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# **Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities**

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**Tuesday, November 16, 2004**

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**Chair**

**Ms. Raymonde Folco**

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## Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities

Tuesday, November 16, 2004

• (1105)

[Translation]

**The Chair (Ms. Raymonde Folco (Laval—Les Îles, Lib.)):** Welcome to today's meeting of the Standing Committee on Human Resources, Skills Development, Social Development and the status of persons with disabilities.

[English]

The orders of the day are, pursuant to Standing Order 81(4), main estimates 2004-05, votes 1, 5, 10, 15, and 20 under the Department of Human Resources and Skills Development, referred to the committee on Friday, October 8, 2004.

[Translation]

Today it is our pleasure to have before us the Honourable Joe Fontana, Minister of Labour and Housing.

I was waiting for Ms. Bradshaw. Is she joining us?

• (1110)

**The Clerk:** She's coming this afternoon.

[English]

**The Chair:** Minister Fontana, if you would, please present the people accompanying you. Take the time you want for presentations, 10 or 15 minutes, and then of course we'll go to the round of questions.

Thank you very much.

**Hon. Joe Fontana (Minister of Labour and Housing):** Thank you, Madam Chair.

Good morning, colleagues. It's a real pleasure for me to be here and to be joined by the deputy minister, Maryantonett Flumian, as well as by Karen Kinsley, president of CMHC, and Terry Hearn, who is the comptroller for the Department of Labour.

I'm honoured to have the opportunity to speak with you. Today I want to quickly share my vision as Minister of Labour and Housing.

My responsibilities also include the Canada Mortgage and Housing Corporation and the government's response to homelessness. All of these portfolios are important and are closely linked. In many ways they go hand in hand.

[Translation]

All of these portfolios are important and closely linked. In many ways they go hand in hand.

[English]

If you have a safe and well-paying job, you have a better chance of living in adequate housing. The reverse is true also: if you have adequate and affordable housing, you're in a better position to find and keep a job and participate in your community. Stable housing is the foundation of so many aspects of our lives and is critical to a strong and robust economy. My mission is to help address the most fundamental needs of Canadians through labour and through housing. I'm talking about the basic needs for shelter, shelter being the foundation upon which healthy communities are built; for improved labour standards and the dignity found in a productive day's work; and for the pride that comes with providing for your family and contributing to your community.

Today Canada has one of the most dynamic, competitive, and job-creating economies in the world. Though we are doing well, there is always room for improvement, and we must also ensure we can adapt quickly to future challenges. We can build on our strong social foundations, where people are treated with respect and given a hand when it's needed and where no one is left behind. We are dedicated to meeting our commitments to employment equity and to improving working conditions and living standards both at home and abroad.

Canada has a well-deserved reputation for its fair and balanced labour laws, its open dialogue with unions and employers, and its strong commitment to protecting and improving the lives of its citizens. For over a century now the federal labour program has worked with unions and employers to better the lives of working Canadians.

Federal labour laws regulate about 10% of Canada's workforce, about 1.3 million workers, but it's clear that the influence of our labour legislation policies and programs reaches far beyond that. In many ways our actions and decisions have significant influence in the provinces and the territories and often throughout the world, and I am looking to continue to modernize and improve labour legislation.

[Translation]

And I'm looking to continue modernizing and improving labour legislation. I want to update and transform our labour standards.

[English]

I want to update and transform our labour standards on such things as hours of work, overtime, severance pay, vacation leave, maternity leave, and parental leave into a more relevant tool. The results of this review should help employers and employees address the challenges of the changing workplace, which include work-life conflict and new employment relationships. We are doing this to help Canadians who face the growing challenge of balancing work and family responsibilities.

[Translation]

We are doing this to help Canadians who face the growing challenge of balancing work and family responsibilities.

[English]

More and more people work away from the home or from the office in flexible work arrangements, connected by little more than a laptop, a cell phone, and a BlackBerry. But many of the laws and regulations that govern our workplace were written for a much different economy and workforce and need to be updated. I will be initiating a review of the labour standards section of the Labour Code, which will be steered by a commissioner and supported by a panel of expert advisers as well as representatives from both business and labour. This review will be the first comprehensive look at the federal employment labour standards since 1965, some forty years ago. This upcoming labour standards review will involve public consultation across the country.

I expect that by late 2005 an interim report will be presented to me, and I would like to share it with you. I look forward to discussing how the report's findings could be examined by your committee. The committee's engagement in this matter is important to me, and I'm pleased to have an opportunity to begin this discussion with you.

[Translation]

The committee's engagement in this matter is important to me and I am please to have an opportunity to begin this discussion with you.

[English]

I will work with our parliamentary secretary, Judi Longfield, to ensure that the committee is kept informed of our progress. As Minister of Labour and Housing, I want to support families because stronger families build stronger communities and a stronger nation.

Of course, the foundation of any healthy community is also built upon the shelter that is available. Strengthening Canada's social foundations includes providing affordable housing. Strong and healthy families need good, secure housing, which brings dignity, security, and independence. Housing is more than just bricks and mortar; it is about people. It is about building their lives.

I want you to think of a continuum of housing needs beginning with people who are either homeless or at risk of being homeless and going all the way across the spectrum to the complete independence and security of home ownership. This continuum includes the need for supportive housing for those who need assistance to live independently. It incorporates the supply of affordable housing, social housing, rental accommodation, and rooming houses for low-income Canadians and the working poor as well as renovations and

adapted housing for our seniors. Finally, it encompasses a broad range of support and financing options for Canadians who dream of owning their own homes.

Overall, slightly more than 80% of Canadians enjoy good housing conditions, with housing that's affordable, uncrowded, and in good repair. Many of these Canadians are benefiting from our housing access programs.

However, this leaves 16%, or 1.7 million households, without adequate housing. These households include recent immigrants and refugees, young people fleeing family violence, individuals suffering from mental illness, aboriginal people, Canadians affected by natural disasters such as the forest fires of British Columbia or the flood in Peterborough, and also the working poor. We are now seeing families living in shelters across the country and many people without homes who have steady jobs. Did you know that a recent survey in Calgary found that approximately 50% of the people staying in homeless shelters were working, the working poor?

● (1115)

Responding to the needs of individuals in crisis and addressing the root causes of homelessness require the collective effort of many partners in our communities. We know from many successful projects that it takes time, big and small, and support to make sure people and families who earn minimum wage or who need to access an emergency shelter can move into an adequate and stable home and not fall back into the cycle of poverty.

Addressing housing needs means more than just putting a roof over someone's head. That's where long-term supportive and transitional housing becomes critical. That's also where support services are most needed, services like psychosocial counselling, training and employment, transportation, and legal, financial, and health services. It involves a whole range of supports and services an individual may need to reach the end of the housing continuum, namely independent living. Investments to date have yielded a successful array or continuum of services and programs at the local level.

Addressing homelessness in Canada is a long-term commitment. The ongoing success of these integrated, coherent community services requires sustained investments and coordinated support from a wide range of partners.

The Government of Canada's commitment to address housing needs of Canadians is significant. Canada Mortgage and Housing Corporation currently invests \$2 billion a year, primarily in support of the housing needs of some 636,000 low- and moderate-income households. This amount is used to support low-income households in existing social housing stock through long-term agreements. We are investing another \$1.8 billion over the next few years to address homelessness, the increased need for affordable housing, and the renovation of existing housing stock. By combining these efforts and the investments of partners such as the provinces and the territories, we will meet the needs of many more families and individuals at risk.

A good example of this is the affordable housing agreement we recently signed with the Government of Quebec, and since 1999 the Government of Canada's national homelessness initiative has helped communities to do that. Across Canada 61 communities have undertaken over 2,600 homelessness-related projects in just five years, and this has resulted in 61 community plans assessed and updated, \$1.60 leveraged from partners for every federal dollar invested, the creation of 10,000 permanent beds in shelters and in transitional and supportive houses, and the construction and renovation of over 1,100 shelters and support facilities such as soup kitchens and drop-in centres.

We are making steady progress on the housing front, but there are still gaps in the system and more needs to be done to close those gaps.

[Translation]

We are making steady progress on the housing front. But there are still gaps in the system and more needs to be done to close those gaps.

[English]

Housing is a shared responsibility. We will continue to engage all of our partners—communities, governments, the social and private sectors—to help Canadians build better lives and stronger communities. Since 1999 the Government of Canada has supported a coordinated, community-based response for addressing homelessness across the country. We are working to build capacity within each community and to address issues in the longer term by putting in place the foundation for coordinated community-level efforts. We have to harness the energy and the expertise of a broad range of community partners to deepen our understanding and find fresh solutions. This government is committed to finding new multilateral approaches to empower communities.

One group that exemplifies our urgent need to work in partnership for all these issues is Canada's aboriginal people. Aboriginal people often face equity issues in the workplace. They face housing issues and far too many aboriginal people end up homeless. I say we can and must do better. We need to seize the tremendous opportunity that exists for aboriginal people. They are our key partners in the workforce of the future, and I'm committed to working with the Canada-Aboriginal Peoples Roundtable to find ways to ensure aboriginal peoples are partners in and beneficiaries of Canada's growing prosperity, particularly with respect to housing and labour issues.

●(1120)

Labour, housing, and homelessness: all of these issues are important. We need to work together to strengthen communities by helping individuals and families to succeed at home and at work. We need to work together to put home ownership into the reach of more Canadians, and we need to work together to find long-lasting solutions to support people who are homeless.

[Translation]

We need to work together to put home ownership into the reach of more Canadians. And we need to work together to find long lasting solutions to support people who are homeless.

[English]

I want to thank you again for inviting me here today to speak with you.

I look forward to your questions and comments.

Thank you very much.

●(1125)

**The Chair:** Thank you very much, Minister.

We've now arrived at the question period. I remind you that the first turn, at least, will be seven minutes and that the seven minutes includes both the question and the answer.

Would you like to begin?

**Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):** Yes.

Thank you, Mr. Minister, for your presentation.

I have a number of questions on two or three different areas under your jurisdiction. I'll try to keep my questions short, and I'd appreciate it if we could keep the answers direct as well.

First, I'd like to deal with something you didn't touch on here, but it speaks to what I believe the Prime Minister and the Minister of Finance mentioned about a month or a month and a half ago. That is, they're looking to try to enact about a 5% reduction in spending across the line in all departments, realizing that some departments will perhaps not be able to come up with that 5% reduction but considering that perhaps other departments will be able to come up with more.

Have you done anything? Have you started a working group to deal with this? What are you doing with respect to looking at some proposed spending reductions within your portfolio, and again, if you have done that, what is that going to mean to the estimates you've already tabled?

**Hon. Joe Fontana:** Do you want to ask all your questions first or—

**Mr. Tom Lukiwski:** No. Why don't we just deal with that one if you can?

**Hon. Joe Fontana:** Thank you very much. I think it's a very good question.

There's no doubt the expenditure review, which is undertaken by the government, is to assure Canadians that every dollar we get from taxpayers is spent on priorities of the government. Therefore, what was requested was that each department contribute towards that expenditure review process. I'm happy to say that yes, we were able to find our 5% within CMHC or within the labour department to ensure, again, that each department is contributing.

But my next job is to try to share with my cabinet colleagues the fact that I'd like that 5% back plus more. I think I've indicated the need to address housing and homelessness, and therefore yes, in general principle I think we need to create a culture of ensuring there's accountability and transparency in everything we do, making sure each and every dollar counts. So yes, we have contributed. I think the estimates reflect the 5% we've been asked to contribute.

**Mr. Tom Lukiwski:** Mr. Minister, if you've found 5% savings—if we can term it as such—what areas have been cut? How did you find those savings and in what areas?

**Hon. Joe Fontana:** Well, I can tell you that while we've made our submissions, we're still in the business of negotiating with the government on the 5% as to where we would find it.

**Mr. Tom Lukiwski:** So you said you had come up with the 5% but now you're saying you really haven't.

**Hon. Joe Fontana:** No, we'll come up with the 5%, but we haven't decided within the respective responsibilities I have within labour and housing as to our contribution. The 5% will be made, but we have not made and the government has not made a final decision as to where that 5% will be.

**Mr. Tom Lukiwski:** From your standpoint, when do you think you might have a proposal showing you have a 5% reduction in spending, and when might we be able to see that?

**Hon. Joe Fontana:** I think that 5% will be reflected in the final budget, but I know both CMHC and the labour department have been asked to review the various programs. Again, our commitment is in line with the government's commitment to finding in every department the money to fund higher-priority issues.

**Mr. Tom Lukiwski:** Thank you for that, Mr. Minister.

Let's shift gears just a little bit. In 2003-04 you received \$5 million, I believe, to develop workplace strategies for people with disabilities and for aboriginal people, the desired outcome being to increase the representation of these designated groups within the workforce. Now, in this year's budget it appears one of the priorities of the labour business line is to develop what's called a workplace equity integration strategy for the same groups. It appears this is the same program with the same level of funding. What did you do with the \$5 million last year?

**Hon. Joe Fontana:** Again, that's a very good question.

We want to make sure the workplace works for everyone, including those who are disabled, and we are putting together the strategy. We had earmarked the money, but I must tell you I'm not sure we have fully implemented the program. Therefore, what the estimates indicate is that we want to move towards implementing that workplace equity issue.

**Mr. Tom Lukiwski:** It looks like this is almost the same line item there was in last year's budget, and if you received \$5 million, what

results have we seen from that? It appears this is the same program you received funding for last year, and I'm just wondering, what results did we see from last year's efforts?

**Hon. Joe Fontana:** Perhaps I could have the deputy minister answer that specific question.

**Ms. Maryantonett Flumian (Associate Deputy Minister of Human Resources and Skills Development and Deputy Minister of Labour, Department of Human Resources and Skills Development):** In terms of the dollars that were expended last year, we did not at the end of the day use the entire \$5 million. We used the largest amount of that money, and I'll get you a specific dollar amount for what we actually did end up using. We did training through disability management courses for our own staff so they would be sensitized to these issues and be able to assist the workplace parties in this very important area of employment equity.

The issue of employment equity is not one that gets resolved overnight. We are continuing to train some of our own staff, and we're continuing to develop programs we will be able to use with those workplace parties in order to advance the course of employment equity for those targeted groups, which continue to be the same targeted groups year by year.

**Mr. Tom Lukiwski:** What I'm interpreting is that it's a similar or almost identical program, while the request for funding this year is different. Your objectives are different and your priorities are different in this particular line item.

**Ms. Maryantonett Flumian:** Our objectives are always the employment equity objectives. In terms of last year's activities, the funds were spent primarily on training our staff to be able to further those activities. In this year's case we will be doing some of that and we will be expanding those activities to the workplace priorities as well for those same priority groups. They are different in terms of the specific instances; the outcomes, we hope, will be the same.

**Mr. Tom Lukiwski:** I have a couple more, but I will defer to my colleague here, who also has a question, Mr. Devolin.

**Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC):** Good morning.

My question regards CMHC. I raise this as a former realtor and as a current customer of CMHC.

**Hon. Joe Fontana:** I'm happy we were able to accommodate you.

**Mr. Barry Devolin:** Well, thanks.

The concern I have is that when especially first-time house buyers want to get a high-ratio mortgage, there's a fee, which is essentially an insurance premium, and I'm assuming CMHC puts it on that mortgage. It's my understanding the premium covers the entire amount of the mortgage, not just the amount above 75%. Given that, it's always seemed to me that the banks actually have no risk on a CMHC mortgage and that pressure should be put on the banks to offer a special CMHC interest rate.

Interest rates have been low, but it appears they are rising now. I wonder if CMHC has ever put any effort into putting pressure on banks to actually offer homebuyers a special discounted rate, given that the banks have no risk.

**Hon. Joe Fontana:** I wonder if I could just deal with the bigger question, and I'll have Ms. Kinsley address your specific question.

There's no doubt that Canada's mortgage insurance financing system is one of the best in the world and that it has allowed home ownership to be at an all-time high. It's done through working in partnership with people. Not only does CMHC provide this mortgage insurance to cities, communities, small towns, and rural areas on all three coasts...because it's a government agency, a crown corporation. We want to make sure that kind of financing for home ownership...and also to do other things in housing, because, as you know, it also helps builders build for the affordable and rental market.

That mortgage insurance—you're absolutely right—guarantees the bank the money they're putting up, and we do the differential. Overall, it's very successful. In fact, it's so successful we've been able to lower premiums to make sure the cost is fair and equitable. But as to the specific question as to whether or not the banks ought to take additional risk, I'll let the president speak to it.

• (1130)

**The Chair:** I'm going to have to cut you off.

Perhaps, Mrs. Kinsley, you might take advantage of your response to another question to answer Mr. Devolin's question. The time has been up for a little while.

Madame Gagnon.

[*Translation*]

**Ms. Christiane Gagnon (Québec, BQ):** Good morning, Minister.

You seem quite concerned about the social housing issue. In fact, you said that this is about human lives and that you will be investing up to \$1.8 billion, with a focus on renovations for the existing housing stock, assistance for the homeless and for those who are either paying too much for their housing or who don't have any housing.

However I see some gaps in the investments you are planning. Since 1994 there has been a gap in the federal government assistance, not in the area of affordable housing but rather in the area of social and cooperative housing. This is a formula that has been approved unanimously by people working in the social housing sector in Quebec.

If your budget includes the homeless, affordable housing, and renovations in existing stock, then there isn't much leftover to built

new units. Apparently 8,000 units were not built in Quebec, including 1,000 in the Quebec City area alone.

Can you tell us how much money will go to social housing? I'm not talking about affordable housing. There's been a \$1.5 billion deficit since 1994. The sector has been asking for an investment plan that would provide annual funding, not funding over three or five years, and would inject up to \$2 billion into social housing alone.

Can you tell us if you be able to meet the community's objectives in the Quebec City area?

[*English*]

**Hon. Joe Fontana:** Well, Christiane, thank you very much for a very important question.

First of all, let me applaud the Government of Quebec for being the one province that has, in partnership with the federal government, not only delivered to communities phase one of the affordable housing initiative but has signed on to phase two...\$150 million. Christiane raised a very important issue. The Government of Quebec, along with its community partners—cities and town—has indicated they want to build new...especially in Montreal and Quebec City, where vacancy rates are lower. They are on the move; they are moving very quickly. Hopefully, in the next round of the affordable housing initiative—the other commitment we made in our platform was for an additional \$1.5 billion—we want to work with the provinces to provide them with all the tools that are absolutely necessary.

But a more fundamental question is with regard to social housing and co-ops, especially in Quebec but throughout the country. You should understand that housing is primarily a provincial jurisdiction, and as you know, we transferred the social housing stock to all the provinces except for four, Quebec, Alberta, P.E.I., and B.C. We're still negotiating with Quebec on the transfer of those social housing units. But since 1994 and especially since 1999, our federal government, realizing that homelessness was a very big issue—those in our caucus and I'm sure on both sides of the House indicated they wanted the federal government to work in partnership with the provinces—has delivered and will deliver a total of \$1.15 billion—between 1999 and 2006—to help the homeless.

We've also earmarked an investment of \$1 billion in affordable housing, and we will invest further. We also, as you indicated, have a fantastic program in our residential rehabilitation assistance program, RRAP, which is used extensively not only in Quebec but throughout the country to renovate existing homes, especially for lower-income Canadians, and which may allow seniors to remain independent and living at home.

Will we do more and can we do more with regard to social housing? Yes. Support co-ops? We do, as you know. We're going to have the CHF help administer the program. We look forward in the next round, in working with our partners and community groups, including the cooperative housing movement in Quebec, to put forward proposals that would support additional social housing and co-op housing, all within the context of affordable housing.

• (1135)

[Translation]

**Ms. Christiane Gagnon:** Apparently there is \$2.5 billion in the CMHC's account. Wouldn't you say that that's a bad thing, given that there are so many people who need new social housing? What do you intend to do with the CMHC's account surplus?

You know that Parliament has no control over their action plan. Do you, Minister, intend on reinvesting that money in social housing?

[English]

**Hon. Joe Fontana:** Thank you, Christiane, for another important question.

One, we should celebrate the fact that CMHC has been so successful, and I'm sure the member would applaud that, in line with what Barry just asked about home ownership. We've allowed Canadians to own their own home, and therefore the mortgage insurance fund is doing very well. From time to time we adjust those premiums to make sure they're very competitive.

Your question was specifically, what are we looking at with regard to using that surplus. I'm sure you understand that CMHC has a commercial mandate from the government as a crown corporation, but it also happens to be the social housing agency of the Government of Canada. Within that context—and I think Mrs. Kinsley might be able to answer—I can indicate that yes, we're looking at all options available to the government for how we can use what CMHC is doing so successfully to carry out the social mandate the government believes it has with regard to housing.

Karen.

**The Chair:** I have to tell you, you have very little time.

[Translation]

**Ms. Christiane Gagnon:** I have one last question regarding the supporting community's partnership initiative. First, will this program be renewed under the new budget? Will there be an increase in its budget? The stakeholders I met in the Quebec City area last week are asking for an additional \$100 million because this provides assistance for human resources and not for housing as such. Furthermore, for this program to be effective more funding has to be provided. Are you going to meet this sector's needs?

**The Chair:** Ms. Gagnon, I will take that statement as a comment and not as a question. Unfortunately we are running out of time. Perhaps the minister could answer that question on the second round. I would like to remind you that your seven minutes include the question and the answer.

Ms. Davies.

[English]

**Ms. Libby Davies (Vancouver East, NDP):** Thank you very much, Madam Chair.

The time goes so quickly.

First of all, welcome to Minister Fontana, and congratulations on your appointment. I'd like to say I think it was a positive step and a good decision that the homelessness portfolio, housing, and CMHC are all brought together under one roof, so to speak, with one minister. For a lot of people it was all over the place, and I think it's good you're now the minister responsible for all of those areas.

I'm sure you're aware that Monday, November 22, is National Housing Day. I'm also sure I don't need to remind you that you are the co-author of the Liberal task force report on housing with the now Prime Minister, and there you correctly assessed that it was a disgrace that we had a housing crisis and homelessness in this country. That was 14 years ago, in 1990. Now we have a situation where, even according to your own figures, we have 1.7 million households, maybe 3 million people, and even under the homeless initiative we have 10,000 beds. We're talking about a minuscule amount of progress that's been made in five years.

I think the major problem we're facing is with the agreement that was signed. If you look at that agreement, you'll see the federal funds are there—we need more, but there are federal funds there—but they are not being spent by the provinces. I have the list here. For example, for Ontario it's \$244 million but only a couple of million has actually been spent. For B.C. it's \$88 million but maybe \$26 million has been spent. Basically, we're looking at a situation where maybe 13%-plus of the funds has actually been allocated.

I really want to address this question to you. Why hasn't the federal government gone back into that agreement and secured a commitment to ensure that these dollars are actually going to housing, that they're not being diverted and are actually being used for housing, so we don't have that 1.7 million households? There's absolutely no reason that homelessness and a lack of affordable housing should exist in this country.

• (1140)

**Hon. Joe Fontana:** Libby, first of all, let me thank you for your hard work with regard to housing over the many years that you've been here—and I'm sure I speak for people all around the table.

First of all, the housing continuum, from those most vulnerable in our society who need emergency shelters and so on, to those who want to buy a house, is one continuum, and that's the approach I want to take.



You're absolutely right. We've done a very good job of making sure we have the infrastructure of care, in terms of emergency shelters and so on, and we have home ownership working really well. But you're absolutely right that there's a pipeline with a big clog in the middle, and that's because a number of people, as you know, are spending way too much time in emergency shelters and even in transitional housing. Why? Because they can't find a place for a permanent home.

In my opinion, a permanent home is everything about people and dignity and independence and so on. It's in that gap, and you're right that 1.7 million Canadians are paying more than 30%, and in some cases 40% and 50%, of their income toward housing.

As for our \$1 billion, that pipeline has \$700 million in it. You're absolutely right that some provinces, with the exception of Quebec and B.C., have put their money on the table. I want to tell you that we are working very closely with our provincial partners to find flexibility, within the phase one agreement and phase two agreement, that would allow the resources to start to flow to the towns and cities so that we can start to build those houses.

I make a commitment to you that I think those discussions are going well. I'm meeting with my provincial counterparts at the end of this month, and with the approvals that I need and the approvals that they need, I hope to be able to put together a model with flexible tools that will unleash the \$700 million that is in the pipeline, so that we can get on with providing tens of thousands of people with the affordable housing that they need.

**Ms. Libby Davies:** Mr. Minister, I have to say that I really don't know if it's flexibility that we need. It seems to me we've had so much flexibility that the provinces can basically do what they want. What we need is real accountability around that framework, because the money is actually there but it's not being dedicated into the units. They're not being produced. That's where we need to focus.

**Hon. Joe Fontana:** Let me clarify it. I don't want to leave anybody with the impression that the provinces have taken the money and they've used it elsewhere. They have not taken the money.

**Ms. Libby Davies:** In B.C., it's being redirected.

**Hon. Joe Fontana:** Why? Because they haven't been able to cost-share in the program, and that was part of the condition: that we would advance the money, based on the provincial governments, along with their municipal governments, contributing to the process. So it's not as if they've taken the money.

With regard to B.C., I should say that every province is a little different. Every community around this country is a little different, so flexibility needs to be the issue. Let me give you an example. Toronto has a 6% or 7% vacancy rate. It doesn't need to build new; therefore, Ontario wants to be able to have flexible tools in terms of how we can do it. Montreal has a supply problem, so they want to build new. In some cases out west, in B.C. the provincial government wants to earmark its housing dollars toward home ownership and seniors, and we want to be flexible enough to be able to work with our provincial partners to make sure of whatever works.

Is there a need? We're working with provincial governments in making sure that our money, the federal government's money, is in

fact targeting those most in need, the 1.7 million households that you and I are very concerned about. That's where we want to target our money.

**Ms. Libby Davies:** Will you go back and actually fix those agreements? I really believe everybody who is involved in this issue will point to that as the critical factor. The agreements are really just so wide open that there's nothing to ensure that accountability. That's what needs to be done.

**Hon. Joe Fontana:** I've consulted with my provincial counterparts, I've consulted with the municipalities, community groups, all partners, and they've essentially said the same thing: flexibility, work more closely with the provinces. I'm here to tell you those negotiations are going very well, and I hope we'll be able to make sure that money starts to flow to communities such as yours in a not too distant future, Libby.

• (1145)

**Ms. Libby Davies:** If I have a little bit more time, I'd also like to pick up on this CMHC surplus—

**The Chair:** Very little, but go ahead.

**Ms. Libby Davies:** —which, by 2008, will be \$786 million. That surplus is going back to the Treasury Board. It should be going to housing. What will you be able to do to ensure that?

**Hon. Joe Fontana:** I'm not sure it's going back to Treasury Board. CMHC pays its fair share of taxes. Where that money is sitting is as retained earnings in a crown corporation, because as you know, in the event of a downturn when in fact unemployment or interest rates start going through the roof.... Guess what. People hopefully will not start losing their houses. So we have to be very prudent in terms of managing that.

But let me finally get Karen to say something with regard to the CMHC, which she could address.

**The Chair:** But it won't be this time. It is time, unfortunately, Minister. We're over our seven minutes.

Mr. Adams.

**Hon. Peter Adams (Peterborough, Lib.):** Thank you, Madam Chair.

Minister, Joe, it's a pleasure to have you here.

I'd like you to comment on three things if you could, but I'm going to have a bit of a preamble. One, again, is following on what Libby said about the role of the provinces, but with particular respect to Ontario. The other is that what has really impressed me is the diversity of the needs, if you think of homes and homelessness, the range of needs. The third one is what I think of as the mental health side of homelessness, which seems to me to be the most intractable.

If I can just give you some background, mine's a very mixed, rural-urban riding. We started very early on this matter. We have an umbrella organization that has been working very well. It includes realtors and home builders, as well as people in need and so on. In recent months, we've opened a family transition home that has been very successful. A halfway house has been improved, and it's very successful. We have a youth emergency shelter and, since very recently, a youth hostel that young people can go into. Habitat for Humanity is now operating on the lower end of, I think, home ownership. One of our churches has just announced a \$220 life-lease.

So there's this range of activity going on, and I think it's very important that we stimulate it all, that it all happens. I'd like your comments on that—and we have co-ops also.

I mentioned the provinces and you mentioned the flood. We are most grateful for what CMHC did. When we had the floods in Peterborough, people who were directly affected by it very quickly saw \$1 million in federal money and \$1 million in provincial money. The moneys flowed, we're building with those moneys, and we greatly appreciate them. I hope that's a sign that we are working more closely with the province, because in the recent years the province has slowed down a lot of the activity I just described.

I'll leave my other question. I know it goes to other departments than your own, but the most intractable area is this mental health, and I wonder what your department thinks about the mental health side of homelessness.

**Hon. Joe Fontana:** Thank you, Peter.

You raise a couple of very important issues. First, the array of options and flexibility, community by community, I think is absolutely essential. I'm not sure this idea that Ottawa knows best, with a top-down approach, fits. Yes, we have targets. Yes, we have to make sure use of our money is accountable and transparent, that it is in fact actually going to the people who need it, but I think community groups and municipalities and the provinces truly understand and know their needs locally. Therefore, a community-based approach—as we have with our homelessness initiative—has indicated that we can actually work with those groups and build, from the bottom up, an incredible infrastructure.

With regard to homelessness, there's no doubt that some of the statistics indicate that 25% to 35% of the people who are living in homeless shelters or in transitional supportive housing are in fact suffering from mental illness.

I should point out to you that I believe housing is also about going horizontal. It's a good economic policy, social policy, good health policy, good justice policy. I can house someone for \$5,000 a year, or the prison system can house them for \$50,000 a year. If we give people safe, secure housing, permanent housing.... Yes, those who are mentally ill need help in terms of our shelters and supportive housing. If not, they access our emergency rooms and health care system, costing far more than it would cost to house them.

So I think we have to take a horizontal view, and giving municipalities and the provinces all the tools they require to help the people in Peterborough, to help the people in Toronto or Montreal or New Brunswick, wherever.... I think by working in partnerships,

we're able to leverage an awful lot of money, and we want to get big labour and big business, the private sector, involved in affordable housing, social housing, and unleash the capacity we all have to build more and more housing for those specific needs.

•(1150)

**Hon. Peter Adams:** Madam Chair, on this business of housing as a determinant of health, I'm glad it has permeated so far since the time we began this exercise some years ago.

The other thing is that I have a number of co-ops in my riding. Again, when you think of the diversity of needs, the co-ops are really very special. They provide the secure base, but they also provide a sort of confidence and a self-regulation that is, by the way, often extremely important in the purpose of social housing.

Nationally, I know there have been lobbying efforts as to how the co-ops should be organized, to the extent to which the federal government should or should not be involved. I just wondered what your thinking is and what the present situation is with regard to co-ops.

**Hon. Joe Fontana:** Thank you, Peter.

It was our government, way back in the early eighties, that started the co-op housing. Thanks to an awful lot of groups across the country, co-op housing is a way of life. It's a lot more than shelter. In fact, it's people sharing collective ownership and helping themselves along. In mixed-income communities, that model really works. Within a co-op, as you know, you have people paying market rent, but you also have people receiving some sort of assistance. That sort of dynamic works.

As you know, a number of co-ops were transferred to the provinces, but in four provinces, federal co-ops were kept within CMHC. We are now negotiating with experts of the Co-operative Housing Federation, which, as you know, is an organization that has been very involved, with their experts, to help us manage that portfolio. Hopefully we'll conclude an agreement with them as to how one can continue to manage them in the most effective way.

But let's also look creatively at what we might be able to do with those co-ops in the future in terms of rehabilitation. Can we help them help more people? Can we help them intensify in density? You know those agreements will come up at some point in time. I think we need to have a discussion, and I hope this committee will help us build a national strategy or a strategy of housing that in fact will meet all the needs. Part of that, of course, is a review of some of those programs. I look forward to this committee being involved in some way, shape, or form, in the dialogue into the future as to what we must do in all aspects of housing.

**Hon. Peter Adams:** Do I have any more time, Madam Chair?

**The Chair:** I'm sorry, no. I have to pass it on to Mr. Forseth.

We're now on the second round, and it will be a five-minute maximum.

**Mr. Paul Forseth (New Westminster—Coquitlam, CPC):** Thank you. I only have enough for one question.

Mr. Minister, you said today in your comments, “Strengthening Canada’s social foundations includes affordable housing.” You went on to say, “This continuum includes the need for supportive housing for those who need assistance to live independently.”

We know that demographics in Canada are changing. The percentage of retired and the elderly is increasing, and so is their affordable housing need. Obviously, we need basic subsidized housing for seniors, and I don’t see that kind of housing being built in British Columbia anymore. CMHC used to be a major instigator and a partner. They used to partner with local groups to provide good, independent living, with subsidized rents that were means tested and operated by the local group. We have a number of great facilities in my community, but none are being built now. In view of the changing demographics, how can we unleash that goodwill from these local community groups to drag governments along?

We talked earlier about the low take-up rate from the provinces, and I’m saying we saw a lot of good housing being built under a certain program, and now it’s not being built. Maybe we have to go back and look at program design and how we can bring that kind of mainstream subsidized housing.... This is independent living. This has nothing to do with shelters or whatever. We had a great amount of that type of housing stock brought on stream—during the seventies mostly—and now nothing in that category is being built any more. It does not reflect the pent-up demand now that’s growing because of our changing demographic. So I wonder what your plans are in that regard.

**Hon. Joe Fontana:** Paul, you raise some very important questions with regard to what’s happening to Canada’s population. That’s why, within the context of helping to meet community needs, talking with our provinces has allowed us to be able to make sure we have an array of tools available.

I would agree that seniors are the fastest-growing population in our country. We need to be very sensitive to where they want to live. In most cases, we’d like them to live right where they are, in their own homes. But is it possible to make sure they can afford to stay there? Should we look at a shelter allowance program that allows them to stay there? Can we help them rebuild or fix up their homes, with the most energy-efficient windows and roofs and materials, to make sure the cost of energy in maintaining their independence is key? Do we have to build new for those who choose not to live in their own homes?

You’re absolutely right. In B.C., the phase one program was earmarked toward seniors. In fact, \$88 million—\$44 million of our money or your money, and \$44 million of their money—went specifically to rent geared to income for seniors. Therefore, do we need to do more with regard to seniors? Absolutely. Will it be part of the new programs? Absolutely, because that’s a demographic imperative to which we need to be sensitive.

I would also make sure that municipalities and provincial governments are also partners in this. What is wrong with making sure there are granny flats, that in fact perhaps seniors can have a second unit in their own home to help them pay for the rent? We have to be creative. We just can’t look and think inside the box any more when it comes to making sure. And it does not all have to be tax money. There can be creative private sector solutions. Labour has

pension funds that they want to in fact contribute to the whole housing cause.

• (1155)

**Mr. Paul Forseth:** So your answer is essentially no, that this great program we had—

**Hon. Joe Fontana:** I thought I said yes. I said yes.

**Mr. Paul Forseth:** —is not going to be contemplated again.

CMHC used to be basically the banker. It didn’t necessarily have to operate a lot. It’s the local society, the Lions Club or whatever, that operated the facility connected with its local community and eventually became the owner. The province gave a grant and the society operated, so it wasn’t expanding government. A lot of housing, mainstream, independent housing, was brought on stream. Now it’s not being built because CMHC got out of the business.

**Hon. Joe Fontana:** No, Paul, that’s not the case at all. We want to build those houses. You’re talking about rent geared to income. We’re not talking about managing or owning them ourselves. Those very service clubs and your organizations and church groups can continue to build, but it’s the province that makes the decision as to where they will deploy the money.

Yes, we have some criteria. We’ve said that seniors are important in B.C., and that the disabled are important. We want to make sure that those most in need have it. But at the end of the day, we don’t want to impose it. We want to essentially allow our provincial partners to pick the tools that they require to meet the needs of their community. I can tell you, B.C. has in fact made seniors their most important priority.

**Mr. Paul Forseth:** Okay.

I’m out of time, I guess.

**The Chair:** Yes, you are. Thank you, Mr. Forseth.

Madam Bakopanos.

**Hon. Eleni Bakopanos (Ahuntsic, Lib.):** Thank you, Madam Chair.

I want to congratulate the minister, talking about creative ideas.

I want to pick up on something that two of my colleagues brought up, and that’s co-op housing. I also met with the co-op housing movement in Montreal, and in my own riding they do excellent work. There are two projects actually right now being negotiated. I think it’s essential that we move away from talking about social housing. That may be very controversial for some people, but I don’t think social housing leads people out of poverty. What leads people out of poverty, and there’s a lot of research on this, is how do you build assets? One of the assets that people need, as you said, Minister, is housing. It’s an essential asset for most people.

I think the whole idea of the cooperative movement is not only to provide a roof over people's heads, but at the same time to provide them with a community environment where they can piggyback having job training on the premises with child care. I've seen many projects across the country, as I'm sure you have, under my portfolio of the social economy, in the cooperative housing movement.

I think we should be looking at finding tools, and I agree with you that the private sector has to play a role, and the provinces. That's part of what the social economy is, a partnership. For certain groups, yes, social housing is important, but I think we have to move away from talking more about social housing. In terms of people getting out of poverty, it doesn't seem to work, at least not in my riding, and not in most projects that I've seen across the country.

I'll give you some time to answer. I'd like to know, are we looking at targeting a certain amount of money in the next budget specifically for cooperative housing?

**Hon. Joe Fontana:** The answer is that cooperative housing can be a solution, and therefore could be included in the array of programs and tools available. So yes, it can be part of the equation, if that's what the community groups and the provinces want. If you want to build more co-op housing, I think what you need to do is bring forward all kinds of proposals. Again, co-op housing is a lot more than shelter, it's about community; I would agree with you on that.

I think we have to get away from certain terms, "social" housing, "affordable" housing. The bottom line is how do we make sure that 1.7 million households in fact can afford to live in their homes? Is housing an income problem or is it an affordability problem? In fact, I think it's both. Can we be creative in looking at ways of making sure that we raise incomes? As Minister of Labour, I want to look at that.

As I indicated, half of our people living in our shelters are the working poor. Those very people who are making \$6 or \$7 an hour, can they afford affordable housing? Call it social housing, call it affordable housing, there's a lot of housing there, but you know what? It's not affordable. Can the government make it affordable? Yes, and that's why we're looking at shelter allowance, demonstration projects, we're looking at rent supplement agreements, we're looking at shared home ownership models. I want to bring an awful lot of different tools to work with the private sector and anybody else who wants to be in the business of housing people, because it makes an awful lot of sense to build people's lives. It's not just about bricks and mortar and wood. It's about people's lives. So perhaps we can all work together on it.

Just to answer Christiane's question with regard to RRAP, that program is going to sunset in 2005. We need to make sure that this program continues to be a good one, because that's going to be an absolutely incredible program.

In 2006, SCPI sort of retires. We need to look, within the continuum, at how we can make sure that we continue to help the mentally ill, aboriginals, young people, new immigrants.

• (1200)

**Hon. Eleni Bakopanos:** Perhaps I can ask you, are we looking at initiatives in terms of encouraging the private sector? For example, if they're building a condominium project in Montreal, some of the

housing within that condominium project could be provided for low-income families. I don't know what initiatives we should be providing, but I have some ideas, and you may have some ideas to share with us.

How do you help the private sector, then, make sure that they are doing their part also to provide...? What I see in Montreal is mostly condominiums, and very expensive ones. How do we encourage the private sector, within their building plans, to provide also for low-income families?

**Hon. Joe Fontana:** CMHC has a public-private partnership arm. We're prepared to look at all kinds of proposals that in fact will help deliver, with private money, also some social benefit with regard to affordable housing. Our programs can help the private sector build, through capital contributions—again, it's having a lot of tools in the tool box—affordable housing, which may include having people who are lower income, middle income, and higher income. What's wrong with people living together? I mean, mixed-income communities.... We don't want to create ghettos. We've learned from past experiences that this is not what we need to do with people. We need to make sure we're inclusive in all aspects, and good housing, mixed-income housing, is the approach we want to take.

**The Chair:** Thank you.

We'll now go on to the third turn. I'm going to have to cut it down, because I notice that Minister Volpe is waiting outside. I'll give a maximum of three minutes....

Several people have asked to speak. I have on my list Monsieur Lessard, Monsieur Silva, Madame Davies, and Monsieur D'Amours. If you wish to let go of your turn so that we can invite Minister Volpe, that's your decision.

[*Translation*]

Mr. Lessard, if you would like to ask the minister some questions, you have three minutes to do so.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** First, Minister, how do you explain the fact that on the one hand you want to enrich or improve relations with communities in order to support them in their work, and that on the other hand, in the summary of votes under "social partnerships", there's been a decrease in the amount provided compared to last year? The amount has gone from \$40,887,000 to \$35,860,000. That's on page 13-5 of the main estimates for 2004-2005. The work experience of the various groups you mentioned this morning is linked to this assistance.

My second question is about Aboriginals. I was somewhat surprised—and perhaps you can enlighten me—that there weren't any concrete measures to help ensure better integration into the labour market for Aboriginals. I absolutely agree with you that gaining access to the labour market will gradually help them in shedding their dependency.

In terms of working with the Canada-Aboriginal people's round table, I think that there has already been enough research and work around these round tables for you to now be able to come to the table and submit measures. Perhaps that is not the case, but we get the impression that you're starting from square one on this file.

•(1205)

[English]

**Hon. Peter Adams:** On a point of order, Madam Chair, Yves has posed his question, and I certainly have no objection to it, but it seems to me our agenda very clearly said 1 p.m.

By the way, I have no concern...and I would be quite glad to ask another question. In fact, I had another one to ask. But the fact of the matter is that we have a change not only of the minister and the staff but also of colleagues. I know that the opposition parties rotate their members.

So it does seem to me very important that we keep more or less to the schedule that's been allocated, because a number of people around the place... I have absolutely no objection to the current question, but I would urge that you consider the agenda.

**The Chair:** Monsieur Lessard.

[Translation]

**Mr. Yves Lessard:** With your permission, Madam Chair, in what way does my question not reflect the agenda, given that we are supposed to be debating the votes and, at the same time, attempting to understand the minister's direction?

**The Chair:** From what I understand, Mr. Lessard, this is not so much an issue of whether or not your question reflects the agenda, but rather an issue of time. Let's carry on with the discussion.

Ms. Davies.

[English]

**Ms. Libby Davies:** Well, I just wonder, Madam Chair, if the minister would agree to come back on another occasion and we could continue the discussion. Would he agree to do that?

**Hon. Joe Fontana:** Sure, if that means accommodating the committee. First of all, I'm gratified there are so many good questions on housing; that makes me feel good.

Secondly, I don't want to ever keep my colleague, Joe Volpe, in the back.

**Hon. Peter Adams:** I have no objection at all to Yves Lessard's question. No objection at all.

**The Chair:** Exactly.

I have to ask Mr. Lessard,

[Translation]

Mr. Lessard, since you put the question, I'd like to ask you if you would like the minister to answer immediately. If that is the case, then we will give him the time to do so. If not, then you will be able to put your question to him again when he comes back.

**Mr. Yves Lessard:** Madam Chair, I now understand Mr. Adams' concern and I share that concern. However I would ask you to begin the rounds according to what we agreed on so that we have five minutes when we begin the second round. We did not have that. In that case, we could have a second meeting with the minister.

**The Chair:** That is another discussion. What I propose for now is that, if you wish, the minister answer the first question you put in writing and that that response be of course made available to all

members of the committee. Or do you prefer to wait for the minister's second visit? That is up to you, Mr. Lessard.

**Mr. Yves Lessard:** I think that Mr. Adams' suggestion is a good one as long as it doesn't take too long.

**The Chair:** With your permission, we will discuss that at another time.

**Mr. Yves Lessard:** As long as it doesn't take too long, I would like the minister to come back before the committee.

**The Chair:** Very well.

Ms. Gagnon.

**Ms. Christiane Gagnon:** I would also like the Minister to answer my question about increasing the budget for the supporting communities partnership initiative.

**The Chair:** We could that at a second meeting.

Minister, this is quite difficult and I apologize, but as you can see, there is an enormous amount of interest around this table in your programs. If you come back with the same people next time, we could even give Ms. Karen Kinsley time to answer a question.

I thank you all, and especially you, Minister Fontana.

**Hon. Joe Fontana:** Thank you very much.

**The Chair:** We will adjourn this meeting for one minute.

•(1209)

(Pause)

•(1210)

**The Chair:** We will now continue, even though one or two witnesses are still missing.

I would first like to welcome the Honourable Joseph Volpe, Minister of Human Resources and Skills Development. The Honourable Claudette Bradshaw will be with us in a few minutes.

Welcome, Minister. Thank you for waiting so patiently. We are somewhat behind in our schedule, but I am sure you will want to begin by introducing the people accompanying you. You can then give your presentation on your programs, after which we will move on to questions.

Minister Volpe.

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development):** Thank you, Madam Chair.

I would like to introduce to you Deputy Minister Wayne Wouters and the department's comptroller, Mr. Terry Hearn. They are here to provide you with specific details and to answer any technical questions. I hope to be able to answer your questions as fully as possible.

Thank you, Madam Chair, for providing me with the opportunity to discuss with you, my colleagues, our department's initiatives for the coming year.

The recent Speech from the Throne noted that Canada must now elevate its economic performance to the next level.

Our national labour force participation rate is now at an historic high of 67.4%. We have also had a 2.3% rise in the annual rate of full time employment this year. As a nation, we are doing well.

[English]

Indeed, Madam Chair, these numbers underscore our success over the past ten years. Unemployment is down from 11.4% to 7.1% this last month. Over 3 million jobs have been created in that span of time, 300,000 of them this last year. Long-term unemployment is among the lowest of the G-7 countries. These facts, Madam Chair and colleagues, are a solid foundation on which to build. We must not, however, be content to rest on that progress. To build an even more competitively global and sustainable economy, we must invest in people so that they can acquire the skills they need to find productive and meaningful work.

That is the goal of my department, HRSDC, and my personal priority as minister. Rising skill requirements across all industries means that three out of four jobs now need some post-secondary education, whether that is represented in a form of a trade certificate, a college diploma, or a university degree. We also recognize that in today's knowledge-based economy, workers need to hone their skills and learn new ones. In fact, Madam Chair, within five years 70% of all new employment created will require some form of post-secondary educational training, while only 6% of those new jobs will be filled by those who have less than a high school diploma. You can see then, Madam Chair, the difficulties that the economy will have with the built-in structural unemployment that will invariably and inevitably develop if we do not meet the workplace skills development requirements that we're attempting to fill.

Today's business environment, characterized by rapid technological innovation, demands the most skilled, the most highly trained workforce possible. To accomplish this goal, we have taken a dual-pronged approach, increasing access to post-secondary education while developing a workplace skills strategy that will enable Canadians to continue enhancing their skills. The strategy has three objectives: to help build a highly skilled, adaptable, and resilient workforce; to maintain an efficient, flexible, and productive labour market; and to respond to employers' needs for productive and innovative workplaces.

In our last budget, we kick-started the strategy by providing new resources for union and employer training centres. Over the next three years, we will invest some \$25 million in a pilot project to help replace outdated equipment for trades training.

• (1215)

Our recent Speech from the Throne also highlighted the need to enhance our apprenticeship system in Canada, to boost literacy and essential skills, and to continue to work with sector councils.

Another key element of the workplace skills strategy will focus on foreign credentials recognition.

[Translation]

We are under-utilizing the skills of many people who have acquired educational, or professional and occupational credentials outside Canada. This is a waste of human potential we do not accept.

[English]

To address this challenge, the Government of Canada created the foreign credential recognition program, with an original investment of over \$40 million, spread over five years, to improve foreign

credentials recognition processes in Canada. We followed that with an additional \$5 million per year, over four years, in the 2004 budget. That money will be dedicated for work in recognizing the credentials of those in both regulated and non-regulated occupations.

[Translation]

While important, these programs also demonstrate how our work complements other priorities, such as our commitment to improving Canada's health care system.

The federal and provincial governments have been working together with medical community stakeholders to improve licensing of foreign-trained doctors.

[English]

On our agenda are similar initiatives for other occupations in the health field, such as nurses, pharmacists, and medical laboratory technicians. Taken together, these measures will help strengthen the health care system in Canada and, I dare add, make some smaller communities much more sustainable as a result.

The workplace skills strategy includes the work we do under the employment benefits and support measures of part II of the Employment Insurance Act. Working in partnership with governments and community organizations across the country, we provide assistance to more than 600,000 Canadians each year so they can return to the workplace. These efforts are in addition to the direct benefits we provide to Canadian workers through part I.

Last year we provided some \$13 billion to 3 million Canadians in income benefits, in sickness, parental leave benefits, and in the new compassionate care benefit. When it comes to services, HRSDC processes almost 3 million claims a year and 22 million bi-weekly claim reports. As a result, we are taking the lead in improving the quality, the consistency, and the speed of claims processing through a variety of electronic and web-based services.

Currently, about eight out of ten new claims are made by Canadians applying online through Appliweb, and people can also submit their bi-weekly reports online through INTERDEC. For those who would otherwise need to travel to an office, this is a real service improvement. Madam Chair, a recent OECD study placed Canada at the top, with almost 43% of its population with post-secondary education.

•(1220)

[Translation]

And I am pleased to say we are continuing to improve by working with our provincial and territorial partners to enhance the accessibility and affordability of post-secondary education.

[English]

A good example is our work with the provinces to implement the enhancements to the Canada student loans program announced in the 2004 budget. This includes creating a new grant worth up to \$3,000 for first-year students from low-income families. As you know from your current committee work through Bill C-5, the Canada Education Savings Act, we are also working to ensure that families have the tools to help plan and save for their children's education in the future.

The new Canada learning bond and enhancements to the Canadian education savings grant will help low- and middle-income families save for their children's post-secondary education. I would like to thank members of the committee for their support of this measure.

Madam Chair, this department's programs and services help fuel the engine of growth for Canada, because the funds that drive these programs are a direct investment in our citizens. We enable Canadians to contribute to our growth and prosperity to build our communities and, above all, to achieve their goals and their dreams. Our work helps Canadians acquire the skills they need to find meaningful and productive work.

I look forward to your comments and your questions.

[Translation]

Thank you.

**The Chair:** I was going to suggest that we now hear Ms. Bradshaw.

[English]

Welcome, Madam Bradshaw.

Madam Bradshaw is Minister of State for Human Resources Development. As you've received her speaking notes, I thought we'd hear Minister Bradshaw and then we would go on with our questions.

Minister.

[Translation]

**Hon. Claudette Bradshaw (Minister of State (Human Resources Development)):** Thank you, Madam Chair.

I am very pleased to appear before you today and to outline my responsibilities as Minister of State for Human Resources Development.

In my work, I will focus on helping Canadians to develop their literacy and other essential skills, such as writing, document use, numeracy and computer use.

[English]

Strong literacy skills are the foundation of lifelong learning and are therefore essential to one's success, particularly in finding and

keeping a good job in today's knowledge-based economy. We know that these skills can be maintained and even improved in the workplace long after people have completed their formal education.

[Translation]

HRSDC will therefore continue to seek ways to address low literacy through the government's Workplace Skills Strategy which is being developed with the provincial and territorial governments, business, unions, learning institutions and sector councils.

[English]

The department will also work towards this goal through its continued support for high-quality research, relevant learning material, and increased access to literacy programs. I am also very pleased to be involved in strengthening the aboriginal skills and employment strategy administered by the department. We will be working with our partners to support lifelong learning among aboriginal people and to ensure that they have better access to employment opportunities and skill development.

•(1225)

[Translation]

We face many challenges in this work, including the fact that the unemployment rate for Aboriginal people is three times higher than the national rate. Aboriginal people also currently have relatively low rates of educational achievement.

[English]

HRSDC will continue to focus and strengthen two major aboriginal labour market programs that are working to achieve employment parity between aboriginal and non-aboriginal Canadians. The first of these is the aboriginal human resource development strategy, which budget 2004 renewed for another five years. Aboriginal people design and administer this strategy to help clients in their communities prepare for, find, and keep sustainable jobs. Since AHRDS was first established in 1999, some 800,000 aboriginal people have found work through the efforts of agreement holders under the strategy.

[Translation]

Through the renewed strategy, the various partners will focus on helping Aboriginal people take advantage of "demand side" economic opportunities, and on assisting clients who face many barriers to employment, particularly in the areas of literacy and other essential skills.

[English]

Complementing the initiative developed by the AHRDS is the aboriginal skill and employment partnership program, or ASEP. Launched in October 2003, ASEP connects working age aboriginal people with the skills and learning they need to take full advantage of opportunities for sustained employment in larger-scale development in and near their own communities. There are now seven ASEP projects: in the forestry sector in New Brunswick, the hydroelectric development in northern Manitoba, the oil and gas sector in northern Alberta, the construction industry in Alberta, the Baffin fishing industry, and the oil and gas as well as the diamond mining sector in the Northwest Territories. Thousands of aboriginal people will receive valuable skills training and employment as a result of these ASEP projects. For example, in the forestry initiative in New Brunswick, I am delighted that some 200 aboriginal people are gaining valuable skills upgrading that will lead to forestry-related jobs.

[Translation]

Another priority for me as Minister of State will be to maintain our commitment to official language minority communities, to support their development, and to provide services in the language of their choice. Over the next four years, for example, we will invest over \$4 million to assist key partners in francophone minority language communities across the country to develop and implement family literacy initiatives.

[English]

We are also working with anglophone literacy organizations in Quebec, such as the Centre for Literacy, Literacy Partners of Quebec, and the Quebec English Literacy Alliance, to promote literacy in Quebec.

I would like to thank you for this opportunity to outline some of the key priorities with which I am involved at Human Resources and Skills Development Canada.

[Translation]

I look forward to my new challenges and I am confident that we can help Canadians to participate fully in a well-functioning and efficient labour market. I know I can count on you to help me meet these challenges.

Thank you very much.

**The Chair:** Thank you very much, Minister.

Before proceeding to the second part of the meeting, I am going to request your indulgence. There were two items on our agenda for today—the first the presentation by the three ministers and the second the business of the committee.

I hope you will agree that in light of the time we have, we could spend the rest of this meeting asking the two ministers questions, and postpone the committee business until our next meeting, which is on Thursday of this week. I would like to know whether committee members agree. Does anyone disagree with what I've just suggested? Very well.

● (1230)

[English]

We will go now into the second part. I will remind you that the seven minutes includes both questions and answers. If you use a lot of your time on the question, you'll get a short answer.

Mr. Van Loan.

**Mr. Peter Van Loan (York—Simcoe, CPC):** All right.

I wanted to take you to page 38 of the performance report.

**The Chair:** Excuse me. You will have to say which minister you are addressing .

**Mr. Peter Van Loan:** I can never tell where the lines end and start in this department. I suspect it's Minister Volpe, but we'll see.

It relates to the key performance indicators. You see there “Number of employment programs”. The first box is “clients served”: objective 406,000, result 493,700. What was the cost of delivering those programs?

**Hon. Joseph Volpe:** You're talking about that particular one?

**Mr. Peter Van Loan:** Yes, that box.

**Hon. Joseph Volpe:** Those are the items that come under the active measures we engage in, some with the provinces, others with private sector or non-profit partners. That total amount is about \$2.2 billion.

**Mr. Peter Van Loan:** The next question concerns the box below it, which is the number of clients employed or self-employed following an intervention. Is there a relationship between those two boxes?

**Hon. Joseph Volpe:** With that 406,000 we initially targeted—and we actually dealt with 493,000—our objective was to ensure that we could get people re-integrated into the marketplace, either as self-employed or as—

**Mr. Peter Van Loan:** So there is a relationship between those two.

**Hon. Joseph Volpe:** There is a relationship.

**Mr. Peter Van Loan:** That takes me to my next point. You have claimed a success here, in that you had more clients employed afterwards than was your objective. But when I compare your objectives, you were hoping for a 57% success rate, and while you've claimed success, your actual results are well below that, a success rate below 50% in respect of the actual clients served. So I question why the department is crowing success, when in fact you're falling far short of your objectives with the percentage of actual results delivered.

**Hon. Joseph Volpe:** I want to thank the member for highlighting the very large number of people we can actually take credit for re-integrating into the marketplace. What I would like to highlight for the committee, and for the member in particular, is that a large number of those we help locate the work on their own, and they do not figure into this total. While it might appear that the numbers are actually inferior to what we would have liked to claim for ourselves, the initial intention is to get people working. The fact that we can point to this kind of success rate when the bottom line was zero is really quite good.



**Mr. Peter Van Loan:** I'd only make one further observation on that. By my quick math, you're spending about \$10,000 for each one of those successful placements. I put it to you that the fact that somebody has a job after going through one of these is not necessarily directly the result. Do you think, at \$10,000 for each successful placement, your program is being efficient?

• (1235)

**Hon. Joseph Volpe:** I'd like to underscore two other issues there, Mr. Van Loan. First, as I indicated a moment ago, many of these people then find work on their own. Second, by international standards, about \$10,000 per placement for long-term attachment to the marketplace is really quite reasonable, especially when one considers the fact that we have people who have, as I indicated in my introduction, some structural difficulties in being integrated into a marketplace. Some of them we identify as youth at risk as well, where the substantial investment is considerably higher than one would expect to be the average.

**Mr. Peter Van Loan:** I'll debate with you whether they got the jobs because of it and whether they were long-term attachments, but that's another issue. I'm concerned about that attachment.

We were given these ministry summaries, and under vote 5, "Grants and Contributions", the amount in 2003-2004 was \$573,426,000, while for this year it's \$719,887,000. That's an increase of over 25%.

**Hon. Joseph Volpe:** Slow down for a second for me, please. What page were you at?

**Mr. Peter Van Loan:** We got it as a photocopy. It says 13-2, entitled "Human Resources and Skills Development".

**The Chair:** Part II of the main estimates.

Your answer, Minister, will have to be fairly short.

**Hon. Joseph Volpe:** Mr. Van Loan, go ahead, and I'll be very quick. You were asking...?

**Mr. Peter Van Loan:** There's an increase there in vote 5 of over 25% in grants and contributions.

**Hon. Joseph Volpe:** Keep in mind that some of these are estimates, that's why they're called estimates. We're trying to address the marketplace and the uptake we would have in it. What we then do for 2004-2005 is base our estimate on the experience we had in the previous year. We've reflected that in the 2004-2005 estimates. For example, there's an increase of \$154 million largely for the homeless issue—I think you dealt with that in the previous question—\$23 million of that in operating and \$146 million in grants and contributions. We've done a reallocation exercise through our division of the departments, and that's reflected in the greater number for 2004-2005.

**Mr. Peter Van Loan:** It's not the uptake, it's really the homelessness.

**The Chair:** I'm sorry, I'm going to have to cut you off at this point.

Thank you.

Madam Gagnon.

[*Translation*]

**Ms. Christiane Gagnon:** My question is to Minister Volpe.

We are studying the bill on registered education savings plans and the learning bonds that will be given to families which cannot afford to invest in their children's education. This program will be available for families in 15 years.

We are studying the bill, and seven organizations came to tell us what they think of the program. Five of them are opposed to the bill in its present form, including associations of university students and professors. They told us that this is a bad bill, one that heads in the wrong direction, and that the objective of helping low-income families will not be reached. Even those who agreed with the bill said that the amount was very low and would not have any impact on low-income families and that in many cases, families would not use this learning bond. They said we should rather be investing in early childhood programs to instill an interest in education in children.

We will be hearing from other witnesses as well. This afternoon, I will listen very carefully to what low-income families have to say about this bill. You know that it is very difficult to reach out to the entire population in the course of our working committee. Some groups and associations have come and told us that the bill heads in the wrong direction, and others will be coming on Thursday.

I am afraid that we will invest millions of dollars without achieving our objective and that people will not try to obtain the funding available. We will not be hearing from very many witnesses because we do not have a great deal of time and because very few people are aware of this bill. However, if all of our witnesses tell us that this is a bad bill, will you continue to try to have it passed in the House of Commons?

• (1240)

[*English*]

**Hon. Joseph Volpe:** Madam Chair and Madame Gagnon, if you'll permit me, I'll try to answer most of this in English if I can. I'll speak slowly, so the translator can catch everything.

I share with Madame Gagnon one perception. Society's greatest investment considering return is probably made with children at a very early age, especially if we're trying to achieve objectives that will have long-standing impact. I guess economists everywhere have suggested that if you're going to make an investment of sorts in education, that would be the way to do it. It's not for me to say other jurisdictions have succeeded or failed in this regard. What I can say, Madame Gagnon, is that you would want to wait until my colleague for social development comes forward and explains the initiative on early childhood development and child care as a national program that would fit into that age category, from the moment a child is born to when he or she enters into the academic or scholastic environment, supervised, directed, and developed by the provinces. I think that's already an indication that the government recognizes your ideological position that perhaps we ought to make an investment where it will have the greatest return.

That said, Madame Gagnon, the other positions you have elaborated and others have transmitted to the committee in a rather, I think, negative light do not take into consideration some of the initiatives I alluded to in my presentation, the measures we have taken with regard to those who have left the secondary schools and have gone away from jurisdictions that are local or provincial, but entered into an environment where their education is now assuming a much more utilitarian dimension. We have entered into this for the purpose of encouraging continuing studies, greater participation, greater development of skills, and we have done that through a variety of measures, not the least of which is the one I suggested, a \$3,000 amount for families that have a low income and either \$3,000 or 50% of tuition, whatever that would be in the first year. We've taken other measures to ensure that loan repayment processes and mechanisms are more flexible and much more in tune with the needs of the student who might be graduating, whether it's from a diploma or a degree environment. We have in place, as you well know, measures that address issues of inability to pay, whether that's for financial or medical reasons. So we have debt forgiveness, debt repayment measures that address the issues that are there for those students who need them.

But with the Canadian learning bond—and this is where I think we must part company, Madame—we wanted to do two things. First, we wanted to establish a climate, a culture of looking beyond the very minimum that's available locally and to start thinking about post-secondary education immediately upon the birth of a child. So you're quite right to point out that for 15 years we're willing to make a contribution to a fund specifically set aside for a child who comes from a family that's in receipt of a child tax benefit. That's the marker that suggests they're in need. We also make that first contribution, so that they get into the habit of understanding investment instruments and thinking in terms of making investments for their child's future. For someone today to say that might not be sufficient is fine, but it's a great improvement over the zero we have today.

Further, nothing prevents provinces from chipping in, nothing prevents parents from adding more. In fact, Madame Gagnon, when we started the Canada education savings program, we started off with an uptake of about \$2 billion, and we're now in excess of \$12.5 billion in a mere five years.

• (1245)

The Government of Canada is making a contribution that's always in excess of about \$300 million—I say “about” simply because we don't know how many families take this up. But it seems that by their investment and by their desire to participate in that dual purpose, the Canadian public is in disagreement with the people who have spoken negatively to you about the program.

**The Chair:** Thank you, Minister. I'm sorry, there is no more time.

Mr. Tony Martin, please.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** To follow up on that point, I took exception to some of what you said. Are you concerned at all that student debt—given that you have a cumulative balance in EI of \$46.2 billion as of March 31, 2004, a net increase of \$2.4 billion over the previous fiscal year, while you talk about these vehicles you've put in place to help students—is going through the ceiling?

**Hon. Joseph Volpe:** I guess you and I are going to disagree on the basic premise of the question, that there is a surplus that we call the EI surplus. You know very well, Mr. Martin, that auditors general in the past have said we needed to indicate that there would a notional surplus, but that money has already gone into the consolidated revenue fund. That money has all been spent; it's there notionally.

What have we done with that money? That's the question you're really asking. We have actually been able to make contributions to post-secondary education. We do that to the tune of about \$2.7 billion across the country annually. Am I going to apologize for the fact that there is a notional account that says we're in a surplus?

I draw your attention, Mr. Martin, to what I said earlier about the fact that Canada is one of the premier nations, if not the premier nation, in participation in the marketplace. That means there are more people working and making contributions to this fund and its objectives than there have ever been, and in fact, than there are anywhere else. Our unemployment rate is so low now that it becomes dangerous in some places, but what that means is you have fewer people drawing on this. Notwithstanding all of that, what we've done over the course of the last 10 years is reduce the EI premiums every single year. We are now down to \$1.98 per \$100 of earnings in the last fiscal year.

Mr. Martin, I think what that does is speak to the success of a program. What we need to do now as we go a little farther down the road is work on where these funds will be directed. They're there for people who enter the labour market, both for moments when there's an interruption in income and in preparation for the new realities of the marketplace when they re-enter.

**Mr. Tony Martin:** Again to challenge your choice of words and your description of the surplus as notional, everybody in this country who talks about it understands it, I guess, differently from you—

**Hon. Joseph Volpe:** I understand it the way the Auditor General understands it.

**Mr. Tony Martin:** Well, even the Auditor General is making comments and encouraging all of us to ask questions about this surplus, why it exists and why it is, for example, that your department is planning to spend \$860 million less on employment benefits and support measures than is permitted under the Employment Insurance Act in 2004-2005. Why has the government consistently spent less on these active measures than is permitted under the act, given that you have this surplus in the EI fund and your own finance minister is talking about a \$9.1 billion surplus in the general revenue fund? There are people in northern Ontario, northern Canada, rural Canada, and eastern Canada who just cannot find work and are looking to the government to provide them with some modest level of support as they work their way through these difficult times, and yet you're spending, at a time of surplus money, \$860 million less on employment benefits and support.

• (1250)

**Hon. Joseph Volpe:** Mr. Martin, I don't wish to be trite, but I just gave you an indication that the participation rate in the marketplace has continued to climb. In fact, in some provinces the participation rate is extremely high among all demographic samples of the population. That 67.5% is a huge participation rate.

Second, if we're spending less, it's because the unemployment rate keeps collapsing, and as it collapses, there is less need for us to enter into the marketplace to provide the assistance through active measures. We make a plan. We plan on the basis of what happened in the previous year. As I said in response to Mr. Van Loan, these are estimates, and we go on the basis of the experience we've had. I think, in the eyes of some, it would probably be verging on the irresponsible if we went and deliberately tried to spend the same amount of money as in the previous year for an environment that requires less.

**Mr. Tony Martin:** These figures you're giving us are not the reality in northern or rural Canada. It's probably not the reality in eastern Canada or perhaps in parts of Quebec that in fact what you're saying is true.

The reality is you have surplus both in your EI fund and your general revenue, and you have people out there who can't connect to the system any more in the way they used to because the supports and benefits aren't there.

I wanted to ask you just one other question, if I have some time, Minister.

**The Chair:** No.

**Mr. Tony Martin:** A couple of years ago.... Pardon?

**The Chair:** It's all right. Keep going. You have a minute left.

**Mr. Tony Martin:** Okay, thank you.

Your predecessor, Madam Stewart, introduced the Canadian Learning Institute, now the Canadian Council on Learning. There was \$100 million targeted for that, and we find out that the new council received \$85 million. We were wondering where the other \$15 million went.

**Hon. Joseph Volpe:** Let me address the first part of your observations.

**The Chair:** It will have to be short, Minister.

**Hon. Joseph Volpe:** It's a good question. It deserves a longer answer, Madam Chair.

**The Chair:** I know, but—

**Hon. Joseph Volpe:** Mr. Martin, you have a situation where.... If we put active measures in an environment where we want to be a participant in a marketplace, then those active measures since 1996 have gone up continually. It's a measure of our success, but it's a measure as well of the fact that we make those changes year to year. And I think that Madam Bradshaw may wish to address where some of those measures go, because we're doing some wonderful work in the areas that she presented.

With respect to your question on the Canadian Council on Learning, the initial concept was \$100 million, but that wasn't where we ended up. So it wasn't that money was there and we took it and frittered away \$15 million or allocated it someplace else. There was a notional suggestion initially, and then we made it a real contribution of \$85 million.

**The Chair:** Thank you, Minister.

Monsieur D'Amours.

[*Translation*]

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Thank you, Madam Chair.

I would like to thank Mr. Volpe and Ms. Bradshaw for being here today. I have two questions I want to ask in particular. There are not very long. Perhaps Minister Volpe would answer them.

My first has to do with employment insurance. As you know, this issue is very important for the people of my riding, as it is for the people in many other parts of the country. My first question deals more specifically with the initial eligibility and my second with the issue of using the best weeks within a period, to allow people to get some money during the subsequent weeks.

I would like to talk first about the initial eligibility. Despite the issue of labour force adjustment and new realities, seasonal work nevertheless exists. It existed in the past and it still exists today. However, people require between 24 and 26 weeks of work to be eligible for EI the first time. That means that if someone lives in a rural area and depends on seasonal work, it is very difficult for that individual to accumulate 24 to 26 weeks of work. As a result, in most cases, our young people leave the region and move to urban areas, where the issue of seasonal and rural work does not exist. I would therefore like you to consider reducing the 910 hours required so that our young people, and others who have not yet qualified for EI the first time can remain in our regions.

My second question is about the best weeks. I think this is an incentive to continue looking for work, because claimants are not penalized in terms of benefits, particularly given that the subsequent weeks are often during the winter, when heating and other costs are higher.

I would like to hear your answers, because I think using the best weeks concept would be an ideal solution. The issue of the 910 hours is an important way of keeping our young people in rural regions. It is important that we make it possible for them to work in their region.

● (1255)

**Hon. Joseph Volpe:** Mr. D'Amours, you have raised a problem that affects not only the Government of Canada, but also many other western countries. There is a trend for our young people to move to the urban centres. Their motivations are complex and varied; and we know what they are. This phenomenon has been studied by academics and other experts.

Of course, many people are concerned about this situation. Far more young people are attracted by the possibility of a permanent job with a satisfactory salary than by a lack of such opportunities. The government is always trying to encourage industries to offer opportunities to the local people. Young people do not leave the regions where they were born because of inadequate EI benefits or because they pay less than a good job in Montreal, Halifax or Toronto. They leave these regions for other reasons.

In determining whether people qualify for EI benefits, both the local and regional situation must be taken into account. We have established programs with regional agencies whose job it is to develop a much more diversified economy so as to offer the job opportunities I have just mentioned. I am also referring to the programs we established in Quebec and New Brunswick for example, the labour market development agreements, which seek to establish a climate that allows the unemployed to get into programs that will not only allow them to qualify for EI benefits, but also for other jobs. In other words, the idea is to help them achieve the level of skills that will enable them to do something else, if there is a shortage of work in one area.

I recognize the problem you describe, Mr. D'Amours. There is a government committee studying it at the moment. I know as well that this committee has established a subcommittee to study this specific issue, and I look forward to receiving this subcommittee's report.

• (1300)

**The Chair:** Thank you, Minister.

We now move to the second round. You have five minutes, Mr. Forseth.

[English]

**Mr. Paul Forseth:** Thank you very much.

[Translation]

**The Chair:** Just a moment, please.

Go ahead, Mr. Lessard.

**Mr. Yves Lessard:** I would just like to ask a question about the way the committee works. I already have commitments elsewhere. I think we had planned to end the meeting at 1 p.m. Do you intend to prolong it?

**The Chair:** I do not intend to prolong it.

[English]

Mr. Forseth has a very quick question, and then I'll give you the floor.

[Translation]

**Mr. Yves Lessard:** We are beginning the second round now. Perhaps it would be preferable for our witnesses to come back another time. I would suggest that we invite Mr. Volpe back again, because there's some issues we might like to discuss in greater depth. I would also like to suggest, Madam Chair, that we agree among ourselves to proceed, as we did with Mr. Fontana this morning, when Mr. Volpe comes back. That was a more dynamic exchange. Not that Mr. Volpe's comments are not interesting, but we cannot explore specific issues, particularly given that this does not represent...

**The Chair:** I apologize for interrupting, Mr. Lessard, but I would like to point out that our procedure with Minister Volpe was exactly the same as that for the preceding minister. I will not get into this type of a debate now, because I do not want to spend any time on it.

**Mr. Yves Lessard:** I am not criticizing you, Madam Chair; I would just like to ensure that the questions are not so long that there is no time for an answer.

**The Chair:** Excuse me. Someone has suggested that we invite Minister Volpe back for another meeting. We could discuss that. Does the committee wish to invite the minister back a second time? Are there any comments on this?

[English]

Mr. Adams.

**Hon. Peter Adams:** Madam Chair, if I could comment, we would have no objection to extending the meeting for a reasonable time. I do understand that members have to go to prepare for question period and so on, but we would have no objection to extending the meeting.

[Translation]

**The Chair:** Mr. Martin.

[English]

**Mr. Tony Martin:** I agree with the recommendation that we call Mr. Volpe back. I have more questions as well.

**The Chair:** In other words, you're suggesting, Mr. Martin, that even if we give another 15 minutes to Mr. Volpe and Madam Bradshaw, this would not be sufficient as far as you're concerned?

**Mr. Tony Martin:** No.

**The Chair:** Okay.

I don't think I need to call a vote. Or do I need to call a vote on this?

Mr. Minister.

**Hon. Joseph Volpe:** I realize we started at about 12:15. I have to leave at the very latest at 1:30, but I'm prepared to answer questions until we get to that time. And if there's an exhaustion of questions then you won't have to answer the second proposal.

**The Chair:** Yes, well, I asked for 15 minutes and this didn't seem sufficient. The minister's suggestion is to go on until 1:30.

Would that be acceptable, Mr. Martin and Mr. Lessard?

[Translation]

**Mr. Yves Lessard:** We cannot stay here longer.

**The Chair:** So you cannot stay longer.

**Mr. Yves Lessard:** The meeting was supposed to end at 1 p.m. I have some very important commitments starting at 1:15 p.m.

**The Chair:** And Ms. Gagnon could not replace you for that half hour, Mr. Lessard?

**Ms. Christiane Gagnon:** No, I cannot. We have a briefing; actually, we have three briefings this afternoon.

**The Chair:** All right.

[English]

Mr. Forseth, did you want to add something?

**Mr. Paul Forseth:** We'll continue to debate this and I won't even get my answer to my question, so let's just get on with it.

**The Chair:** Well, exactly. That is a problem. We're debating around the debate.

**Mr. Paul Forseth:** Yes.

**The Chair:** Let me put it this way. Let Mr. Forseth finish his question and his answer. Then I think we are on the way to a second invitation to you, Mr. Volpe, and possibly to you, Madam Bradshaw, at another time.

**Mr. Paul Forseth:** Ministers are always welcome to come, and they do.

**The Chair:** Yes, we could always re-invite him for a set period of time at another time, but I think Mr. Forseth really does want to ask his question.

Let it be a short question, and please, Minister, let it be a short answer.

• (1305)

**Mr. Paul Forseth:** Okay, I'll do my best.

Thank you, Ministers, for coming today.

You've talked about a variety of training and educational supports, but change begins with a recognition that a problem exists. Do you have a plan to get employers to train their own, on the job, within the company, to skill-build and reduce job cycling, which brings its own inefficiencies? What is the government doing to facilitate and encourage the private sector to train for its own future, focused on needs-based training—perhaps a variety of tax breaks, access to a fund for training subsidies, and so on, to make it a real deal for the private sector as an incentive? So I'll just put it directly: What is the government doing to change and improve what is happening now?

There's a current mix that we have of private and public so that you might say the incentives and opportunity climate that is set by government is so much better that skill-building in the private sector will become much more significantly active. I ask, do you recognize the need for change, and what are your plans in that regard?

**Hon. Joseph Volpe:** Mr. Forseth, in my introduction I gave you an indication that the government is seized with that observation. I gave you an indication that we have a strategy that we call a workplace skills development strategy. Under that I also gave you an indication that we continue to work with sector councils, and as you know, we have now 31 sector councils with the various industries that operate in a particular area. We work with them for the purposes of developing particular curricula, particular strategies, and on-site development of skills. They work with industry-specific areas. There are about 31 of them around the country. We have applications from other industries in order to work with us. Not all of these work at a high-octane level, but they're doing a really good job.

The second thing we're doing is we're looking at those companies that are developing best practices. Some of them, quite frankly, don't want to share them because they don't want to lose the workers that they have developed themselves. I don't want to suggest that there is a negative climate everywhere. Some companies are doing everything on their own. They're not asking for tax breaks. They're not doing anything, but they have what they think is a good workforce and they continually upgrade it. We'd like to get that same culture of constant improvement built in to every industry and every specific sector. We've taken a look, for example, at metal workers, carpenters, building trades, where we have the greatest need most immediately. We've worked with them through their labour-sponsored learning centres to look at best practices, but also at curriculum development to re-enhance the red seal program so that we can build flexibility as well as mobility.

We've also started to work with both business and industry to develop a common strategy for a national apprenticeship approach to some of the skills that are required, not just in the buildings trades, although that's a good place to start, but also in a variety of industrial sectors, including, for example, the petrochemical and the petro-refinery industries in Alberta, which have come to us and have asked for a much more aggressive campaign than the one they have seen in the past, simply because their needs have emerged and have grown exponentially.

We tried to coordinate all of these, as I say, not through an intrusive fashion, but in collaboration with the provinces. Sometimes that has meant things have gone a little bit more slowly than we wanted, but we're moving in that direction. Madam Bradshaw, I know, would have wanted to talk to you some more about the ASEP program and about the AHRDA programs that are doing the same thing in cooperation with industries. Sometimes these are specific industries that want to develop economic activity in the areas where the demographic potential presented by our aboriginal communities is a very tempting economic factor, and we want to be able to achieve social as well as economic goals by developing the kinds of strategies you're talking about.

**The Chair:** Thank you, Minister. You have to stop right there.

Thank you very much for staying over the time, and we apologize again for making you wait outside for this period. We have taken note of the fact that we will want to re-invite our ministers for another meeting in the near future.

This meeting is closed.





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