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Mr. Dean Allison

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• (1540)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Thanks, everyone.

Pursuant to Standing Order 108(2), we will continue our study on the federal contribution to reducing poverty in Canada.

I want to take this time to thank our witnesses for being patient. As you may be aware, we had a couple of votes in the House, and we've just finished those off.

I'd like to welcome, from the Government of Newfoundland and Labrador, the Honourable Shawn Skinner, Minister, Department of Human Resources, Labour and Employment. Minister, welcome. We also have Lynn Vivian-Book, the assistant deputy minister of income, employment and youth services; and we have Aisling Gogan, director, poverty reduction strategy division.

I would like to welcome everybody. I apologize if I got your names a little bit wrong. You'll correct me, I'm sure, as we move forward.

I understand, Minister, that you and then one of your officials will be presenting for 10 minutes apiece. We ask you not to race through your presentation too fast for our translators. They need to keep up as we move along.

I will turn it over to you guys, so take it away.

Hon. Shawn Skinner (Minister of Human Resources, Labour and Employment, Government of Newfoundland and Labrador): Thank you very much, Mr. Allison. I do want to thank you for the opportunity to present to your committee today. Lynn, Aisling, and I have presented now to three different committees of the federal government, but they've been Senate committees. This is the first time we've had an opportunity to present to a House of Commons standing committee, so we appreciate this opportunity.

As you've indicated, I do have a couple of people with me whom I'd like to introduce. Lynn Vivian-Book is with me. She's the assistant deputy minister of income, career and employment and youth services, as well as being responsible for the poverty reduction initiative and for persons with disabilities. Also with me is Aisling Gogan, the director of our poverty reduction strategy. I thank you for the opportunity to have the three of us present to you.

The Government of Newfoundland and Labrador made a commitment in the 2003 election that we were going to transform the province of Newfoundland and Labrador from the province with the most poverty to the province with the least poverty by 2014. So this was a 10-year strategy and a 10-year commitment.

In our 2005 Speech from the Throne and in our budget in 2005 we committed to developing a comprehensive, government-wide poverty reduction strategy. We've done that. To date, as of the most recent budget in April 2008, we have an ongoing annual investment of new initiatives that now exceeds \$100 million for our poverty reduction strategy. This is not old money that we've recycled; these are new initiatives.

Our poverty reduction strategy is entitled "Reducing Poverty: An Action Plan for Newfoundland and Labrador", and it was released in June 2006. It outlines some guiding principles, some goals, and some objectives for our evolving, long-term, 10-year strategy. One of the key things that it does is commit to regular public reporting on the results and progress of the strategy, as well as regular consultations with members of our communities here in Newfoundland and Labrador.

I do want to point out to your committee that we took a very broad definition of poverty. Our definition of what we mean by poverty encompasses social exclusion, so it's not just money that we're talking about here. In our definition of poverty we wanted to make sure that we consider things such as a person's ability to participate in their community, a person's education level, a person's access to adequate housing, a person's access to essential goods and services, and a person's access to health and their own personal health status.

Our approach is comprehensive, government-wide, and integrated. We have a very strong leadership committee that's overseen by a committee of nine ministers of the Government of Newfoundland and Labrador. Over half the ministers in our cabinet are members of the poverty reduction ministerial committee.

One of our key focuses is a prevention initiative and an early intervention to break the cycle of poverty. So we have three key points. As I said, we have a prevention initiative, another direction we've taken is to reduce poverty, and the third is to alleviate poverty. So our strategy basically revolves around initiatives and interventions that prevent, reduce, and alleviate poverty.

The other point I want to make to you is that our poverty reduction strategy is very much an action-oriented strategy. We used evidence; it's evidence-based. We monitor our progress and we track our results, but we also act, in terms of the initiatives we've taken. We didn't want to get bogged down in talking a lot about what poverty is, the definition of poverty, where the poverty line is—who's above it, who's below it. We felt that those kinds of things would drag on forever and ever, and we wanted to make sure that we just started to deal with it. In our discussions with our community partners, one of the things they indicated to us was to make sure we got involved in acting on poverty as opposed to talking about poverty.

I want to speak to the federal role, as we see it, in terms of our poverty reduction strategy. Our government is committed to act in areas where we have the capacity and the jurisdiction to act relative to poverty reduction, but we believe that in order to be successful, many partners are necessary. The federal government is one of those partners we have to be committed to working with, and we believe we can work cooperatively with the federal government in terms of addressing poverty in our country. In the action plan I referenced earlier, we highlighted the need to work with the federal government, amongst many other partners, to ensure that the change that needs to happen will in fact happen.

● (1545)

I'd like to take a minute to highlight some areas where we need to work cooperatively, where we believe the province and the federal government can work together. Our experience, like that of other jurisdictions that have managed to significantly reduce poverty, shows that a coordinated and integrated approach is necessary. We need to work together on this.

If you are serious about tackling poverty in Canada, the federal government needs to join the provinces. They need to develop a comprehensive strategy in conjunction with the provinces and the territories to combat the problem of poverty.

In respect of the federal government's role, in our action plan we developed a number of priority areas. We highlighted areas that the federal government could be involved in, areas in which we could work together with the federal government. I'll address those briefly.

One was to address issues related to income tax and the unintended combined impacts between provincial and federal programs. We also referenced working with aboriginal people to improve their quality of life. We referenced improving programs and services for persons with disabilities. We talked about addressing justice-related issues such as funding for civil legal aid. We talked about increasing the availability of affordable housing. We talked about creating a new labour market development agreement that is more responsive to the needs of the people of our province. In each and every one of these, we have initiatives that we can speak to in more detail, and we can talk to how we believe the federal government could be involved.

Another area is the area of child benefit programs. We believe that we need to strengthen child benefit programs. We need to work on improving government student loan programs, with respect to access to education and people being able to afford education. Also, we want to increase access to literacy programs and funding for non-government organizations in support of literacy delivery.

Finally, I want to speak to a couple of other areas in which we believe the federal government has a role to play. The first is a renewed focus on children up to the age of six, with particular attention to supporting early childhood development. We also believe there's a role for the federal government to play in a national pharmacare strategy, the Canada health transfer, and improvements to our EI system, particularly in the area of parental benefits. I also believe the federal government has a significant role to play in leading the development of best practices relative to poverty reduction and in developing improved measures for how we monitor, track, and quantify our progress in poverty reduction.

At this time, I will stop and turn it over to Aisling Gogan, who will say a few words, and then I hope we'll have a chance to dialogue a bit. Thank you.

The Chair: Thank you, Minister.

Ms. Aisling Gogan (Director, Poverty Reduction Strategy Division, Department of Human Resources, Labour and Employment, Government of Newfoundland and Labrador): Thank you, Mr. Skinner.

I'm going to spend a few minutes talking about the structure we have in place, our overall approach, and what we're doing in the area of measurement. I understand that this has been a particular interest of yours.

Our poverty reduction strategy is overseen by a committee of nine ministers. That's been really important. In addition to the ministers in social areas, it includes our Minister of Finance and a number of ministers in the more economic areas. That's been an important part of the success and the work to date. There's also a deputy ministers committee and a working group of primarily director-level representation. Having the right players has been important to our strategy.

We've been taking a comprehensive and integrated approach, a government-wide approach. We meet and try to look at things from the perspective of people living in poverty. We look at what they need rather than at traditional departmental mandates. It's a real challenge for government. Previously, representatives would come in and look only at what their department could do. Although that's part of it, it's not where we start. We consider what people living in poverty really need and then what we have to do to meet those needs.

I wanted to touch on measurement. We did a fair bit of work early on in the strategy to look at how we might measure poverty. At the same time, we developed initiatives for looking at the issue of measurement. All the measures have strengths and weaknesses. They all have different flaws. We looked at all the best practice literature and what's done in other countries, and we studied all the available measures to track our progress. We haven't settled on any one measure; instead, we've been looking at all the available measures.

In doing this, we realized that none of the measures allowed us to track what was going on in different areas of our province and at the community level. We developed a measure of our own, taking the methodology that HRSDC developed in conjunction with provinces and territories. We developed in Newfoundland and Labrador a market basket measure. It is a little different from the national one in that we use income tax data rather than survey data. As a small province, we have issues with all the national measures with respect to sampling error and our ability to look at different populations, whether by geography, different family types, or subpopulations. We're just getting ready to release this measure, which uses income tax data. It will be available publicly on our community accounts system, which provides access to data through a website. This information will be available to our community partners as well. That's been an important part of our process, the involvement of our community partners.

We have regular consultations with our community partners. Every second year, we go out more broadly to speak to them and check in on how we're doing and what we might need to do differently. We're getting ready to start that process again now.

• (1550)

Hon. Shawn Skinner: That's it from this end. We'll turn it back to you, Mr. Chair, to see if we have any questions that we can answer for you.

The Chair: Thank you, Minister. I think we'll have a couple for you, and maybe a few more than that.

We're going to start with the Liberal Party. Ms. Sgro.

Hon. Judy Sgro (York West, Lib.): Thank you, Mr. Chair.

Mr. Skinner, it's great to see you moving so quickly, along with your colleagues, on what is clearly becoming a more important issue every day. This of course applies to the provinces, but also at the federal level, where we're doing a study on poverty. Our hope is to pull all of it in line so that my province of Ontario and your province and others can take a serious look at what we can do to alleviate poverty.

I'm pleased that you're here and speaking to us today. I certainly wish you a lot of success.

The fact that you're action oriented fits in with what we are looking at here in Ottawa. We are investigating solutions to problems rather than continually rehashing what didn't work. It's great to hear your comments. Your comprehensive approach is the only way, many of us believe, to get concrete results.

You talked about community partnership with businesses. What about your local communities, your small communities, your city of

St. John's? Are you working with them as well in trying to find solutions?

Hon. Shawn Skinner: Yes we certainly are, Judy. We're doing that, and I'm going to ask Aisling to give you a bit more detail in terms of the process we went through on that. There was a fair amount of consultation done up front to involve the cities, the municipalities, and other community-based groups. Then as Aisling has referenced, every two years we go back and reconfirm that what we're doing is working for us, by getting the feedback from our community partners.

But I'll ask Aisling to speak to that a bit for you.

• (1555)

Ms. Aisling Gogan: When we did our original consultations, we had some municipal representation, both at the political level—we had municipal politicians come to our consultations—and the staff level. It's an area we're really looking at now: how to involve our municipalities more as our strategy matures and develops. So one of the focuses of consultations this year, which we're just launching now and we'll really get fully under way in the fall, will be to really speak to our municipal governments across the province, both to get their views on what we're doing and also to see how they might want to be further involved.

In terms of here in St. John's as the largest urban centre, we have been involved on the housing front with some of our partners, with the City of St. John's, looking at the issue of housing and looking ahead. As we're in a period of rapid economic development, this is just making sure we're planning properly and considering issues around homelessness that might arise, and that sort of thing.

So we have been working with our municipal partners, but it's an area we're looking at doing more in. I'm not sure if that fully answers your question.

Hon. Judy Sgro: You mentioned the issue of what some of those roadblocks are and what you are identifying early on as the causes of poverty. We see the homelessness on the streets of many of our cities, and we realize how finding answers to the housing shortage is going to be a critical part of dealing with poverty.

You mentioned as well the issue of early learning, in the zero to six age range, which of course I still say is the biggest disappointment I have. It's more than losing the election, from a personal perspective; it's losing what was to become one of Canada's greatest social programs. How are you dealing with that in the province of Newfoundland?

Hon. Shawn Skinner: I referenced in my opening remarks the areas of prevention, reduction, and alleviation of poverty. So the initiatives we take really fall under one of those three areas, and we target. In some cases we may target persons who are younger, increasing child tax benefits. We provide free textbooks now in all our schools, from kindergarten up to grade 12. There are a number of initiatives we would target at specific populations. So what we try to do is identify the population group we wish to deal with, we consult with the community partners to see the kinds of challenges they have identified, and then we in turn try to have policy initiatives that will respond to those challenges.

Lynn, would you like to add a bit to that?

Ms. Lynn Vivian-Book (Assistant Deputy Minister, Income, Employment and Youth Services Branch, Department of Human Resources, Labour and Employment, Government of Newfoundland and Labrador): I would, Minister. Thank you.

In terms of the goals of the poverty reduction strategy, one of the five key goals was an increased emphasis on early childhood development and its importance foundationally in terms of success at learning, success in employment, and success from a health perspective. I think that's been woven each year into the direction our working group and committees have taken as they bring forward initiatives for funding in each budget cycle. One of the initiatives funded this year, for example, was additional support to healthy baby clubs, which is a comprehensive, holistic approach to working with pregnant women and supporting them with food supplements, nutrition, and other aspects of issues related to lifestyle and support in pregnancy. So these kinds of very early childhood development supports are interwoven.

Also, government has developed a 10-year early learning and child care strategy to increase focus on spaces and increase options for child care, particularly in rural areas of our province, where there are very few options for child care.

So the poverty reduction strategy is not working in isolation. There are other strategies across government that are working together. But I'm very pleased to see that one of the five goals of the strategy is embedded in supporting early childhood development.

Hon. Judy Sgro: I defer to my colleague for another quick question.

The Chair: Mr. Savage.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you.

Minister, it's a very impressive story that you and your colleagues are telling us. I come from the beautiful province of Nova Scotia, not too far from Newfoundland and Labrador, and we're always impressed with how aggressive Newfoundland and Labrador has been in taking on important challenges when it comes to poverty. The future of your province is bright, but you've had a lot of challenges in the past; yet that has not stopped you from taking on the issue of poverty.

I'm going to come back with some questions later. I only have a second or two here. I want to ask you about post-secondary education.

Last year, we of the Liberal Party had our national caucus in St. John's and took 30 or 40 or maybe 50 of our colleagues to Memorial. We met with Axel Meisen and Noreen Golfman, and we talked about the great stuff that's happening at MUN. Can you talk about what you've done with tuition at Memorial and how post-secondary education plays a part in your poverty reduction strategy?

• (1600)

Hon. Shawn Skinner: The government certainly believes that post-secondary education is very critical to our success and to the success of our citizens. We want to make sure it's accessible to all people who wish to participate. As the first thing we've done, for the last five or six years and maybe longer we've had a freeze on tuition rates. We've actually committed to freezing them for the next couple of years as well. Our tuition rates are now, I believe, the lowest in Canada, next to Quebec's.

The second thing we've done is this. In consultation with various student groups—the Canadian Federation of Students, our own Memorial University student groups, and others—we did a revamping or revisiting of the student loan program. In the past, people would have to borrow a certain amount of money. It used to be up to \$140 a week that they could borrow. We now allow them to have up to \$70 a week of that as a non-repayable grant, and then if they need more than that, they can borrow from \$71 up to \$140 per week.

The third thing we've done is reduce the interest rate on the outstanding loans that students may carry, so that it is now basically prime interest that's being charged. In the past, it used to be, if memory serves me correctly, prime plus 3%.

All three of those initiatives are things that we will revisit each budget year to see whether we can make any improvements on them. Those initiatives were not government initiatives in the sense that we created them; they are initiatives that were brought to us by the student body, which said, these are three things you can do for us that will make it better for us, so would you please do them. We were able to deliver on that.

Mr. Michael Savage: Thank you very much.

The Chair: Thank you, and thank you, Mr. Savage.

We're now going to move on to the Bloc for seven minutes, and Mr. Lessard.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I also would like to thank the Minister, Ms. Vivian-Book and Ms. Gogan for coming to tell us about their experience which, I am sure, will certainly enlighten us on your commitment to alleviate poverty. It is impressive that results are already visible.

Of course, we would like to see if some elements of your strategy might guide us in our study, particularly as it concerns the measures that we will suggest to the Canadian government.

Minister, you referred to the federal government as a partner, which is totally understandable. You also spoke of your expectations, among other things in regard to the partnerships in the fields of early childhood development, social housing and employment insurance. I shall not refer to each of them, but you have made reference to a whole gamut of social measures.

Close to nine years ago, in February 1999, your government and that of other provinces, except Quebec, signed a framework agreement with the federal government. This framework agreement on social union included a commitment to find measures that would guarantee to all Canadians access to comparable essential programs and social services, assistance to persons in need and that it would promote the full participation of all Canadians in the social and economic life of our society.

You said that financial help is not enough for these people and that it is also necessary to fight social exclusion. I think that the 1999 agreement took these two elements into consideration.

What has happened with that agreement and that partnership? Have you established your poverty reduction strategy based on those commitments? Has the federal government taken part in that process?

• (1605)

[English]

Hon. Shawn Skinner: Thank you very much. I will ask Aisling to try to give you some information to respond to your question.

Ms. Aisling Gogan: Thank you.

In developing the areas in which we felt working with the federal government would be beneficial, we certainly looked at past agreements and past areas. We didn't consult directly at that time with the federal government to any great extent. We did reach out and had some very preliminary discussions, but we didn't find a lot of engagement on the issue at the official level back in 2005, when we were doing most of the work on this.

More recently we have started to discuss this more with our federal colleagues. I'm not sure if that answers your question or if there was a specific area you were interested in.

[Translation]

Mr. Yves Lessard: Maybe my first question was encompassing too much, so I will better target this one.

What is left from the 1999 framework agreement whose goal was precisely to alleviate poverty?

[English]

Ms. Aisling Gogan: I think there's still a lot of work left to be done.

Minister, I don't know if you would like to comment.

Hon. Shawn Skinner: In terms of what remains of the 1999 agreement, I really wouldn't be able to give you a comprehensive answer to that, because in terms of building our poverty reduction strategy, we have really started with what we believe to be a new strategy. I have not referenced the 1999 agreement in terms of the initiatives we have brought forward. So I'm not able to give you too much information from where I am today, because I have not really

referenced that agreement in terms of the strategy we are currently dealing with.

[Translation]

Mr. Yves Lessard: I understand your answer, but I find it very surprising. In fact, if there had been something, you would have based your strategy on it in 2004. However, there is that framework agreement. It takes into consideration the concerns that have been expressed here. I am surprised to see that commitments have been made by the federal government concerning poverty. We shall not come back today on the fact that they were not respected, but I think that we must make sure the measures that are taken now will be adhered to.

Let us take social housing, for instance. As concerns poverty, you said that you took a market basket measurement. Everybody agrees that housing is a very important part of that basket. You have also mentioned that fact.

What help could the federal government offer to you, if any, to support your efforts on social housing, for example?

[English]

Hon. Shawn Skinner: There are a number of current agreements. There are three agreements that currently exist for which the funding expires in March 2009. The federal government could certainly look to continue funding in those areas, because we believe that all three of those agreements have been successful agreements. The federal government could look at continuing funding for those agreements.

There is also a declining federal contribution to the existing social housing stock in the province. I believe, in our case, that the total funding being committed will expire in the year 2039. So it's declining every year. We believe the federal government needs to continue to invest in our existing social housing stock, never mind creating more spaces, because we need more. The federal government needs to help us maintain those we have.

And the demographics of our population are changing. A lot of the units we currently have in our existing portfolio are three-, four-, and five-bedroom units, and the needs we have today are one- and two-bedroom units. To provide funding to help transition, renovate, or refurbish those units into one- and two-bedroom units to meet the needs we have today would be something the federal government could assist with.

There is affordable housing, there is aboriginal housing, there is crisis housing, and there is existing social housing stock. All those things, we believe, the federal government can help us with by partnering with us to help alleviate the concerns we see in the province.

• (1610)

The Chair: Thank you, Mr. Lessard.

We're now going to move on to Mr. Martin. You have seven minutes, sir.

Mr. Tony Martin (Sault Ste. Marie, NDP): Thank you very much.

And thanks for taking time to be with us today, all three of you. I met with you when I was in Newfoundland and Labrador, I think last February. It was cold.

Hon. Shawn Skinner: You'll be happy to know that it still is.

Mr. Tony Martin: Well, it's hot up here, in more ways than one.

I met with government and NGO officials. I also remember hearing you make a very good speech at a dinner in Ottawa a few months ago, put on by the National Anti-Poverty Organization and some of its partners. You spoke of your plan that evening. You were also very clear that your plan wasn't going to be successful unless there was a national plan in place and that there needed to be a partner.

Today I want to ask you specifically how a national plan would help your province and your poor. How would that work?

Hon. Shawn Skinner: First of all, Mr. Martin, let me say that we will be successful with our plan because we are committed to it. If the federal government comes on side with a national plan and works with the provinces, we believe we will achieve success that much earlier. We've made a commitment to this as a government, so we're going to make sure that we succeed. I just want to make that point.

I don't want to leave anybody with the impression that our plan will not succeed if we do not have federal engagement. We will make it work. We and our community partners are committed to making it work. I believe it will be harder road for us to be able to do it, and it will take more time, but we will get it done.

There are a number of areas in which the federal government can engage with our province in helping us, and I did indicate some of them to you.

Certainly the housing that Mr. Lessard just spoke to is something in which we believe the federal government has a significant role to play. We need the federal government's engagement, and it has been difficult for us to get that in terms of the federal-provincial-territorial housing ministers. We are hoping the federal government will become more engaged with the provincial-territorial housing ministers in trying to address the concerns we have around some of the housing issues we face in this country. A lot of the issues are common to a number of provinces and territories.

I referred to issues related to persons with disabilities. Again, we believe the federal government has a role that it can play relative to persons with disabilities. The experience shows us, and the statistics show us, that persons with disabilities tend to be in deeper depths of poverty, find it more difficult to engage in the workforce, and find it very difficult to get adequate housing. So there are things there we believe the federal government can help us with.

I also mentioned the education and literacy areas. Certainly the federal government has a role to play in the area of literacy programs and funding for non-government agencies in providing literacy training. Newfoundland and Labrador unfortunately still has a very high level of people who need literacy assistance. It's something on which we are working very hard as a government. But again, the federal government could help there.

I referred to the national drug program. In our province we've brought in a low-income drug program. It's a very extensive

program, and it's a very expensive program for a province such as ours to be able to deliver. But we've made the commitment to deliver it, found the funds to deliver it, and we will continue to deliver it, because it's the right thing to do. The federal government can help with that.

Those are just some programs. There are many other areas. I don't want to go on too long, but those are some very critical areas where the federal government has a role to play and can certainly help this province and other provinces achieve the goal of reducing, preventing, and alleviating poverty. We would be very happy to partner with them to start to do that.

● (1615)

Mr. Tony Martin: What I hear you saying is that a national initiative could run parallel to a provincial initiative, be complementary, and work in that way.

One of the comments you made in your presentation this afternoon was that you didn't spend a whole lot of time trying to come up with ways to measure poverty, progress, and those kinds of things. We had a discussion around this table that it is probably important that we all have some understanding of a clear measurement of some sort and, out of that, implement programs or launch a strategy so we're able to measure progress. You're saying we need to get on with this, and I've been saying that for years myself. We've spent the last 10 or 15 years in an intellectual exercise of trying to define poverty and not really doing much about it. But you're saying that in Newfoundland and Labrador you've decided to just get on with it.

If we were to launch a national strategy that was somehow complementary to your own, how important would it be for us to agree on some definition and measurement?

Hon. Shawn Skinner: Having a measurement and a baseline by which to judge ourselves was important. It wasn't that we didn't recognize the importance of it, but we recognized around the table, in discussion with the community, that it was going to take some time. People did not feel it was appropriate for us to wait until those discussions had occurred and those measurements and baselines had been established before we started on our reduction strategy. So we got at it and started the poverty reduction initiative, with the understanding that by the end of the second year we would try to have some of those measurement tools in place. We now have our own Newfoundland and Labrador market basket measure that we will use.

While the definition of poverty is important in referencing progress, I don't believe it is as important as being able to address the issue of poverty. The point we're trying to make is that we can talk and determine what poverty is, where people fit, and how we measure it until the cows come home, but we need to be doing something, because people are living in it today. Let's get started lifting people up out of poverty and reducing and alleviating the poverty that people find themselves in. The measurement tools, the measuring we need to do, and the baselines we need to establish will come as part of that process. We're two years into our strategy and we're now going back out to our community with some baselines and some measurement tools. But we've already had two years of progress that we initiated.

Mr. Tony Martin: Thank you.

The Chair: Thank you.

Thank you, Mr. Martin.

We'll now move to the Conservatives and the parliamentary secretary for HR, Ms. Yelich. You have seven minutes.

Mrs. Lynne Yelich (Blackstrap, CPC): Overall, I want to get an idea of your measurement, your Newfoundland market basket measure. You talk about going ahead with the strategy, and you have nine ministers or nine departments working together. I think that would be far different federally, because we have to deal with each of the provinces and there are jurisdictional issues. So I think our strategy would look somewhat different.

I wonder if you could help us in determining what the strategy would look like. I'm also thinking, from the time you began this strategy, it must be different today from what it was when you decided to take this on and start to attack poverty with a strategy. Today, with the economy booming in both Newfoundland and Saskatchewan—I'm from Saskatchewan—our economy is playing a big role in poverty and in people's lives. Are there changes now for you, in your strategy, that are happening because of your economy, which I think definitely plays a significant part? It can't be the same.

You said that you wanted to measure poverty, yet you don't. But you have to measure in order to report, because you report every two years. Have you reported this year, for example?

You have? What is your measurement of success?

• (1620)

Hon. Shawn Skinner: No. We haven't.

Mrs. Lynne Yelich: Oh, you haven't. Okay.

So if you're reporting and you're showing a measurement of success, what are you saying has been successful? What is your measurement in any one of these areas? You mentioned affordable housing, financing from the federal government. Let's take federal affordable housing. Is that somewhere that you've seen a significant decline in poverty, or an increase?

I'm trying to get a grasp on what you're measuring here, if you say you don't really measure but yet you have to report. You've been on this strategy for three or four years. Was it 2003, you said?

Okay, 2006.

Hon. Shawn Skinner: I'll turn it over to Aisling in a second, but I will just say to you that we have been measuring, because there are existing measurement tools out there. So it's not that we've not measured. We've taken some, such as the LICO, for instance, and we've used that. There is a federal market basket measure that we've used. But they don't necessarily fit well into the Newfoundland and Labrador situation, so we needed to come up with our own custom measurement. That's what we've been working on for the last two years.

I'll pass it to Aisling, because she's done a lot of work in this area, and ask her to give you a little overview of our measurement tool, how we arrived at it and the kinds of things we've been able to do with it in terms of measuring.

And on the reporting—just to finish that thought—we are going to report back this year. We are now getting ready to release our reporting to the people of our province.

Ms. Aisling Gogan: The Newfoundland and Labrador market basket measure is not the only measure of progress we'll be using. As the minister mentioned, we'll also continue to look at LICO and HRSDC's MBM and track what's going on with them. As I mentioned briefly earlier, the problem is that we can't really look at what's going on in different areas of the province. That's becoming more and more important as we've had a lot of economic development, but a lot of it has been focused on the Avalon Peninsula, as well as a few other areas of the province. We need to make sure we're tracking what's going on in different areas of the province and that we're able to respond.

In addition to looking at our market basket measure, we're doing things like looking at who's on income support and looking at changes in our income support program. One of the focuses we've had is removing financial disincentives for income support clients to go to work. We're seeing real success in that area. For example, we introduced a range of different measures, taking some of our programs outside income support—the low-income prescription drug program is the biggest one—because we knew the biggest disincentive or barrier for people to be able to leave income support was losing access to prescription drug coverage, so we removed that by having the low-income prescription drug program outside income support, based on income level rather than source of income.

We've increased our earnings exemptions, and as a result of that, when we looked at a one-year period on a monthly basis, we had 40% more people starting a new job every month. Obviously that's also partly due to changes in our economy, but we know from talking to our clients and also just from the way our program worked that if we hadn't made these changes they would not have been able to avail themselves of those opportunities.

So we increased the earnings exemptions. We have a new job start benefit. As I mentioned, the low-income prescription drug program has been taken outside that program. We can measure that. We have administrative data for our income support program and we will be reporting on that, but we're mindful of the fact that this is only one group living in poverty—our income support clients.

What the Newfoundland and Labrador market basket measure does is allow us to track who's falling below those cut-offs at the community level. So we can look at almost 400 different communities in our province and we can look at who's falling below the particular cut-offs of the market basket measure. The basket itself has been costed for all these different communities, so it's a very regionally sensitive measure, unlike the HRSDC one. Also, as I mentioned, because we're using income tax data, we don't have issues of sampling error, so we can look at any geographic area of the province, and in that community overall we can look not only at who's falling below the cut-offs but at family composition—the age, and those sorts of things—so we can target our initiatives where they're needed. We're looking at everything from high school completion rates...and again, they're generally very good in Newfoundland and Labrador compared to the rest of the country, but we know we do not have good high school completion rates in certain areas. We're trying to look at what's going on so we can address existing needs.

Our measure allows us to look at different neighbourhoods and cities. We can look at any neighbourhood of about 1,000 people and see what's going on in terms of who's falling into poverty and what supports they might need.

I don't know if this fully answers your question. Is there anything else you want me to add?

● (1625)

Mrs. Lynne Yelich: There is. I would just like to say, though, that the national basket would have to look different from yours, and I wondered if you had any suggestions on what our market basket might look like.

I have two other questions. In the last couple of years, there have been some targeted initiatives from the federal government specific to...well, there will be some coming up, so I would like you to watch those closely. One will be the education grant. If you would like to comment, those are targeted toward people on welfare. So those are things the federal government is doing that I'd like to have a response to.

Have you engaged other stakeholders? For example, we've been approached by the real estate board, which really feels it can be part of the affordable housing solution. Other than other levels of government and community leaders, who have you engaged with who could help us work toward some solutions to poverty?

The Chair: I'm going to ask for a quick response because we're out of time.

Mrs. Lynne Yelich: They can leave it for another round.

The Chair: Why don't we come back to it in the next round, unless you have a quick response.

Ms. Aisling Gogan: I have a quick response in terms of what a national measure might look like, particularly around the market basket measure. There are a number of things you could do to make that measure work better for different provinces and territories, particularly smaller ones like ours, like increasing the sample size of the LICO, the MBM, and the LIM, for that matter—not that's it's all that useful for provinces. They are all based on the same survey data, and there are real issues for smaller provinces in terms of the size of the sample.

But also look at doing something similar to what we're doing—using income tax data rather than sample data to do a market basket measure that's really very similar. We've based it on HRSDC's methodology; we haven't changed it that much. We've made a correction for housing costs because we were an outlier and have such a high home ownership rate in our province, and the housing costs in the national one are based on rental costs, so that was a flaw.

I'll leave the other questions about the WITB, and the minister might like to speak to other stakeholders after.

The Chair: That would be great. Thank you very much.

We're now going to move to our second round, which will be five minutes. It will start off with Mr. Savage from the Liberal Party.

Mr. Michael Savage: Thank you, Chair.

First of all, I'm going to talk about how you have nine ministers involved in this. People who have worked in poverty and people who have worked in health have talked about the importance of bringing together all the social determinants to try to work across departments. Poverty is not just the responsibility of the Minister of Human Resources—that's obviously where it's led in Newfoundland—but there's housing, education, health, and all these other things. I think that sort of multi-faceted approach to bring everybody to the table is very positive.

There are a lot of people who work in anti-poverty issues on the ground. When you deal with people with disabilities, mental health issues, literacy, drug addictions, there are so many people on the ground across Canada working with these people who understand the concerns and the issues. They are working with virtually no resources, on bubble gum and toothpicks, to try to do good work, and then every now and then government has a habit of coming in and saying they're going to change the way this or that is done, and it's counterproductive.

It seems to me you referenced the Canadian Federation of Students in terms of people who are living the condition and have some suggestions. They obviously came to you and you met with them. I recall watching Danny speak to the CFS a year or two ago, and he got a standing ovation. That doesn't happen very often. There's obviously a dialogue with people who are living this experience.

Can you talk a little about how you have reached out to those people who understand poverty, who aren't sort of overarching bureaucrats—and we need bureaucrats, I have no problem with that—and who often get pushed aside when it comes to looking at solutions?

I'm not sure if I'm being clear enough, but I'd like to get your thoughts on that.

● (1630)

Hon. Shawn Skinner: I think I understand what you're asking, Mr. Savage, and I'll give you an example of a meeting that occurred as recently as this morning. But first I'll take you back to just before our budget.

I received a letter from the executive director of the local chapter of the Canadian Mental Health Association indicating that he had distinct concerns about housing for persons who had mental health issues and the difficulty with those individuals being able to maintain housing, even if it was available, because of the mental health issues they had. They were having difficulty maintaining the housing and would often end up in the...[*Inaudible—Editor*]...system while, if they had just had some support, they would have been able to stay in their own units. So he first approached me by letter indicating he would like some special funding from me, as I happen to be Minister of Housing as well, to be able to address that issue. I had some meetings with him and we came up with some money.

We have a program that we call rent supplementation. If we don't have units available to give to people, we will take money and give it to private landlords. This goes back to Ms. Yelich's question. We went to private landlords who own apartment buildings here in the city. For instance, in a lot of apartment buildings there will be ten units designated that we can use as a government to place people in if we don't have adequate social housing stock ourselves. We will provide the rental supplement to them and they will be able to move into these private buildings.

The Canadian Mental Health executive director wanted to get access to that, and just this morning we had our final meeting. We had 500 new rent supplements that we were able to provide in our budget this year on top of the 1,000 that we already provided, so it's 1,500 in total. We basically carved out a percentage of those for the Canadian Mental Health Association. We will give them the funding; they will work with their clients to find adequate and suitable housing to help people with mental health needs in a supportive environment. They know those things better than we do, and so we'll give them that.

There are accountability measures, reporting measures, and all that kind of stuff, but we sat down, had a dialogue, and had a couple of meetings—literally, it was a couple of meetings, it wasn't a long process—and they now have a source of funds that they can use to help house their clients.

I hope that answers what you were asking.

Mr. Michael Savage: Yes, that's exactly what I'm talking about, working with people who know what the answers are. Government doesn't need to invent the answers very often; it only needs to listen to those people who have the answers. That's exactly what I was talking about.

On literacy, one of the big concerns of literacy organizations across the country was the cut of \$17.7 million of a couple of years ago from the federal government. In fairness, the minister has indicated that there's other funding, but we're having trouble seeing where that's going. Literacy Nova Scotia, for example, is having an awful lot of trouble staying afloat.

Can you talk about some of the impacts of cuts and what you're doing in Newfoundland and Labrador specifically for literacy?

Hon. Shawn Skinner: I think the impacts of the cuts are well known. I won't spend a lot of time talking about the impact; it only makes the job that much more difficult. What I will say to you is in terms of literacy.

I referenced earlier is that we, as a government, now provide textbooks free of charge to all school children in our province from K to 12. We are increasing our grants to community-based organizations that provide literacy training. We are increasing our grants to community-based agencies. We have what are called community youth networks here, and we're increasing our grants to them. They provide homework programs, after-school programs. We are providing more money to our community centres in our social housing neighbourhoods. Most of them have community centres. We've provided extra funding to them over the past couple of budgets—it's a part of our poverty reduction strategy—to be used to run homework havens, to work with the smaller children. We're doing things like that.

Basically, what we're trying to do is talk to the people out there who, as you said, are dealing with the issues, to find out how we can best serve them.

It's not always money, by the way. The other thing I want to make a point on here is that certainly money is a key factor, but sometimes it's simply being flexible or allowing people to be flexible and not having the guidelines too tight so they can't get done what they need to get done. Money certainly is a contributing factor, but there are other ways to assist without necessarily providing money.

Those are only some examples of the kinds of things we've done.

•(1635)

The Chair: Thank you, Mr. Savage.

Thank you, Minister.

We'll now move to the Conservative Party for five minutes. Mr. Lake.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I want to start by saying that I find the conversation with the Liberal member here kind of puzzling, talking about cuts.

I grabbed the budget document from 2008, and there's a chart there talking about transfer payments. I note that in the last full year of the Liberal government, the cumulative transfer payments were about \$35 billion. I think in 2008-09 they'll be just under \$50 billion to discharge the things the provinces are accountable for. Going from \$35 billion to \$50 billion—I don't know how you can refer to that as cuts.

I did notice, Minister Skinner, that you mentioned transfers as one of the areas that could be addressed from the federal standpoint. Specifically, were you meaning that the federal government should perhaps be more prescriptive in terms of what transfer dollars should be spent on? Maybe you can elaborate on that a little bit.

Hon. Shawn Skinner: I'll ask Aisling to respond to you on that one, Mr. Lake, if I may.

Ms. Aisling Gogan: No, I don't think that was the position that was being expressed.

I guess we have some concerns with moving to a purely per capita-based allocation for transfers, particularly for a smaller province like ours, where we have a smaller population spread out over a large geographic area. It's much more expensive to deliver health services and other social services. So we have a real concern for changes that are proposed to the formula for the Canada health transfer as well as the social transfer, and we have, I guess, concern also about how specific some of those transfers are in terms of allowing provinces to target needs as they arise in their own province.

Mr. Mike Lake: Ultimately, though, I think it's fair to say that every province is receiving significantly more money in transfers than they were three or four years ago.

I want to now step over and talk a little bit about measurables here. You have a stated goal, I believe, of wanting to have the least amount of poverty across the country compared with other provinces by 2014, I think you mentioned. What specifically is a measurement that you will use to account to your voters as to whether you actually reach that goal?

Minister Skinner, perhaps you could comment.

Ms. Aisling Gogan: We'll be looking again both at the low-income cut-off and at HRSDC's market basket measure as the two measures that are there to make comparisons among provinces. We're looking at those measures, and they both show similar trends. Obviously we have some concerns with the methodology for the market basket measure, but we're more interested in showing progress than getting too hung up on the methodology. But we're certainly having discussions with Statistics Canada and some of our colleagues at HRSDC about the methodology as well. But mainly we're concerned that we're showing progress both by those and then by some of our more provincially based tracking mechanisms.

Mr. Mike Lake: I want to move to social exclusion. There's been a lot of talk about this concept of social exclusion. It seems like a difficult, maybe intangible thing to measure. How do you work that into your measurements of success? If that's one of your stated goals, how do you measure that?

Hon. Shawn Skinner: First of all, when we talk about social exclusion, we're talking about individuals who aren't able to participate fully in the social or economic activities of society and are thereby not able to reach their full potential. We want people to be able to be the best they can be. We want people to realize their full potential. There are economic as well as social barriers that sometimes prevent people from being able to do that.

So we are attempting to identify, in consultation with our community partners, those economic and social barriers by talking to the groups that are dealing with people who find themselves socially excluded and identified as being socially excluded and seeing how we can then come in with some of our policies in our poverty reduction strategy that would attempt to break down those barriers to allow people to participate more fully in society.

• (1640)

Mr. Mike Lake: It seems to me you could have a situation very easily in all parts of the country where someone is socially excluded and yet has lots of money.

I'm still not sure I see how they're related. I imagine that if you address the financial issues relating to poverty, you create opportunities for people to be socially included. But if, for whatever reason, they don't take that opportunity, do you see that as the provincial government's responsibility to enforce?

Hon. Shawn Skinner: No, this is not something I see as the provincial government's responsibility to enforce. This is about creating an environment where people have the opportunity to participate fully. That means being able to participate to the level at which they wish to participate. If somebody chooses to engage or not to engage, then I would suggest to you that this is exactly what we would want somebody to be able to do, to have the choice to do that. The issue, as we understand it, is that people aren't having the opportunity to make that choice because of the social or economic barriers they face. So we hope to be able to remove those barriers to allow them that opportunity should they wish to take it.

The Chair: That's all the time we have right now. We'll have to maybe follow that up in the next round.

Madame Bonsant, you have five minutes, please.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Thank you, Mr. Chairman.

We talk a lot about poverty, but also child poverty. If children are poor, it is because parents are poor. Yet, poor parents are mostly women. This is why I would like to know if in your province you have solved the issue of salary equity between men and women or if there is still an important gap.

[*English*]

Ms. Aisling Gogan: Certainly a gender-inclusive analysis has been an important part of our poverty reduction strategy. Unfortunately I can't say that all issues of wage disparities have been resolved, but it's certainly a priority. One of the things we're seeing as we have more and more jobs based in the natural resources sector, particularly in the oil and gas sector, is that as those are male-dominated fields, we're trying to support women and remove barriers for women participating in those jobs. That's an important priority.

You're right, we speak more about poverty generally than child poverty, just to make sure we're focusing on the family context. You're right, children are only poor because their parents are poor. So it's been important in looking at the family context of those living in poverty.

[*Translation*]

Ms. France Bonsant: Most single-parent families are headed by women. Many women would like to improve their situation, but they do not have access to a quality and low-cost child care service.

Do you offer them that service?

[English]

Hon. Shawn Skinner: As a provincial government, we do assist parents—single parents, two-parent families—with child care. The challenge we face is the number of spaces available and the areas where the spaces are available in terms of our geographic spread. We're such a big province. Not all areas have regulated day care spaces available. So we need to increase the number of people who are entering the educational field to become early childhood educators, thereby increasing the number available to be employed. And we need to increase the reach across the province for that.

The short answer is yes, we assist people, but we still have some major challenges to overcome.

[Translation]

Ms. France Bonsant: Someone living in poverty who is going back to work at minimum wage does not have the means to pay for housing and child care.

Do you see more and more homeless women and children in your province?

[English]

Hon. Shawn Skinner: I will tell you that we do. As I said before, we will subsidize child care for people. I just want to re-emphasize that it is still a major challenge in terms of being able to provide adequate child care within the province. And it is something we are working hard to try to overcome.

In terms of seeing more homeless women, we have a small homeless problem, I would suggest, in terms of number, but it is a significant problem, because in the past I don't believe we had any homeless. We're starting to see more homeless people now. Therefore, I believe it is a problem that is starting to grow. We want to be able to respond quickly to that so it doesn't become a much larger problem. But our numbers aren't... I guess one is significant. I would say to you that we don't have big numbers, but we certainly do have homeless men, women, and young people as well.

• (1645)

[Translation]

Ms. France Bonsant: In Newfoundland and Labrador, you have the chance or the misfortune to receive oil royalties. I know that you will pay your debts as any good province does, but do you intend to invest a percentage of these royalties in social programs?

[English]

Hon. Shawn Skinner: A lot of the money we've been able to utilize has been invested in our social programs. Our poverty reduction strategy is not just based on oil revenues. We view the whole pot of money we have as a province, and we use it as we see where our priorities are. Our poverty reduction strategy is a priority.

I indicated to you earlier that we are now at over \$100 million annually, and we are committed to this. If our oil revenues drop, we will still be investing the kind of money we're investing today. Our poverty reduction strategy is not tied to our oil revenues. It's a commitment of the government, and we will find the money to make sure we continue to support the commitment we've made.

[Translation]

Ms. France Bonsant: Thank you, Mr. Minister.

[English]

The Chair: Thank you.

Thank you, Madame Bonsant.

We're going to move to the Liberals again. You have five minutes, Ms. Dhalla.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Thank you very much for your presentation and for the great vision you've had and the work you've put into developing a poverty reduction strategy.

I know that when it was first introduced in December 2006, you identified five medium-term goals over a four-year period. One of the things we've been focusing on is more of a solutions-based approach to what a national strategy would look like. Instead of talking about some of the research and the numbers, and to actually focus on concrete solutions, could you perhaps identify for us as committee members the greatest challenge you have faced in putting forward your poverty reduction strategy in the province?

Hon. Shawn Skinner: I'll refer to the goals, Ms. Dhalla, for a second, if you'll bear with me. I just want to give you an idea so the people in the audience will understand.

The goals we identified were improved access and coordination of services for those with low incomes, a stronger social safety net, improving people's earned incomes, increased emphasis on early childhood development, and a better-educated population. Those were the goals.

I'll ask Aisling to speak to some of the things in response to your question.

Ms. Aisling Gogan: One of the major challenges has been trying to work in a coordinated and integrated fashion—and that's coming from a member of the public service. It's difficult sometimes to work that way; we're used to working within our departmental silos.

It has been a challenge, and it has challenged the way we normally work, but it's been essential to the progress we've made that we try to take the perspective of those who are living in poverty and of what they need and how they need to be supported. This has been one of the major challenges we've faced.

Another challenge is in setting priorities and trying to also look at preventing as well as reducing and alleviating poverty and figuring out the right balance there. If we're not working to prevent poverty, then we'll be at reduction and alleviation forever.

Trying to ensure that we're following best practices and looking at what will really work for prevention has been another challenge, one where we've looked to other countries and also to our own past experience and at academic research to ensure that we're following best practices.

Those have been the major challenges.

Hon. Shawn Skinner: To finish off very quickly, the coordination of government services has been very difficult, and the ministerial committee has been important in allowing us to coordinate the bureaucracy and be able to respond as we need to respond.

• (1650)

Ms. Ruby Dhalla: Thank you.

I'm going to get two quick questions in before I am told by the chair that my time is up.

This actually led into my second question: what type of initiative or strategy do you have in place to ensure there is no duplication of efforts, so that when you come across best practices in one particular area, a centralized approach takes place? Do you have such a coordinated approach to ensure that there is no duplication?

The other question is this. Taking a look at some of the numbers, I believe the rate of female lone-parent families declined from 50.8% in 2003 to 30.6%. And the Co-operative Housing Federation of Canada just put out a release a few days ago outlining in their particular research that census data had shown that more than 1.5 million people were paying 30% or more of their income on shelter. This number was actually an increase from 2001, in contrast with the decrease that Newfoundland and Labrador has seen.

What factors do you think have contributed to the reduction of low-income, female lone-parent families in Newfoundland and Labrador, while in the meantime, across the country, when we compare on the basis of housing, we've actually seen an increase?

Hon. Shawn Skinner: I'll ask Lynn to respond to your question, particularly on the duplication area.

Ms. Lynn Vivian-Book: As one of the things we've done to ensure that there is no overlap or duplication in the best practices or initiatives brought forward, the working group we have is very well linked within their own departments to other strategies. But government also has other strategies—in the area of mental health and addictions, in the area of wellness, in the area of seniors and aging. What we're trying to do is integrate that work, such that indicators are joint indicators, so that we're not duplicating effort.

More than 60 initiatives have been funded under the poverty reduction strategy, and we're developing tracking tools for implementation and accountabilities to monitor these, so that we can shift.

Another thing that ministers and deputy ministers involved with the poverty reduction strategy have done this year is focus on where we can integrate. What are the priority areas we need to do research in and to work on in terms of integration? A couple of those examples are in the areas of transportation and of complex shared clients across our systems, on which this year we're going to do some joint work into research and best practices, so that next year we can bring together a suite of initiatives that can better reflect it again, in order that we build on best practice, don't duplicate, and bring together this integrated approach.

The Chair: Thank you.

We're now going to move to Mr. Gourde for five minutes, sir.

[*Translation*]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chairman.

I wish to thank our witnesses for sharing their knowledge and their experience with us. The work we are doing is important and these exchanges will be very useful for everyone.

You have referred to your poverty reduction strategy and a program against drug and alcohol abuse.

I would like some more details on that subject, please.

[*English*]

Ms. Lynn Vivian-Book: The program that I think was referenced is the low-income drug program. This was the largest initiative under the poverty reduction strategy. I think it annualizes in the \$38 million category of dollars. That program is not to combat drugs as such; it's to extend the current drug program that is targeted on seniors and individuals receiving income support. It was broadened to include a broader base of low-income families to help reduce some of the barriers to access.

However, in terms of addictions issues and some of the issues related to that, one of the initiatives this year is a focus on youth, a focus on prevention and early intervention with respect to addictions. Again, it's looking at that issue and building on other strategies, building on the need that, again, was viewed as a prevention and early intervention initiative.

The major program that was mentioned was actually the first priority of the ministers and was the extension of the drug program to low-income families.

[*Translation*]

Mr. Jacques Gourde: Thank you.

In other provinces and maybe also in yours, there is a problem with young people dropping out of school. Teenagers 15, 16 or 17 years old leave school to take a low-paying job. Later, they want to go back to school as adult students.

Have you taken measures to help young people who want to go back to school?

• (1655)

[*English*]

Hon. Shawn Skinner: Yes is the short answer. We have made it easier. We have also implemented some fairly significant changes in our high school curriculum. For example, we have a major initiative whereby we've brought the trades programs into the high school curriculum, so children who may not be academically oriented and may not want to go beyond high school get exposed to trades in the high school system. They can now see the benefit of that and may decide to go on and do some trades training. We now have courses in our curriculum that are not academically based, but are actually very much trades-based. In the high schools in the province we've created workshops where we do plumbing, electrical, carpentry skills, those kinds of things, so that young men and women can get that experience.

As I indicated earlier, we have provided funding to some of our community-based groups, our community youth networks, to assist with early school leavers and with school dropouts. They have remedial programs and transition programs to try to get people to stay in school to complete their high school education.

There are a number of initiatives we have taken to try to provide alternatives for young men and young women in school who may find the system is not meeting their needs, but for whom there may be other ways to get them to complete their high school education.

Ms. Aisling Gogan: Another thing we might wish to mention is the children in families who are on income support. Sometimes when they turned 18 but were still in school, their families were no longer eligible for any of the Canada child benefit. That was actually leading to some dropouts, particularly with our economy now providing service sector jobs and so on. One of the things we've done is provide the equivalent to students who stay in school, so their families don't lose that benefit, because we were finding that was a contributing factor.

[Translation]

Mr. Jacques Gourde: I understand that you have improved your loans and grants program for post-secondary education.

Could you briefly describe the improvements you have made in connection with your strategy?

[English]

Hon. Shawn Skinner: I'm not quite sure I understand when you ask about improvements; improvements relative to what, exactly?

[Translation]

Mr. Jacques Gourde: You said that you have improved your loans and grants system. What improvements have you made to that system in the last 15 years?

[English]

Hon. Shawn Skinner: In the past, no grants at all would be given to students. Basically, if they wanted to access funding, students had to borrow the funds. Everything they received from the government was a loan that had to be paid back.

As I've indicated, we now give up to \$70 per week, which is half the amount they used to borrow, in the form of a grant that is non-repayable. We have reduced the interest rate on the outstanding loans that students will have. For students who complete their programs on time, there is also a rebate program under which students are forgiven a certain amount of their loans if they graduate in the normal timeframe. And if they graduate with certain pass rates and so on, they are given a certain amount of rebate on the outstanding loan balance they have. So we have brought in grants, we've reduced the interest rate, and we've basically allowed for a rebate based upon successful completion in the particular period of time.

The Chair: Thank you very much. We're now going to move to Mr. Martin for five minutes.

Mr. Tony Martin: Thank you very much. I just wanted to talk a bit about how the federal government might interface with the provincial government to have something going that would be beneficial to both, but particularly to help you deliver on some of what you want to do.

We've had a number of vehicles over the years. We've had the Canada Assistance Plan, and that was done away with. And then we had the social transfer, and we still have the social transfer, but we then had the social union Mr. Lessard spoke of earlier.

Have you given any thought to what kind of vehicle—right now it's the social transfer—and if it is the social transfer, how it would best be organized to help serve your need in your anti-poverty strategy?

• (1700)

Hon. Shawn Skinner: That's a tough question, Mr. Martin, to give a short answer to.

The point I will make to you is that I think it's important for me to reiterate that this is not just about money. Having money is not necessarily going to resolve the issue of poverty. It's about access. It's about inclusion. There are other things that need to be thought of as well.

Certainly I'm not downplaying the fact that we need the funds to be able to do the kinds of things we need to do, but I just want to make the point that it's more than just an economic issue. It's a social inclusion issue. It's an issue of literacy. There are other things there we need to also get at. So I can't give you a direct answer as to how I think the federal government could do that through the social transfers or whatever.

I just think it needs us to be able to engage in dialogue, the federal government engaging with the various provinces that are now going down the road of poverty reduction strategies and seeing what works for each individual province and trying to then work in conjunction with them, as opposed to maybe having one program that it tries to spread across the country that everybody has to fit into. I think it has to leave itself some flexibility to work with individual provinces on their poverty reduction strategies.

Mr. Tony Martin: I hear you when you say that it's not about money. However, I would suggest to you that those who are perhaps closest to this issue and trying to help those who are trying to make ends meet will tell you that if people have enough to house themselves, if people have enough to feed themselves, if people have enough to buy clothes so that they can be warm and look decent out in the community and participate in the workplace, they will then take care of a whole lot of their other needs.

So for them it does boil down to having enough money, having enough income. I know that in Ontario, when I was a provincial member of parliament, we cut welfare by 21.6%, and it wasn't long afterwards that we began to see huge numbers of people lying and sleeping on the streets of Toronto. We cut the national housing program that was out there at that time as well.

One of your colleagues in Newfoundland, Ms. Michael, will tell you that income is central and essential to alleviating poverty. The National Council of Welfare suggests the Canada social transfer can be used to see provinces meeting policy and program needs, and the Canadian Council on Social Development is suggesting that transfer actually needs to be developed in a way that sees it split, so there is a post-secondary education transfer and a social programs transfer, going forward.

Can I have your comments on some of that?

Hon. Shawn Skinner: I certainly don't disagree with you. Giving people adequate levels of income to provide adequate housing, warmth, and food and so on is important. That is something we need to do. But there are some people who still need other support. Even if they have the housing, the heat, and food, they still need other supports to be able to participate fully in society and not end up falling back into poverty. There are cases like that that we need to address as well.

In terms of how it happens, as I tried to say a bit earlier, I don't think there's going to be one way to do this. One of the problems we found—and this is not a fault of the federal government, it's just the way our system has worked in the past—is that having a solution, a program, or something that has to be done the same way across the country is not necessarily what benefits each individual province.

The point I'm trying to make in response to your question is that I hope the federal government would allow itself the flexibility of dealing individually with each province on their poverty reduction initiatives and identifying very unique circumstances and priorities. I hope the federal government would be able to find a way to work with us to be able to do that. Once we have that flexibility, I think we'll find the mechanisms to be able to work for each of the provinces. But coming out with one solution and saying here's how it has to work may not be beneficial for the provinces and the people we're trying to help.

• (1705)

The Chair: Thank you, Tony, and thank you, Minister.

We're now going to move to our last round. We're going to have five minutes from the Liberals and five minutes from the Conservatives.

Ms. Sgro, you have the floor.

Hon. Judy Sgro: Mr. Chair, I have to start by saying how pleased I am to see Minister Skinner and his staff up here and how proud I am of what they're doing.

Newfoundland and Labrador is always bashed. There are a lot of Newfoundlanders who live in Ontario and in Alberta, and they left because they didn't have enough opportunity. I congratulate you on taking the kinds of actions you have by investing \$100 million and turning around the future of your province.

Can you tell me what one of the breaking points was for you, as a government, to decide you're going to find \$100 million and make the kinds of investments you are in the people of Newfoundland and Labrador?

Hon. Shawn Skinner: In terms of a turning point, I think as a province we certainly were perceived to be "have not". That's a term we have heard lots of times. We recognized that there were people who were struggling in our province. One of the benefits to being a province that's relatively small in population is that we know the situations of our neighbours and what's happening on our streets, our communities, and our municipalities. There were people who were not able to enjoy a standard of living and quality of life that they should have.

This is about acceptance of a responsibility. We believed, as a government, that it was our responsibility to try to make sure that the

individuals who were struggling to participate fully in our society were given every opportunity to do so.

We started with that premise, and we started consultations with community groups. We went from there. I don't think any one thing was a turning point. I think it was a general acceptance that as a province we were going to move forward.

We're on the brink of riches in terms of our natural resources. We're seeing that now, four years after we became a government. We made the decision early on that everybody was going to participate in those riches—not just a small segment of our population, but all of our population.

Hon. Judy Sgro: I congratulate you again for being so progressive.

You have many Newfoundlanders who are going to look to the opportunity to take whatever they've been able to make in other provinces and return back home. There's never any place as good as home. They may live in our other provinces, but their hearts are still in Newfoundland and Labrador.

You talked earlier about the working poor and the kinds of incentives you have been able to provide, other options as far as health care is concerned, and increasing the working numbers before they lose some of those supports. We hear a lot about the people's reluctance to go to work because they're going to earn the same amount of money—even though that's where they would rather be—but they're going to lose health care, dental benefits, and so on, which are very expensive. A lot of families rely on those benefits to be able to take care of their children, especially when we're talking about working moms.

Hon. Shawn Skinner: Again, there were a number of initiatives that we brought forward. For people who are on income support or welfare, as you may refer to it, we have an overlap period now. If somebody leaves income support and goes to work, for the first month after they go to work they're still entitled to receive the regular benefits that they would receive. We allow a transition period. There is not what we call that welfare wall, where they drop off the cliff because they've gone to work. We have earning exemptions now so that people who are on income support and go to work can keep up to 25% of the money they earn; we won't claw it back. So if somebody goes out and earns money now, we want them to understand the value of working and what they get in return for being able to work.

We have employment transition programs. We will transition people from income support into work situations, and we will provide levels of support to them in terms of drug cards and things like that.

There was a job start benefit mentioned earlier. We'll provide money to people if they need money for uniforms or safety equipment, those kinds of things, if that's a barrier to their getting the job. Or for people who need a pardon because of some offence they committed some years before that may be stopping them now, we'll provide money to help them get those things looked after.

We used to charge people in social housing units 30% of their income as part of their rent. We've reduced that to 25% to allow people to keep more of their money.

I mentioned earlier our rental supplementation program. If we don't have social housing units available, we will assist people to go out into private apartment buildings and we'll supplement the rent. So if they're out working and can't afford a place, we'll assist them to get into private accommodations and we'll supplement the rent so they can find an adequate and decent place to live.

The low-income drug program was certainly a big one. It was probably the biggest investment we made. I mentioned to you earlier that one of the fears people had was that if they left income support they would lose their drug benefits. Well, our low-income drug program allows them to keep those benefits.

There are other things, but those are some of the things we've done.

• (1710)

Hon. Judy Sgro: It sounds like you're not using the "one size fits all"; you're clearly allowing flexibility to indicate what needs to be done for various problems to meet the needs of Newfoundlanders and Labradorians.

What about the issue of drugs in the community? Do you have a drug treatment facility in the province? Specifically, how do you deal with young people between 12 and 17 years of age who find themselves in that situation?

Hon. Shawn Skinner: Yes, we have a drug treatment facility. We have at least a couple in the province. In terms of young people, we partner with our policing services here. They offer drug programs in our schools.

In terms of children, we have education programs that are done through schools.

I mentioned earlier our community centres and our community youth networks. Those are very strong partners of the government. We will partner with them, and they will do programs after school and in the evenings with the children on things like drug awareness, drug education, drug resistance, being able to say no, being able to understand the effects of these kinds of things. So the prevention and awareness piece is there. For those young men and women who may become involved in drugs, we do also have programs to try to get them weaned off of the drugs.

The Chair: Thank you, Ms. Sgro.

Mr. Skinner, we have one more questioner for you. Thank you for bearing with us today.

Mr. Lake, you have the floor for five minutes.

Mr. Mike Lake: Thank you.

I'd be remiss if I didn't take the time to commend your efforts and the efforts of your government in tackling this important problem provincially. It's a problem for every province in Canada. Some of the challenges you're going through right now we're going through in Alberta with regard to a labour shortage and related issues.

There is a study that I refer to quite often, and it was done by a former NDP MLA from Saskatchewan named John Richards. He took a look at some provincial welfare programs and cuts that were made by NDP, Liberal, and Conservative governments in three provinces. He found that, after transfer cuts were made in mid-1990

by the federal government, poverty levels in those provinces actually went down. I took from this that sometimes government efforts are made to help people who maybe don't need help. Sometimes the unintended consequence is to hurt people, to encourage a cycle of dependence that might do more harm than good. At least that was the case in Alberta, B.C., and Ontario, the three cases that were studied.

I'll use a personal example. I have a son with autism, and I know that in provinces across the country there are many families dealing with autism who are borrowing \$40,000 a year and mortgaging their houses to fund the treatment. The kids with autism can't help themselves, and it's my belief that helping those families should be a priority for provincial governments across the country. Yet, in my view, there is money being spent on other priorities to help people who could help themselves.

Maybe you can comment on that example. Are we sometimes trying to do too much for people who can help themselves and maybe not focusing enough on people who can't?

• (1715)

Hon. Shawn Skinner: I would say to you, Mr. Lake, that we're not judge and jury in trying to determine who needs help or who doesn't. It's not for me to make that decision. Our responsibility is to provide people with opportunities. Where we see weaknesses in our society, we try to strengthen the supports to allow people to take advantage of those opportunities. No doubt, if we provide programs, services, and broad-based initiatives to people, there may be some who don't need it as much as others. I'd be naive if I tried to think otherwise. But I think it would be much better for us to provide services to allow people the opportunity to improve their lot in life than it would be for me, or for us as governments, to make the decisions about who should or should not be given assistance. We have a responsibility to all people to try to help.

The issue that you mentioned regarding your son and autism is a problem that we have in Newfoundland and Labrador. We have initiatives that we've done in consultation with the Autism Society of Newfoundland and Labrador.

We try to reach out to all groups who need assistance, without being judgmental about whether somebody needs or doesn't need the assistance. If there is something that has been identified, we try to provide the intervention to them, and we hope the people will be able to benefit from it.

Mr. Mike Lake: It's an interesting comment about not being judgmental. I would agree that we don't need to be judgmental. I would think as governments you have criteria that people apply under, and they either qualify or they don't. I don't know if that's judgmental, but that was what I was speaking about, the setting of the criteria.

When we set criteria for certain programs, we have to take into consideration whether the person is going to require life-long assistance. In the case of the families that I've met with kids with autism, oftentimes we're dealing with someone who will truly need life-long assistance. In some of the other situations that I've encountered, including a few personally close situations involving my foster brothers, we might be dealing with situations in which they just need an arm around them, situations in which they need someone to help them along to give them an opportunity. It may require some funds from government, but it doesn't require life-long funding.

We're dealing with decisions in regard to limited taxpayer dollars, and everything we spend in both levels of government is coming from the same taxpayers. Maybe you could speak to how you determine priorities when you're making those decisions, and how you find the balance.

Hon. Shawn Skinner: That's the million-dollar challenge that you, I, and every other elected official in this country deals with every day. How I deal with it is, again, by going back to the community that I live in and talking to the people in the community that I live in about the kind of community we want and the priorities they think we as a community should have, so our poverty reduction strategy is very much driven by the people we speak to.

The priorities we identify in our budget are the priorities that have come from the various groups we're dealing with in our communities, and they change from year to year. This strategy is not a static document; this strategy is a living, breathing document that is changing year by year. As I indicated earlier, every two years we go back to the community groups for an assessment of how we're doing, but every year we are making initiatives. Some initiatives stay and

some initiatives may go, but we try to make sure we respond as well as we can to what the community feels our community should consist of.

• (1720)

Mr. Mike Lake: Thank you so much for the opportunity to have this discussion today. We do really appreciate your input and the steps you're taking there in Newfoundland and Labrador.

Hon. Shawn Skinner: I appreciate your feedback.

The Chair: Minister, with that, on behalf of the committee, I would like to thank you, Ms. Vivian-Book, and Ms. Gogan for being with us today as we embark on this study. We realize that all provinces are going to need to be partners as we work through with this, and we're looking for real, tangible things on the ground, and by all means you guys have given some of those to us today. Thank you very much for your time.

I don't know if there's anything the government has produced in terms of materials on poverty and some of the strategies, but if you have any materials, I know the committee would love to see whatever you have. If you have anything or if anything is upcoming, could you by all means forward that on to our clerk? We would greatly appreciate it.

Thank you once again.

Hon. Shawn Skinner: Mr. Allison, by way of conclusion, thank you. We'll get that to you, and I thank you very much.

The Chair: Thanks.

The meeting is adjourned.

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