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Written Submission for the Pre-Budget Consultations in  
Advance of the 2023 Federal Budget

By: The Community Sector Council Newfoundland and Labrador

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## List of Recommendations

- **Recommendation 1:** Acknowledge intentionally that the community sector is a distinct sector central to economic and social progress and which has even greater potential for supporting economic and social recovery if well-nourished.
- **Recommendation 2:** Establish a central focal point of contact, or secretariat, designated and responsible for issues relevant to cross cutting community sector issues.
- **Recommendation 3:** Conduct an inventory of existing government programs and policies to determine what changes might be made to better align with rebuilding the economy in the new environment.
- **Recommendation 4:** Increase allowable support for administrative and ongoing operational functions of nonprofits so they may sustain operations and build leadership strength and organizational capacity.
- **Recommendation 5:** Engage “on the ground” sector leaders at the local, place-based community level to lay out a blueprint for economic and social recovery in partnership with provincially-based community sector groups.
- **Recommendation 6:** Increase investment in collecting and analyzing community sector data in a timely manner.
- **Recommendation 7:** Allocate increased funds for technology transformation and to increase digital literacy directly to nonprofit community sector available to locally-based organizations.
- **Recommendation 8:** Allocate further funds to improve connectivity in all regions and access to computer hardware and low cost connectivity for those in need.
- **Recommendation 9:** Make a commitment and financial allocation in Budget 2023 to work with the provinces to analyze and pursue an Annual Basic Income in Canada.
- **Recommendation 10:** Support a greater emphasis on the social determinants of health in seeking to improve Canada’s health care system.

**The Community Sector Council Newfoundland and Labrador (CSC NL)** is a registered charitable organization committed to advancing and strengthening the central role of the community sector in social and economic progress and in advancing social and economic well-being.

The community sector is the heartbeat and backbone of communities. Often referred to as the nonprofit or voluntary sector, it comprises many thousands of organizations including charities, nonprofits, voluntary groups and social enterprises which are woven into every facet of our daily life. They offer sports, recreation, social and health and mental health services, support to children, youth and seniors. They span arts, culture, heritage, environmental issues and housing. They provide support to vulnerable people, address poverty reduction and social justice. During the current pandemic they have stepped up to help make life better. Every single day we each benefit from the work of charities and nonprofits.

The community sector advocates for specific populations and draws attention to emerging and important issues. Of particular significance is the role that the community sector plays in attracting economic activity. In much the same way as small and medium-size businesses, nonprofits flow money back into the economy. They seed economic development. They are a primary employer and economic driver in many communities. Think about the theatre group in a small community which attracts visitors to the region. In turn businesses emerge: accommodations, coffee shops, restaurants, craft sales, even local breweries.

A distinguishing feature of the sector is its labour force which is both paid and unpaid. The sector is community-based, led by hundreds of thousands of volunteers including those who serve on Boards of Directors as well as paid employees. It is a significant industry sector accounting for about 10% of employees in Canada. In Newfoundland and Labrador it is estimated that 16000+ people are employed annually in the community-sector.

**Recommendation 1: Acknowledge intentionally that the community sector is a distinct sector central to economic and social progress and which has even greater potential for supporting economic and social recovery if well-nourished.**

All programs designed to help stimulate economic recovery should clearly recognize the importance of community organizations as economic drivers.

The community sector is local, regional and national in its framing and delivery. It is often the early warning signal identifying and responding to human and community issues. Yet the sector is still not sufficiently well-recognized as fundamental to recovery. Important delivery mechanisms are locally and regionally based, not just at the national level. We encourage that federal funding programs be more sensitive to local and provincial organizations so they may

compete fairly and equally in applications. The huge administrative burden for completing applications and the high risk of not receiving funding is challenging for small organizations especially in light of the challenge of short-term, project funding and lack of core and administrative support.

**Recommendation 2: Establish a central focal point of contact or secretariat designated and responsible for issues relevant to cross-cutting community sector issues.**

Part of the challenge is that the operational framework of the sector is not always well-understood. The language of the sector and government do not necessarily mesh well. Many people do not appreciate that the nonprofit labour force includes both paid and unpaid people. All nonprofits have unpaid boards of directors. Many have paid employees. It is this synergy which makes the sector unique. It is also what enables nonprofits to act fast, to mobilize and to respond. Having a home in government responsible for rolling out better ways to work with the sector is important opportunity.

**Recommendation 3: Conduct an inventory of existing government programs and policies to determine what changes might be made to better align with rebuilding the economy in the new environment.**

There is a challenge for nonprofits operating many federally funded programs hiring individuals whose Social Insurance number starts with #9. This relates to foreign students and others who do not have permanent status even though, as we understand the situation, they may have work permits. A review of this situation might alleviate the hiring challenges for many nonprofits, lead to greater opportunities for employment diversity and in the case of Newfoundland and Labrador help grow the population.

**Recommendation 4: Increase allowable support for administrative and ongoing operational functions of nonprofits so they may sustain operations and build leadership strength and organizational capacity.**

The current attitude to limited support for administration is detrimental and is counter to good management. In budget 2023 please work toward a more logical and sustainable funding environment for the community sector. This should also include an overhaul of many granting policies which do not support innovation, flexibility or nimbleness.

Often from the time of conception of good ideas the contractual process gets weighted down in mind numbing minutia which is an extraordinary drain on small, often cash starved and human resource challenged organizations. And certainly does not recognize the extreme administrative burden of constant project applications.

**Recommendation 5: Engage with “on the ground” sector leaders at the local, place-based community level to lay out a blueprint for economic and social recovery in partnership with provincially-based community sector groups.**

Often it is the small, locally-based, grassroots organizations heavily reliant on volunteers that are able to meet local needs.

**Recommendation 6: Increase investment in collecting and analyzing community sector data in a timely manner.**

Lack of current and sufficient data about the community and volunteer sector diminishes the opportunity to mobilize its full potential including its people, its employment capacity and its ability to react quickly and nimbly in addressing urgent needs. Lack of good and current data is a longstanding problem. As part of the NonProfit Federal Data Working Group<sup>1</sup>, CSC NL encourages a significantly ramped up approach to sector data collection and knowledge. A good step would be creating a nonprofit advisory committee to Statistics Canada (as existed several years ago) to improve data collection, analysis and release practices. Current data collection often does not have sufficient numbers to permit regional and provincial analysis and that often renders the data of little value to many organizations, policy shapers and researchers. Furthermore the last substantial survey of the sector was conducted in 2003; this should be resurfaced and produced on a regular basis.

Please include input from nonprofit sector researchers and expansion of the sample base to ensure adequate information is available for analysis at a regional and provincial level.

**Recommendation 7: Allocate increased funds to technology and to increase digital literacy directly to nonprofit community sector available especially to locally-based organizations.**

Nonprofits need to have financial support to make a full digital transformation. CSC NL was pleased to see the reinstatement of the Digital Literacy Exchange Program under Innovation Science and Industry recently; however, it should have been a continuous program to avoid loss of staff and continuity on the part of applicants. We urge that Budget 2023 commit to an expansion and longer term commitment of this program.

**Recommendation 8: Allocate further funds to improve connectivity in all regions and access to computer hardware and low cost connectivity for those in need.**

Our new environment and the importance of working remotely and online has urgently given profile to the huge challenges Canada faces in enabling everyone to function virtually. This goes beyond broad band to accessing affordable computer hardware and inexpensive personal wifi in homes.

**Recommendation 9: Make a commitment and financial allocation in Budget 2023 to work with the provinces to analyze and pursue an Annual Basic Income in Canada.**

The Community Sector Council Newfoundland and Labrador has a long-standing commitment to improving the social and economic well-being of Canadians. This means people's ability to meet their basic needs. In Budget 2023 we recommend that a process be established to work with provinces on costing and defining an approach to an annual (or guaranteed) basic income to lift people out of poverty and ensure no one is living below the poverty line (using a market basket approach).

**Recommendation 10: Support a greater emphasis on the social determinants of health in seeking to improve Canada's health care system.**

As increased knowledge continues to mount about Canada's weakened and inadequate health care system transformative approaches should focus on upstream, longer term preventative measures to improve the health of Canadians. The social determinants of health including poverty reduction, mental well-being and social connectedness<sup>ii</sup> (significantly produced by the community sector and volunteering<sup>iii</sup>) should receive greater attention in Budget 2023.

**Conclusion**

Much of the community sector (which is where private, public, nonprofit and individuals converge) is already innovative in its thinking and actions; however, many, especially smaller groups which make up the bulk of the sector, will require continuing support to move forward.

The community sector, its staff and volunteers, is still a largely under-appreciated and untapped resource in promoting social well-being and economic recovery. The pandemic has surfaced many of the weaknesses in the current contractual and funding relationships and mechanisms between the Government of Canada and the community sector. It has also shone a light on the outstanding ability of the community sector to step up fast to meet human and community needs. However there are many pressure points and gaps in planning which clearly indicate the importance of improved policies, programming and funding. Budget 2023 presents a point of opportunity to heed the sector's concerns and a focal point to genuinely focus on ways to harness its enormous willingness and capacity to contribute to its optimal level.

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<sup>i</sup> See brief submitted by the NonProfit Federal Data working group.

<sup>ii</sup> See Health Accord NL for an excellent analysis and blueprint for improving the social determinants of health and the role of the Community Sector.

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<sup>iii</sup> CSC NL supports the recommendation of Volunteer Canada to develop a National Action Strategy on Volunteerism