-style-type: none"> • 16.7% increase in minimum wage (33% by Apr/08) • For a 1-earner family, 2 children in high school, in subsidized housing with annual income \$21,000, possible combined financial benefit of additional programs under PRS is about \$3,500. • 25% increase in number of children accessing subsidized child care (currently 1,900 children benefit) • Elimination or reduction of provincial income tax for more than 30,000 low-income individuals • 6,000 more seniors will be eligible for Low-Income Seniors Benefit • \$12.8m to cover secondary school textbooks (previously paid for by parents) • (Govt of Newfoundland and Labrador Media Release & Backgrounder, July 3, 2007 http://www.releases.gov.nl.ca/releases/2007/hrle/0703n01.htm)

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Accountability/ administrative measures		<p>The Minister of Employment and Social Solidarity has overall responsibility. The <i>Act</i> requires government to:</p> <ul style="list-style-type: none"> • develop an action plan, including activities it intends to pursue • improve the income of recipients under the Employment-Assistance program • Minister to make an annual report to the government • an advisory committee appointed from the sectors concerned • observatory to provide indicators and statistical information for measuring progress on poverty reduction 	<ul style="list-style-type: none"> • Minister of Human Resources, Labour and Employment to make annual statement of progress to the House of Assembly • bi-annual progress report on indicators, including approaches for addressing gaps • cross-departmental integrated approach to improve access and coordination of services for persons with low incomes • PRS integrated into strategic planning measures across government • Examining combined impact of programs and the tax system to avoid unintended results for low income persons
Overall investments		Planned \$2.5b over first 5 years, boosted to actual \$3b	\$ 64m annually, enhanced for 2007 to \$ 91m
Child benefit	Increase National Child Benefit Supplement to \$5,100 (in 2007 dollars)	<ul style="list-style-type: none"> • Universal Child Assistance measure with \$2,000 annual support (over and above federal child benefits) for first child, \$1,000-1,500 for each additional child 	<ul style="list-style-type: none"> • Newfoundland/Labrador Child Tax Benefit for first child increased by \$5 a month to \$332 annually • Mother-Baby Nutrition Supplement increased by \$15 to \$60 per month
Work tax credits (to minimize payroll and income tax impact on those who find work)	Recommended that Federal government institute work tax credits of \$2400/yr	<ul style="list-style-type: none"> • Implementation of “Work Premium,” work tax credit for low- and middle-income workers. Can add \$2,000+ to incomes of those earning \$10,000-\$20,000. Helps 536,000 households (200,000 families with children) 	<ul style="list-style-type: none"> • Elimination or reduction in income taxes for 30,000 low income individuals
Minimum wage	Federal min. wage of \$10/hr (2007 dollars) Increase and index Ontario min. wage to retain value of \$10/hr (2007 dollars)	Quebec Minimum Wage: May 2004- \$ 7.30 per hour May 2005- \$ 7.60 per hour May 2006- \$ 7.75 per hour May 2007- \$ 8.00 per hour	Provincial minimum wage increased from \$6 to \$7, with a further increase to \$8/hr scheduled by Apr 1/08 (a 33% increase overall)

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Restored Employment Insurance (EI) eligibility, and transitional support with decency and dignity	Recommended that Federal government restore EI eligibility to previous levels	<ul style="list-style-type: none"> • Modifications to increase eligibility for the Quebec Employment-assistance program 	<ul style="list-style-type: none"> • Job Start benefit has assisted 1,200 Income Support recipients in transition to work, by helping to bridge time lag before first pay.
Other income supports	Recommended that social assistance payments be raised to 80% of LICO, then to 100% when minimum wage allows a full-time full-year income 20% above LICO.	<ul style="list-style-type: none"> • Indexed adjustments of benefits under last-resort financial assistance programs in 2005, 2006 and 2007. • Social assistance and support programs provide customized support to recipients for their efforts to achieve self-sufficiency and social and vocational integration • Update of legal aid eligibility thresholds. 	<p>Goal: Increase Income Support rates</p> <p>Implemented to date:</p> <ul style="list-style-type: none"> • Increase and indexing of income support benefits resulting in an average increase for families of over \$600 annually
Income for those with disabilities	Basic income system for those people with disabilities	<ul style="list-style-type: none"> • 120,000 households with at least one adult with a severely limited capacity for employment are eligible for Quebec employment-assistance benefits. 	<p>Goal: to increase disability supports</p> <p>Implemented to date:</p> <ul style="list-style-type: none"> • Enhanced board and lodging supplement for adults with disabilities residing with their own family members, to equal that provided to those living with non-relatives (increase of up to \$4,344 annually). • Revision to income support calculations to exclude RESP, RRSP and support trusts. • \$1.8 million to promote greater labour market participation of persons with disabilities
Early learning and child care	Recommended that Federal government make major investments in early learning & child care Recommended that provinces invest provincial revenue in early	<ul style="list-style-type: none"> • Quebec has a pre-existing low-cost (\$7/day) subsidized child care program. • Child Assistance measure improves coverage of needs for children under 18 and provides more generous support, especially for low-income families. 	<ul style="list-style-type: none"> • 1,900 children (25% increase) accessing subsidized child care • \$500,000 to implement a Home Visiting Program for vulnerable children to support parenting and early childhood development. • \$230,000 to increase the private child care allowance to \$400 annually for the first child and \$200 for additional children.

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	learning & childcare		
Affordable housing	<p>Recommended that the Federal government invest in social housing.</p> <p>Recommended that provincial governments invest revenue in affordable housing.</p>	<ul style="list-style-type: none"> • By Mar 31, 2005, 3,196 low-rental and affordable housing units had been built and 7,167 were under construction. • target for social and community housing is 20,000 by 2009. • Housing adaptation for those with disabilities. 	<p>Goal: Increase availability of affordable housing</p> <p>Implemented to date:</p> <ul style="list-style-type: none"> • Lower rent for public housing tenants by excluding CPP, EI and income tax deductions from employment income calculations (approx. \$50/month rent reduction for 1,200 households). • \$350,000 to lower public housing rental rate for senior tenants 55 and older • Increased funding of \$27.5 million over five years for the Newfoundland Labrador Housing’s Modernization and Improvement Program • \$24 million over the next 6 years, to more than double funding for the Provincial Home Repair Program to eliminate current wait list.
Prescription drug and dental benefits for those with low income	Recommended that provincial governments invest revenue in extended drug and dental benefits for those of low income	<ul style="list-style-type: none"> • Free prescription drugs for those seniors who receive at least 95% of the Guaranteed Income Supplement and for all recipients of last-resort financial assistance programs 	<ul style="list-style-type: none"> • Coverage of basic dental services for children 12 and under who lack private coverage (extended in Sep/2007 to those 13-17 in low-income families) • 22,000 more individuals became eligible for Low Income Prescription Drug Program in 2006/7 (caps out-of-pocket drug costs based on net family income)



Produced by Community Development Halton
 860 Harrington Court
 Burlington, Ontario L7N 3N4
 (905) 632-1975, (905) 878-0955; Fax: (905) 632-0778;
 E-mail: office@cdhalton.ca
 Web site: www.cdhalton.ca
 www.volunteerhalton.ca

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