

Brief to the

2024-2025 Pre-budget Consultation

Chaired by

Finance Minister Eric Girard

Presentation by

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Montreal, January 22, 2024

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Introduction

The Quebec Community Groups Network (QCGN) appreciates the invitation to participate in the 2024-2025 pre-budget consultation process. In this brief, we will outline our key recommendations as they relate to the community sector and Quebec's English-speaking minority community.

Community sector organizations in Quebec have always been trusted and reliable partners of the Government of Quebec. They play a vital role in Quebec's social development by providing information, assistance, delivery and support for key government mandates and services to the population, particularly to vulnerable citizens and groups.

A. Increased funding to match increased demand

Community organizations in Quebec, like elsewhere, continue to be under pressure. Rising inflation throughout the province has resulted in a 17 per cent increase in Consumer Price Index (CPI) in the last three years.¹ Poorer Quebecers have been hit the hardest by these rising costs, with an inability to afford food being a large concern.² Housing costs have likewise increased across the province, with a 19.8-point CPI increase in housing in less than three years.³

The organizations are also feeling this inflationary pressure as they struggle to provide services within budgets that are not keeping up with increased costs. In the face of mounting economic challenges, the Quebec community sector requires support to continue to do more with less.

- 1. The QCGN submits that community sector funding should be increased to reflect the increase in cost of living which has created both additional demand from the population as well as an increased burden on organizations to maintain service delivery amidst an increasing financial load.***

B. Funding equity for the English-speaking Community Sector

A recurring theme for the English-speaking community of Quebec is the proportionality of funding to its share of the population. Despite representing nearly 15 per cent of the Quebec population, an estimate provided by the Secretariat for Relations with English-speaking Quebecers shows that organizations supporting English-speaking Quebecers receive only three per cent of the funding allocated by the Quebec government to the community sector.⁴ This persists despite widespread agreement among French- and English-speaking Quebecers that funding should reflect community size.⁵

¹ In November 2023, the CPI (indexed to 2002) in Quebec was at 155.5, as compared to 132.6 in January of 2020. Quebec, Institut de la Statistique du Québec, *Consumer Price Index (CPI), products and product groups, Québec Canada, Montréal CMA and Québec CMA, monthly data not seasonally adjusted (2002=100)* (Quebec: ISQ, 2023) online: <statistique.quebec.ca/en/produit/tableau/3879> [CPI].

² In 2022 alone, the cost of food in Quebec's CPI rose 9.2% generally, with a 9.6% increase for store-bought grocery food: Quebec, Institut de la Statistique du Québec, *Consumer Price Index (CPI), products and product groups, Québec Canada, Montréal CMA and Québec CMA, annual averages (2002=100)* (Quebec: ISQ, 2023) online : <statistique.quebec.ca/en/produit/tableau/3880>.

³ *Supra* note 1.

⁴ Quebec Community Groups Network, *Vision, vitalité et viabilité: Rapport sur la tournée de consultation du Secrétariat aux relations avec les Québécois d'expression anglaise*, (Montreal: Quebec Community Groups Network, 2020) at 11, online (pdf) : <qcggn.ca/fr/vision-vitalite-et-viabilite-rapport-sur-la-tournee-de-consultation-du-secretariat-aux-relations-avec-les-quebecois-d'expression-anglaise>.

⁵ Quebec Community Groups Network and the Association for Canadian Studies, *Consensus on Language Issues in Quebec* (Quebec: QCGN, 2022), online: <qcggn.ca/wp-content/uploads/2022/11/QCGN-Consensus-Issues-on-Language-in-Quebec.pdf>.

The funding disparities outlined above are evermore concerning in light of prevailing income disparities that exist between French- and English-speaking communities in Quebec. Recent research by the Provincial Employment Round Table (PERT) shows that English speakers in Quebec are twice as likely to live below the low-income cut-off (LICO) level. Note that 8.9 per cent of English-speaking Quebecers are living under the LICO threshold – as compared to only 4.5 per cent of French speakers.⁶ The 2021 census reported an unemployment rate of 10.9 per cent among English speakers; four percentage points higher than that of French speakers who face a jobless rate of 6.9 per cent.⁷

- 2. *The QCGN submits that funding for community groups serving English-speaking Quebecers should be adjusted to reflect the size of the English-speaking community's proportion of Quebec's population, and the prevailing economic disparities between English- and French-speaking Quebecers.***
- 3. *The QCGN insists that all investments to meet the needs and priorities of our minority community be made through the lens of the Community Development plan – a vision for collective action which was developed, shared, and endorsed by dozens of QCGN members, both organizational and individual, as well as multiple community stakeholders across Quebec.***

C. Intergovernmental cooperation on minority-language funding

The QCGN understands and respects the Government of Quebec's obligation to protect its constitutional jurisdiction and the integrity of its institutions within intergovernmental frameworks with the Government of Canada. We also fully support Quebec's participation in the preparation and implementation of federal policies and programs affecting the development of Quebec.

The Government of Canada's *Action Plan for Official Languages 2023–2028: Protection-Promotion-Collaboration* is designed to support the protection and the promotion of French in Canada and Quebec and provides resources for enhancing the vitality of Quebec's English-speaking minority. The Government of Quebec and the National Assembly have committed to pursuing policies that are fair and open-minded and that are respectful and supportive of Quebec's English-speaking community and its institutions.

The Government of Quebec also understands that in a federal system, civil society organizations have a right to maintain positive and independent relations with both levels of government so as to maximize the support that they may receive to pursue their commitment to the population.

- 4. *The QCGN submits that the Government of Quebec, in collaboration with its English-speaking minority, should take concrete steps to maximize resources made available through the Government of Canada's Action Plan to protect and promote French and to support the vitality of the English-speaking community of Quebec.***

D. Current economic situation in Quebec

In spite of recent economic challenges, the English-speaking community, along with all Quebecers, is dedicated to the return to an economically prosperous Quebec. Recent economic announcements are

⁶ Provincial Employment Roundtable, *A Snapshot of Poverty Among Québec's English-speaking Communities*, (Quebec: Provincial Employment Roundtable, 2023) at 11, online (pdf): <pertquebec.ca/wp-content/uploads/2023/08/Snapshot_of_Poverty_Among_Quebecs_English_Speaking_Communities-1.pdf>.

⁷ *Ibid* at 18.

evidence that it is not currently a period of economic abundance in Quebec.⁸ In Minister Girard's own words, "[t]he fourth quarter of 2023, the first quarter of 2024, this is going to be a difficult six-month period."⁹

Rising inflation and housing costs have had an enormous impact, particularly on our most vulnerable. While we welcome the recognition that increased funding will be allocated to tackling homelessness and rising food costs¹⁰, more action is necessary to combat the difficult economic challenges currently faced by Quebecers. The government must ensure that public services remain equally accessible to all, and, in particular, to vulnerable minority communities.

Recent reinforcements to Quebec's *Charter of the French Language* (Bill 96), as well as changes made to the Quebec entrepreneur program and Quebec's self-employed program for immigrants, are still being implemented. Their negative effects only now beginning to be felt. Recent pressures placed on Quebec universities in the form of tuition increases for out-of-province students are yet another example of policy choices that will inevitably impact the economy at large.

Universities are significant sources of economic growth for Quebec. For example, the Chamber of Commerce of Montreal found, in 2022, that the economic contribution of university diplomas and knowledge to the Montreal economy led to an estimated 20 billion dollars in the 2019-2020 period, or 9 per cent of the Montreal metropolitan area GDP.¹¹ Out-of-province students studying in Montreal spent, during that period, \$722.3 million, which directly contributed \$427 million to the Quebec GDP, with Quebec receiving \$53 million in tax revenue from these students.¹²

As the Quebec economy relies heavily on universities for economic growth, any measures that might reduce enrollment and revenues for these institutions could have an adverse impact on the economies of Montreal and Quebec as a whole.

- 5. The QCGN submits that a real and meaningful dialogue should promptly begin between Quebec's English-speaking community and the Minister of Finance and Minister Responsible for Relations with English-speaking Quebecers to address the impacts of recent government measures that are harmful to businesses, institutions, and the economy at-large.**
- 6. The QCGN also submits that support be provided to our school boards, CEGEPs, universities, and other institutions to deal with the financial fallout of government policies.**
- 7. Finally, the QCGN maintains that the Government of Quebec must always consider the financial impacts of all government legislation, regulations, policies, and programs on all Quebecers – and particularly on minority communities.**

⁸ Ministère des Finances du Québec, press release, "Rapport sur la situations financière du Québec - 2e trimestre de 2023-2024" (15 December 2023) online (pdf) : <finances.gouv.qc.ca/documents/Communiqués/fr/COMFR_20231215_v2.pdf>.

⁹ The Canadian Press and news staff, "Budget Update: Quebec boosts aid payments, says economy is in 'stagnation'", *CityNews Everywhere* (7 November 2023), online: <montreal.citynews.ca/2023/11/07/funding-for-housing-food-banks-expected-in-quebec-economic-update-today>.

¹⁰ As announced in Ministère des Finances du Québec, press release, "Update on Québec's Economic and Financial Situation: Targeted action to meet Quebecers' priorities" (7 November 2023) online (pdf) : <finances.gouv.qc.ca/Budget_and_update/maj/documents/COMEN_MAJ_20231107.pdf>.

¹¹ Montreal, the Chamber of Commerce of Metropolitan Montreal, *La contribution des universités du Grand Montréal à l'économie du Québec*, update on the 2016 study (Montreal : CCMM, 2022) online (pdf) : <ccmm.ca/~media/Files/News/2022/Etude-CCMM_Universites-2022.pdf>.

¹² *Ibid*, at 31.

Conclusion

The Quebec Community Groups Network is grateful to have once again been invited to contribute to this pre-budget consultation for the 2024-25 period to highlight its concerns as well as its recommendations. We look forward to collaborating with the Government of Quebec in any way that will improve the state of the economy and the living conditions of English-speaking Quebecers and our fellow citizens.