

Alternatives North
Brief
“High Cost of Living”

Presented to the Standing Committee on Accountability
and Oversight
Legislative Assembly of the Northwest Territories
August 18, 2006

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Alternatives North
Comments concerning
Income Security

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Alternatives North has been following the steps taken on the Strategic Plan “Building on Our Success”. We have been involved in the consultation process and model development for income security. We participated on the advisory committee for the new model for income security programs. We see significant improvements to the income security model and are pleased to see the model reflect so much of the input that ourselves and others contributed to the consultation process. We sincerely hope that as MLA’s you will support these proposed positive changes to the income security programs.

While we support the model as presented to the Committee on Social Planning, we understand that it will require increased expenditures. Increases to the amounts recipients receive and sufficient funds for sensitivity training for staff to work with low income families with respect, dignity and compassion.

To alleviate the poverty that income security recipients live, we advocate for;

- Stopping the clawback of National Child Benefit Supplement and child maintenance payments

- Increasing amounts for food and personal/household items, transportation, telephone and school activities
- Access to affordable child care
- Recognition and respect of the value and costs of parenting.
- The principle of gradually decreasing benefits with increased income but not the blanket statement that people who work are better off than those receiving income security.

Alternatives North notes that a discussion on poverty in the NWT is sorely lacking in the Strategic Plan. The gap between the rich and the poor is becoming more evident as the north continues to experience increased economic activity. Households and family structures are changing and we are seeing an increase in the mobility of Northerners, homelessness, increase in shelter use for women and child poverty.

The National Council of Welfare writes in its report *Welfare Incomes 2004* (revised August 2005), that in the Northwest Territories all household types “saw a decrease in the value of their benefits...as gains in territorial welfare payments were offset by the clawback of the supplement to the federal child tax benefit.” Living on income support and working for low wages means living in poverty.

Alternatives North believes that a Poverty Reduction Strategy is needed to adequately address the gaps and to stem any increase in poverty to provide basic needs for our residents. The strategy would allow us to see, document and track the depths of poverty in the NWT.

We will continue to work with government as the Income Security model unfolds with policies and implementation.

**Alternatives North
Comments concerning**

Child Care

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Last year, Alternatives North commissioned a comprehensive study of child care operators in the Northwest Territories. The study results provide a valuable snapshot of the successes and failings of the current system.

Committee members must first understand that the current child care system could not operate without the active support of parents who volunteer as board members and fundraisers, and who participate in program activities in a wide variety of other ways.

As well, child care facilities include a variety of early childhood development and school readiness activities as part of their regular programs and use community resources (e.g. materials and infrastructure) in program delivery.

There is a significant unmet need for child care services in the NWT. Child care facilities are now operating at full capacity, with two-thirds of the centres maintaining waiting lists. The highest unmet demand is for infant spaces within day cares and day homes, and pre-school spaces within pre-school programs.

But how does a discussion of child care fit into your overall theme of our high cost of living, members might ask? Socio-economic conditions in the NWT including the high cost of living - create demand for affordable, quality child care.

68% of women in the NWT work outside the home.

21.5% of families are headed by lone parents (mostly women).

14% of families and 21.5% of children live with low income.

The economic and social burden associated with child care falls more heavily on women and those with low income. And the economic situation of northern families is greatly worsened by the high cost of living we face.

Child care staff also suffer disproportionately from our high cost of living. They are among our most severely underpaid workers. As a result, child care facilities experience high turnover. Which of course then impacts on the quality of care.

Close to three-quarters (74%) of child care facilities report that their revenues are inadequate to operate a quality early childhood program. Child care facilities operate within prescribed budgets and depend upon revenues from other sources in addition to user fees and start-up and operating grants, for example, bake sales.

Child care facilities operate in buildings that are approximately 16 years old. Some facilities are housed in buildings that are small, old and in poor repair.

The Government of the Northwest Territories, Department of Education,

Culture and Employment regulates child care in the NWT and administers assistance programs. The Childcare Subsidy Program is supposed to help parents in need cover the cost of child care. Subsidies are calculated based on financial and child care needs. Other research has identified factors that undermine the effectiveness of the Subsidy for many families. These include:

low eligibility income ceilings relative to the high cost of child care;
a shortage of reliable child care; and
late payment of the subsidy.

The Early Childhood Program funds child care facilities through two programs. Start-up grants and operating grants are both based on the location, number and type of space created, and on attendance. The survey shows these grants are inadequate. If the Government hopes to help low income northerners, especially women, deal with the high cost of living, it must provide better support programs to ensure accessible and affordable child care.

Alternatives North has the following specific recommendations concerning child care.

Recommendations

1. GNWT Start-up and Operating grants should be increased to sustain existing child care facilities and support the creation of new ones. A portion of any increases should be applied to staff salaries. Further, grants should not be tied to daily attendance. Operators face the same costs whether a child is away for a day or not.

2. The GNWT should set targets for the yearly development of new child care spaces.
3. The GNWT should improve accessibility and the effectiveness of the Early Childhood Subsidy Program by raising the eligibility income ceilings and reducing the late payment of subsidies.
4. Education and training opportunities for early childhood staff should be provided at the community level with financial support to staff to attend and/or funding to cover costs for temporary workers.
5. The GNWT should gather more information about the need for child care during irregular hours. In centres with a significant need, additional funding should be provided for day cares to offer these services.
6. Child care facilities should build relationships and connections with organizations that have an interest in child care issues and the capacity to lobby on their behalf. These could include regional or community-based Aboriginal governments and non-government organizations (e.g. Status of Women Council of the NWT, Native Women's Association of the NWT, YWCA of Yellowknife, unions). And, finally it is our position that it would be in the GNWT's best interest to support an NWT Child Care Association.

Child care workers articulate best their frustration. As one survey respondent said -- It is time we recognize the dedicated individuals who work tirelessly on behalf of children throughout the NWT. And another stated -- “By investing in the early years we are investing in our growth and prosperity.”

Alternatives North
Comments concerning
Resource Development

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This section of our comments will focus on what we see is the “elephant in the room” that not enough government leaders are talking about – the negative impact of the Mackenzie Gas Project, and of large-scale non-renewable resource extraction industries generally. Data generated by the Government of the Northwest Territories estimates that the unfunded impact of resource development projects on operations approaches a half billion dollars over the next decade.

This is ‘forced growth’ that will only maintain current government service levels. And this change is going to happen, apparently, regardless of our ability to pay. Except for calls for resource revenue sharing – a development that we think most would agree is likely quite far off – no solution is being offered. In this context Alternatives North thinks the Government’s apparently unbridled support for the Mackenzie Gas Project is incomprehensible.

We recommend that the government dedicate some of its resources to developing a strategy and programme for dealing with the individuals and families who are going to be left behind by the pipeline and other large-scale

developments. We have long called for this government to develop a poverty reduction strategy and are making this call again today. But we go further.

This committee should take the initiative and recommend to the Government that it begin to develop prospective legislation and regulations that will come into effect should the pipeline receive approval. Such forward thinking initiatives should be designed to help people cope with the inevitable inflation the gas project is going to bring. Areas that might be addressed include:

- A significant increase in the minimum wage;
- A significant increase in income security rates; and
- A meaningful program of public or co-operative housing development.

Such solutions are often found in formal poverty reduction strategies that many other governments in Canada and around the world have implemented. Absent a formal strategy here, however, and facing significant increases in the cost of living as we are, such programmes should be implemented as an interim measure, if nothing else.

There are obviously differing opinions about the wisdom and value of large-scale non-renewable resource developments. There is less disagreement that such developments create winners and losers in a society. Alternatives North believes it is the government, not the market that must attend to the needs of those whose living conditions are worsened by development. You must take precautionary action now to ensure as few northerners as can be will fall through the cracks.

Alternatives North hopes and expects that the Government will soon begin to take a more responsible role in the development of the Mackenzie Gas Project. In our view, and we believe in the view of the vast majority of northerners, this means arguing for conditions being placed on the development of the project to ensure that it either benefits the north, or it doesn't go ahead.