Prince Edward Island



SOCIAL ACTION PLAN TO REDUCE POVERTY

May 2012

PRINCE EDWARD ISLAND

Social Action Plan to Reduce Poverty





Delivered by The Honourable Valerie E. Docherty Minister of Community Services and Seniors

Good afternoon, ladies and gentlemen. Thank you all for coming.

Today I am pleased to announce Prince Edward Island's first Social Action Plan to Reduce Poverty. This plan reflects our government's fundamental commitment to protect the most vulnerable members of our society.

The need to reduce poverty goes well beyond social justice. Poverty costs in many ways. While it takes its greatest toll on individuals and families, poverty also results in increased health care costs, lower educational levels, high rates of crime and lower economic output. Reducing poverty benefits all Islanders.

Our government has taken strong action to reduce poverty since first coming to office, and much progress has been made.

We work to improve the lives of Islanders by providing programs and services which support economic development, infrastructure, cultural initiatives, health care, education and support for vulnerable Islanders.

The percentage of Islanders with low incomes is less than the Canadian average and has been steadily declining. In 2006, 11.6 per cent of Islanders had incomes below the Market Basket Measure, a widely used indicator of low income. By 2009, that percentage had fallen to 8.8 per cent, the lowest in many years and the lowest of any jurisdiction in Canada.

Although much has been accomplished, we understand that too many Islanders are struggling, and that we live in uncertain times which pose new risks to our well-being. More needs to be done.

We realize this requires solid, integrated social policy, supported by a strong economy. A strong economy produces more and better paying jobs that allow people to be self-sufficient, and in turn contribute taxes to finance programs that benefit society as a whole. The Social Action Plan fulfills a commitment made in the 2010 Speech from the Throne. That commitment was followed by a poverty reduction discussion paper which was the starting point of many discussions and consultations.

We heard from the diverse voices of our Island population: people living in poverty, people with disabilities, representatives of business, labour, health, women, Aboriginal persons, as well as newcomers.

We received 22 submissions directly from Island groups and individuals. We held 19 face-to-face meetings. There were 25 submissions to our website. And many others submitted written responses.

The plan I am announcing today has been developed as a result of these consultations, and I want to thank everyone who took time to share their views with us.

Feedback from Islanders gave us clear direction on how best to prevent and reduce poverty in Prince Edward Island. It guided us to establish two core goals:

Our first goal is to support people to move out of poverty by strengthening their educational and economic opportunities and their participation in the labour force.

Our second goal is to protect and enhance the standard of living and quality of life for those unable to participate in the labour force for whatever reason.

To achieve those goals, Islanders asked government to place priority on the following areas:

- Increase access to affordable housing
- Improve the Social Assistance Program
- Continue to enhance services for persons with disabilities and apply the disability lens to program planning

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- Continue enhancements to early learning
- Improve literacy and support adult learning, training and work
- Continue increases to minimum wage; index increases
- Change tax policies to assist low income Islanders
- Improve access to needed prescription medications
- Strengthen mental health and addictions services
- Enhance family supports in such areas as justice services

Prince Edward Island's Social Action Plan to Reduce Poverty maps out how we will work with Islanders to achieve further progress on these priorities over the next three years.

We have begun with a three-year plan – but we know that we need to continue to work beyond these three years and into our future.

Under the three-year budget plan, our government has committed to balance the budget. To that end, most provincial government departments will reduce their spending by three to five per cent.

Recognizing the importance of our social programs, however, our government has protected the gains made in the three critical areas of health, education, and social services and seniors.

Over the next three years, overall spending in these areas will increase, along with measures that I am announcing today. In addition, the Social Action Plan will work to strengthen our programs, sharpen our focus, and improve the way we provide services in order to reduce poverty in this province. We are committed to protecting and enhancing vital programs and services to Islanders.

Government is also committed to expanding economic and employment opportunities. Today, more Islanders are working than ever before.

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In the most recent Speech from the Throne, our government announced its commitment to renew its focus on private sector growth, with the goal of increasing employment levels to 75,000 jobs and a provincial economy of \$6 billion by 2016.

Under the Energy Accord, electricity costs have dropped by 14 per cent, saving Islanders \$25 million per year.

Low and modest income Islanders are also eligible for assistance through the Office of Energy Efficiency to reduce home heating costs.

It is important for Islanders to know that when government makes a decision that impacts Islanders, the impact on our most vulnerable is given special consideration.

This was the case with Harmonized Sales Tax. In addition to the expanded job opportunities HST will create, government will protect low and modest income families. Home heating oil, as well as children's clothing and footwear are exempt from HST, and a rebate will be provided in addition to the GST rebate.

In total, more than \$100 million is invested in programs directly aimed at reducing poverty, and tens of millions more are devoted to programs that prevent poverty and support social inclusion.

Since 2009, our government has invested more than \$16 million in new funding for those programs and new measures. This Social Action Plan reaffirms that support. During our three-year plan to return to fiscal balance, further new investments of \$4 million will be made to prevent and reduce poverty – and programs and services in many areas will be reviewed and improved to better meet the needs of Islanders.

Housing

Let me begin by outlining what we are doing to improve housing availability and affordability.

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Government has made tremendous strides in our efforts to provide affordable housing options to Islanders in need. Through the Social Action Plan, we will continue to improve supports for Islanders in need of affordable housing.

When we first came to office, just over 1,500 social housing units were available for low-income Island seniors, families, and persons with disabilities. Since then, 340 additional affordable housing units have been created through partnerships with the not-for-profit and private sectors, and other units have been refurbished to provide a better quality of life.

We are committed to continuing discussions with Canada Mortgage and Housing Corporation on future partnerships for affordable housing. The Canada–P.E.I. Affordable Housing Agreement has been renewed until March 31, 2014.

Over the next three years, we will increase the number of rent supplements by 60 to allow more Islanders to access more affordable rental units with the support of an investment of \$800,000.

Furthermore, in Year One and Year Two of the Social Action Plan, our government will contribute \$50,000 each year to support the building of affordable homes through Habitat for Humanity Prince Edward Island.

We recognize the especially difficult situation of those who are homeless.

Great work has been accomplished by the Prince Edward Island Community Advisory Committee on Homelessness, and we will continue to work with our community partners on long-term solutions.

We recognize that many Islanders have special housing needs. Over the past year, the Community Advisory Committee has met with many stakeholders to identify priority areas for the next three years. ... 340 additional affordable housing units have been created through partnerships with the not-for-profit and private sectors, and other units have been refurbished to provide a better quality of life.

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...in Year One and Year Two of the Social Action Plan, our government will contribute \$50,000 each year to support the building of affordable homes through Habitat for Humanity Prince Edward Island. ...a free weatherization service has been provided to 2,100 low income homes reducing their heating costs by an average of \$350 per year.

We are pleased to continue our support of the Salvation Army Home Heating Program. We will provide \$121,200 each year of the three-year Social Action Plan, for a total investment of more than \$360,000.

To support families who wish to renovate their homes to enable a family member to stay in the home longer, my government will create and implement a Seniors Home Care Renovations Program in 2013-14.

Partnerships with community groups such as Life Bridges Inc. and the Canadian Mental Health Association have already led to valued and innovative housing projects across the province.

Rising energy costs also put pressure on homeowners with low or fixed incomes. Since inception, the Office of Energy Efficiency has provided \$3 million in grants to 3,900 Islanders, \$9 million in loans to 1,500 Islanders, and \$1.6 million to pay for energy audits in 4,200 Island homes. Also, a free weatherization service has been provided to 2,100 low income homes reducing their heating costs by an average of \$350 per year.

As well, since 2008, our government has partnered with the Salvation Army to help families with home heating costs – providing almost \$711,000 to date. We are pleased to continue our support of the Salvation Army Home Heating Program. We will provide \$121,200 each year of the three-year Social Action Plan, for a total investment of more than \$360,000.

My government understands the potential high costs of renovations needed to accommodate older adults who move in with a family member.

To support families who wish to renovate their homes to enable a family member to stay in the home longer, my government will create and implement a Seniors Home Care Renovations Program in 2013-14.

The Province will invest \$500,000 in 2013-14 and \$500,000 in 2014-15 to support the new program that will provide families with a grant of up to \$5,000 per residence.

Upon coming to office, my government was pleased to re-instate and enhance the Seniors' Home Repair Program. This provides up to \$1,500 towards home repairs for eligible seniors. Since the reinstatement of this program, we have provided funds to more than 1,500 Island seniors – generating \$4.5 million for the Island economy.

In Year Two of the Social Action Plan, my government will increase the maximum amount of the Seniors' Home Repair Program grant to \$1,750 per residence, representing a \$100,000 investment.

In Year Three, the grant will be increased by another \$250, bringing the total grant to \$2,000 per residence, representing an additional \$100,000 investment.

The need for seniors' housing is only expected to increase, and we will continue to look at ways to respond to this need.

Income Support

Federal and provincial income support programs are vital to help Islanders deal with economic risks and changing personal situations. Federal programs such as Old Age Security, Guaranteed Income Supplement, the Child Tax Credit, and Employment Insurance play a major and essential role in preventing and reducing poverty in Prince Edward Island.

Recent changes to Employment Insurance and Old Age Security announced by the federal government may have major effects on Islanders both today and in the long term. Our government is working to identify those impacts and risks – and we will represent those strongly to the federal government to ensure their measures recognize the realities of our economy and of the nature of work for many Islanders.

The Social Assistance Program also plays a key role in supporting Islanders through difficult times. Our Government has increased Social Assistance Program rates several times over the past four years. Shelter rates increased by one per cent in 2008, by five per cent in 2009, and by a further two per cent in 2010. These increases were accompanied by a 10 per cent food rate increase in 2009 – the first in almost 10 years. Taken together, these increases involved \$2 million in new funding for the Social Assistance Program to meet the needs of Islanders.

'In Year Three the total Seniors' Home Repair Program grant will reach \$2,000 per residence.' During Year Two of the Social Action Plan, our Government will explore options for regular food rate increases.

We recognize that allowing low-income Islanders to retain a greater percentage of their assets will lead to increased potential to move out of poverty and provide for their long-term needs.

As well, in April 2011, Government ceased considering the National Child Benefit for Social Assistance clients when calculating eligibility. This \$750,000 investment benefitted 800 Island families.

During Year Two of the Social Action Plan, our Government will explore options for regular food rate increases.

My government understands the difficult position Islanders are in when they only require short-term assistance but are not eligible because of the current assets level permitted within the program.

Moving forward, we are committed to reviewing these levels with a goal of increasing them so that Islanders in need of short-term assistance are not required to exhaust their savings to be eligible for Social Assistance.

We recognize that allowing low-income Islanders to retain a greater percentage of their assets will lead to increased potential to move out of poverty and provide for their long-term needs.

Supports for Persons with Disabilities

Persons living with disabilities are often at greater risk of poverty.

Government is committed to providing programs and services to assist persons with disabilities. Investments are being made in home care services, educational supports to students, employment services, transportation, medication coverage and important initiatives such as the Disability Support Program.

The Disability Support Program provides supports for adults and children who have a qualifying disability. It is key in supporting Islanders living with disabilities reach their full potential.

Based on the client's level of functioning, the Disability Support Program provides four levels of benefits per month: \$400, \$800, \$1,600 and \$3,100. Each of these levels increased by \$100 per month in 2007.

Because of an increase in demand, the budget was increased by five per cent in 2009-10 and by eight per cent in 2011-12.

Our government conducted a province-wide consultative process in 2008. One key recommendation called for the creation of a coordinating body. In response, the Disability Action Council was established, comprised of government representatives, community stakeholders, and persons with disabilities. The goal of the Council is to work towards the implementation of recommendations in a collaborative manner.

The Council has taken the lead in addressing recommendations. In September of last year, it identified 14 recommendations on which it placed priority. I look forward to receiving the bi-annual report from the Council in the coming weeks on the progress government has made on these recommendations.

My government has used these recommendations when planning investments that benefit Islanders with disabilities. Two housing projects for persons living with disabilities – Celtic Place in Montague and Saunder's Place in Summerside – are examples of this collaboration.

Government is committed to continuing to work with the Disability Action Council to address recommendations in the Disability Services Review.

Early Learning and Education

Education is key to higher paying jobs and increased opportunity for employment. In some cases, individuals living in poverty face major barriers to furthering their education.

Research from across Canada shows a strong link between poverty and learning problems among children.

Reducing poverty is likely to lessen the level of exceptional needs and learning challenges among our children, thus placing them in a stronger position to learn.

Government is committed to continuing to work with the Disability Action Council to address recommendations in the Disability Services Review.

Over the past four years, an additional \$23 million has been provided directly to students, making access to post-secondary education more affordable.

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45 Early Years
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Low income also decreases a young person's chance to attend college, university or a training program after graduation.

Over the past four years, an additional \$23 million has been provided directly to students, making access to post-secondary education more affordable.

Student loans and grants such as the George Coles Bursary are significant ways to reduce financial barriers, but further measures are needed to encourage low income students to continue studying after high school.

To engage the number and percentage of low income children who choose to continue on to post-secondary education, we also need to begin early and focus on supports for both children and their parents.

Total investments in early childhood education have more than doubled to more than \$10 million. Staff have been trained, parent fees have been standardized, and a consistent high quality curriculum has been implemented. These measures have made our system a national leader.

The Preschool Excellence Initiative supports a stronger focus on early-learning. There are now 45 Early Years Centres across the province, with an enrolment of more than 2,600 children. The Department of Education and Early Childhood Development will open a further two new Early Years Centres by 2013.

Our government is committed to further enhancements in early learning and child care. This will include such initiatives as the development of early literacy action plans.

With funding support of \$3.9 million, the Child Care Subsidy Program is essential for families for whom the cost of child care would be a barrier for them to return to work. The program pays for some or all of the family's child care – depending on family size and income.

Under this government, child care subsidy levels have been increased and aligned with fees at Early Years Centres, ending extra billing.

As well, the program has been made available to an increased number of families. Last year, 1,235 families representing 1,835 children benefitted from this program.

To ensure continued success of this program, in Year Three of the Social Action Plan, the government will assess the need to increase the income threshold for eligibility or the benefit amount available through the Child Care Subsidy Program.

Employment Supports and Services

Often, the best poverty reduction strategy is employment.

Government is co-ordinating efforts among three departments to provide Islanders with access to employment supports and job placements. We will continue to expand these services in Year Two of the Social Action Plan and will evaluate results and make necessary changes in 2014-15.

Skills development and training have been improved through a number of measures, including investments through Skills PEI.

Islanders working for minimum wage are now earning hourly wages similar to surrounding provinces. The minimum wage has been increased from \$7.50 per hour in 2007 to \$10 per hour today.

Health

It is well known that poverty has a negative effect on health. Poverty makes it more difficult to live in safe neighbourhoods, purchase healthy foods, be physically active, buy medication, and socialize with friends and family.

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...my government will initiate an independent, expert review of Mental Health and Addictions to ensure that services are meeting the high standards expected by Islanders.

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Being able to do these things provides a sense of belonging, and enhances our mental and physical health.

The Go!PEI program is an affordable way for Islanders to become more involved in their community and lead healthy and active lives.

Government believes all Islanders deserve an equal chance at good health.

Mental health and addictions issues are often a cause of poverty, and may be a consequence as well. As committed in the Speech from the Throne, my government will initiate an independent, expert review of Mental Health and Addictions to ensure that services are meeting the high standards expected by Islanders.

Throughout our consultations, Islanders recommended increased fairness and access to provincial drug programs.

In response, our government is establishing measures to enable generic medications to be purchased by government at a lower cost and to further improve our formulary. Those savings will be passed on to Islanders.

We will further commit to evaluating changes to drug programs over the next three years.

Family Supports and Services

All families are vulnerable to problems at home, and the stress of low income increases the pressures on families. As stated in this year's Speech from the Throne, my government is currently researching and examining the concept of therapeutic courts on Prince Edward Island.

These types of courts include domestic violence courts, drug treatment courts and mental health courts.

Much good work has already taken place over the last several years on models of domestic violence courts, and our consideration of therapeutic courts will build on this work.

Seniors

Let me turn to actions to address poverty among our seniors. Seniors are the fastest growing sector of the population on Prince Edward Island.

Since 2007, we have increased funding for home-based care in Prince Edward Island by \$6.5 million, representing a 55 per cent increase.

We have reinstated the Seniors Home Repair Program and enhanced it to reach more seniors, helping them to live independently at home for longer – and through this plan, we are introducing the Seniors Home Care Renovation Plan.

Energy efficiency grants and the Energy Accord's 14 per cent reduction in energy costs have also helped hold down costs for seniors.

Also, we have exempted seniors who earn less than \$35,000 per year from emergency ambulance fees.

Moving Forward

Ladies and gentlemen, this government will continue to consult with Islanders to better understand the needs of people living in low-income situations.

A steering committee has been created to see that progress is made on the Social Action Plan, recommend changes and develop regular progress reports.

Further input will be sought from men and women who are experiencing poverty – as well as community organizations that support Islanders who are experiencing poverty – to help the steering committee ensure that our plan recognizes and responds to the realities of living in low income situations.

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In closing, it is important we recognize that tackling poverty is not simply a responsibility of government alone. Poverty is a challenge that faces each and every one of us as Islanders. We all have a responsibility to help shape a caring, inclusive society, to end the isolation of men and women who are experiencing poverty, and to support and welcome them to become full and participating members of our communities.

Thank you.