

## *Standing Committee on Social Programs*

### *Interim Review of Changes to the Seniors Fossil Fuel Subsidy*

In October 1996, the Minister of Education, Culture and Employment announced changes to the Seniors Fossil Fuel Subsidy. These changes, which set a threshold for eligibility, have a dramatic effect on some seniors living in the NWT.

During the business plan/budget reviews for 1996/97, Members were aware that there might be potential changes to the subsidy. Members were in favour of reducing the subsidy for those who could truly afford to pay. However, the program changes announced by the Minister were not what was expected. As members argued in the House, there were many factors which needed to be considered in setting the thresholds for the subsidy, not the least of which was the differences in cost of living across the NWT.

As a result of considerable discussion in the House on the impact of the recent changes to the wood/fuel subsidy, the concerns were referred to the Standing Committee on Social Programs by way of motion.

The Standing Committee was aware of the short time available to address the issue for 1996/97. We reviewed this matter as quickly as possible.

In order to address this issue in a timely way, we wrote to the Minister proposing a two part solution. We also indicated to the Minister we hoped he would provide an answer on this proposal by today.

In the short-term, we suggested that changes be made to address one of the most pressing concerns raised by members which is the issue of cost of living differences across the NWT. We proposed that the threshold levels for the subsidy be indexed effective October 1, 1996 based on a regional fuel index. Our rough estimates indicated that using a fuel index would increase the cost of the current program by about \$70,000 - 75,000. We also looked at and were comfortable with using the social assistance index to adjust the thresholds. This would increase the cost by about \$50,000.

During the discussions in the House, the Minister indicated he did not have the funds to modify the program. We offered two suggestions for finding this money. First, we suggested that the Minister look within the income support program. The Minister had indicated that those seniors who need additional support for fuel costs could go to the income support program for assistance. If the dollars are available to these seniors within the current allocation for income support, it should be a simple matter of moving these income support dollars over to the fuel subsidy program where seniors could access them without the stigma of using income support. If the

Minister is not able to find the full amount this way, we suggested he also consider approaching Cabinet to obtain funding from lapsed capital.

For the long term, the Standing Committee believes it is clear there is considerable support for finding a way to keep the program. In our letter to the Minister we asked him to bring a proposal for a revised fuel subsidy to the Committee as part of the review of the Department of Education, Culture and Employment's business plan next week. This proposal should address the concerns raised by members and the public over the past few weeks including:

- the relative subsidy necessary for single occupants versus households with two or more residents;
- the issue of homeowners needs versus those who rent;
- encouraging the independence of seniors;
- ensuring the subsidy goes to those who need it; and
- ensuring seniors are living above the poverty line.

We also requested that the Minister ensure the program proposal is discussed with the NWT Seniors Society.

The Standing Committee on Social Programs recognizes the need for all departments to live within their budgets. Members also recognize that this is very difficult for the Social Programs departments. However, we believe we have offered the Minister some workable solutions which will not add to the financial burden of the Department. The Standing Committee hopes these suggestions will help all of us find an approach to the wood/fuel subsidy which is in the best interests of the seniors of the NWT.

We have not yet had a definite answer from the Minister but we hope he will respond shortly on our proposals. The Standing Committee on Social Programs will be following up further on this issue during the review of the 1997/98 business plans next week.