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PRESS CONFERENCE

Fredericton, October 30, 2008 at 10 a.m.

INTRODUCTION

The Common Front for Social Justice (CFSJ) has decided to organize a press conference because we view the current social climate as critical.

We are interested in the initiative presented by the Minister of Social Development in her endeavour to launch a *Poverty Reduction Plan* and for her decision to have public participation, including people living in poverty. However, let us be clear, the process to develop this plan will take over one year and there is nothing right now to address immediate problems. The New Brunswick (NB) government must immediately make a good faith move and put short term measures in place to respond to current problems related to heating, lack of income to keep up with the rising cost of living and the shortage of social housing in the province. Members of the population who are freezing or lacking food will not participate.

It is practically impossible for a good segment of the population to live decently on their current income. Given the present economic situation, along with the rising cost of living, the challenge can only become greater. One only has to keep in mind the rising price of gasoline, the increasing cost of transportation, the hikes in grocery prices and the rise in the cost of heating oil.

We urge the present government to adopt immediate measures to alleviate the sufferings of people and to allow them to have a minimum amount of comfort throughout the winter months. In our view, the government must adopt measures, as soon as possible, in four specific areas:

- Question of **heating costs**;
- Current legislation regarding **minimum wage**;
- Basic **welfare rates** and
- Need for **housing assistance**.

1. HEATING

With our cold winter temperatures, heating is a basic need, not a luxury. Heating supplements for social assistance recipients should be increased significantly. We ask the government of NB to provide similar supplements to those in NS¹. In our neighbouring province, annual payments are provided to a maximum of \$450 per year. The support program in NS is inclusive. It is offered to social assistance recipients, to seniors receiving the guaranteed annual supplement, to adults living alone and earning \$27 000 or less, to two-person household with a combined income of \$42,000 or less and to single parents with a net income of \$42,000 or less. The Nova Scotian allocations cover all forms of energy used for heating.

We ask that there be no disconnection of electricity during the Winter. While the number has decreased since 2002, we noted there were 1,580 disconnections during the last year². We would not want to see repeated other situations like that of Mr. Durelle of Baie-Ste-Anne, who froze in his home last winter, because he did not have electricity. The no disconnection policy by NB Power has to be clarified. It does not specify what to do if someone is in too much debt to repay. Furthermore, nothing is said about the

¹ www.gov.ns.ca/heatsmart/pubs/HARP-Apply.pdf

² Presentation from Kurt Peacock, Visiting Scholar, Harold Crabtree Foundation, UNB St John, October 17, 2008

obligation to protect the lives of those who are exposed to the cold, putting their lives in danger. The extremely low rates of social assistance, combined with increased electricity costs explain why people with low incomes are in debt and at risk to suffer from the cold.

Furthermore, we ask for emergency assistance to make oil heating more accessible by reducing bureaucratic procedures. The provincial government is responsible to put in place mechanisms to ensure that those who are charged with implementing policy are aware of its contents. When a social assistance recipient is at risk of being exposed to the cold, someone has to be alerted, whether it is a caseworker or a politician. There has to be a plan in place and a pre-established communication process by the Minister so this person is not left without protection.

We demand that NB Power reduce its monthly residential service rates, in urban areas, since they are among the highest in Canada (see note 2 on preceding page)

2. MINIMUM WAGE

In NB, thousands of workers must live with a minimum wage which is among the lowest in all of Canada. Yet, these people have the same basic necessities as everybody else. They need food, clothing, a shelter, heat, etc.

In 1996, minimum wage in NB was \$5.50 but if we had adjusted it to follow the Consumer Price Index, it should have been \$6.80 in order to maintain the buying power of consumers. In 2007, our minimum wage was only \$7.25 but it would have been \$8.55 if we had adjusted it to the 1975 Consumer Price Index.

The Low Income Cut-off before tax for 2006, for one person living in a community area of 30,000 to 99,999, was \$18,147 pr year³. Yet, the current minimum wage in NB, at \$7.75, is only equivalent to an annual salary of \$16,120. NB is disadvantaged with regards to salaries, compared to NS, where the minimum salary was \$8.10 in May 2008; it will go up to \$8.60 in April 2009, to \$9.20 in April 2010 and to \$9.65 in October 2010. As for Newfoundland & Labrador, its minimum wage since April 2008 is at \$8.00; it will go up to \$8.50 in January 2009, to \$9.00 in July 2009, to \$9.50 in January 2010 and then, to \$10.00 in July 2010.

The NB government says there is a shortage of workers in the province. It is certainly not with low wages that we will be competitive for manpower. Moreover, the current minimum wage keeps a portion of the working population in misery, an unacceptable situation. We therefore request that that in NB, the minimum wage be raised gradually, **at predetermined dates**, up to \$10 per hour and that it reaches parity with the three other Atlantic Provinces by 2010.

3. SOCIAL ASSISTANCE

We presently have in NB, many thousands of individuals living below the poverty line. A very high number of these are unable to work for health reasons. These individuals and families receive some government assistance but this help is among the lowest in all of Canada. People on social assistance must, to survive, count on the help of food banks. According to *Hunger Count 2007*⁴, 33.1% of food bank users are children, 65.0% are on social assistance, 10.7% are working and 9.2% are seniors.

The National Council of Welfare reports what the total welfare incomes were, in 2006, for four categories of recipients: 1: Single, employable; 2: Person with a disability; 3: Lone parent, one child, 4: Couple, two

³ Statistics Canada. Catalogue no. 75F0002MIE – No. 004. Low Income Cut-offs for 2006 and Low income Measures for 2005, page 23.

⁴ <http://www.cafb-acba.ca/documents/HungerCount2007.pdf>

children⁵. In 2006, the **gap** between NB's total welfare income *and* the low income cut-off (LICO) for 2006, for an area of 30,000 to 99,999, was the following (all calculations are based on Statistics Canada data for 2006 – see note 3 on preceding page):

- **\$14,659** for a single, employable person⁶
- **\$10,036** for a person with disability⁷
- **\$7,706** for a lone parent with one child⁸
- **\$15,247** for couple with two children⁹

Of the four Atlantic provinces, NB's welfare gap in 2006 was the largest for the four National Council of Welfare categories, except for the case of a lone parent with one child in NS. In 2006, the last year for which National Council of Welfare data is now published, the gap was as follows:

- a single and employable person in NB was getting **\$3,607** less per year than the average for the three other Atlantic provinces;
- a NB person with disability was getting **\$1,131** less per year than the average for the three other Atlantic provinces;
- a lone parent with 1 child in NB was getting **\$834** less per year than the average for the three other Atlantic provinces;
- a NB couple with two children was getting **\$2,631** less year than the average for the three other Atlantic provinces;

We demand that social assistance average gaps between NB and the three other Atlantic provinces be immediately wiped out. Thereafter, welfare rates should be indexed every year. We demand that the social assistance levels follow the rate of inflation which has gone up by 37.4% between 1992 and 2008¹⁰.

4. SOCIAL HOUSING

In our context, social housing is essential and necessary for survival. This is particularly true for people requiring social assistance. In NB, 39% of the population spend over 30% of their income on housing. We are facing an erosion of the possibilities to access housing¹¹, and that, in light of increasing financial insecurity and under-employment. Access to housing should be guaranteed, just like the right to food and to heat.

Approximately 10% of homes in NB are in need of major repairs. According to the latest census, around 2,000 families were waiting for assistance to repair their house. The waiting list for subsidized housing has 4,000 names.

We demand that sufficient funds be allocated to social housing to answer the requests for repairs, especially in rural areas. People should not have to wait for years for the approval of their requests.

We also demand that the government take the necessary measures to immediately lower the waiting list for people in need of subsidized housing. We also request that the province invest more money in social housing.

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⁵ www.ncwcnbes.net/documents/researchpublications/ResearchProjects/WelfareIncomes/2006WebOnlyData/factsheet5FRE.pdf

⁶ LICO for 1 person @ \$18,147 minus NB's welfare rate of \$3,488

⁷ LICO for 1 person @ \$18,147 minus NB's welfare rate of \$8,111

⁸ LICO for 2 persons @ \$22,591 minus NB's welfare rate of \$14,785

⁹ LICO for 4 persons @\$33,721 minus NB's welfare rate of \$18,474

¹⁰ www.banqueducanada.ca/fr/taux/inflation_calc-f.html

¹¹ Gordon Laird. 2008. Homelessness in a growth economy: Canada's 21st century paradox. A report for the Sheldon Chumir Foundation for Ethics in Leadership.