

**GOVERNMENT OF THE NORTHWEST TERRITORIES RESPONSE TO
MOTION 19-17(3): CHILD TAX BENEFIT CLAWBACK**

Motion

NOW THEREFORE I MOVE, seconded by the honourable Member for Sahtu, that the NWT Housing Corporation immediately ceases treating child tax benefits as income for the purpose of calculating public housing rents;

AND FURTHER, that the Government of the Northwest Territories work to identify and eliminate other similar inconsistencies in the subsidy programs;

AND FURTHERMORE, that the Government of the Northwest Territories provide a response to this motion within 120 days.

GNWT Response

During the public engagement for the Shelter Policy Review, residents informed the Northwest Territories Housing Corporation (NWTHC) they wanted the public housing rent scales to be simpler, more predictable, and fairer. The new rent scale introduced on July 1, 2012 addresses those concerns. Under the old rent scale, certain sources of income were excluded, which led to many different rents being charged tenants across the NWT. This contributed to both confusion and the disincentive to work as people with similar income levels could have varying levels of rent and gaining employment often resulted in significant rental increases.

The new public housing rent scale now includes all sources of income and rental rates range from about 4% of income for households with income less than \$1,667 per month to about 19% of income for tenants earning more than \$8,333. With seven steps in the rent scale, tenants are able to increase their income through employment or benefits without necessarily having their rent increase.

As noted, minimum rent of \$70-\$80 is charged to any client earning less than \$1,667 per month. Excluding certain types of income would not impact this value so the only tenants that may benefit would be tenants with higher incomes.

Social benefit payments are provided to help residents pay for basic necessities like food, clothing and shelter. Fairness is impacted if extra benefits are provided to those residents receiving the benefit and living in public housing which then creates a disparity with families with similar incomes that aren't able to access public housing.

If the NWTHC started to exclude certain types of social benefit payments, the rent scale would return to the complexity seen previously and rents for other tenants would need

to increase to offset any reduction achieved through excluding certain income types. The fairness in the rent scale would be diminished.

Therefore, the NWTCH does not plan to change its approach to income considered for the purpose of calculating public housing rent at this time. The NWTCH will, however, continue to evaluate the impact of the public housing rent scale on tenants.

The NWTCH works closely with departments on consistency in policies and programs. Included in these discussions is the approach to program eligibility. Some differences between policies and programs are related to the purpose and objectives of the policy or program.