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Chair

Mr. Dean Allison

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•(1015)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to Standing Order 108(2), we are continuing our study of employability in Canada.

I would like to take this time, on behalf of the human resources and skills development committee, to thank you for taking time out of your busy schedules to be here to talk to what we believe is a very important issue in Canada right now, and that's the whole notion of employability and skills shortage, whether it be skilled or unskilled labour. We've been travelling across the country and are on our final swing through western Canada.

Once again, thank you for being here.

In terms of housekeeping, we'll have two rounds of questions of five minutes, followed by another five-minute round of questions. Your opening statements are allotted seven minutes each, and I ask you to keep to that since we have quite a few groups. We will then proceed with questions. I will start with Mr. Kelly.

Mr. Kelly, thank you for being here. You have seven minutes for your opening remarks.

Mr. Dan Kelly (Vice-President, Western Canada, Canadian Federation of Independent Business): Thank you very much, and welcome to winter in Alberta.

We at the Canadian Federation of Independent Business do a great deal of work on skills shortages. That is going to be the focus of my presentation today, and I've had distributed copies of a slide deck that we're using on this front.

CFIB measures the shortage of labour as a statistic that we've collected for many years. I'm going to be focusing on the concern across western Canada. I have breakdowns by province for each of the four western provinces for much of the data in my presentation.

Right now in Alberta, for example, over three-quarters of our members are reporting a shortage of qualified labour, as we put it. When we ask our members what they mean by "qualified", often they're talking about things like people who will show up at work on time, people who will work a full week without disappearing, so that word has many meanings.

This concern has been growing very rapidly over the last number of years in all four western provinces. In fact, if you look at the numbers, the lowest level of concern right now in the west is in

Manitoba, but still, almost two-thirds of our members are reporting a shortage of qualified labour.

We ask our members—and this is a question we get asked a lot—is this a temporary problem because the economy has been very good in the last number of years, or is this a problem that we're likely to be facing for some time, even when the economy eventually cools down a bit? When we and our members look at the demographics facing Canadian employers, our view is that this problem is going to be here for some time to come. In fact, when we survey our members, 78% figure that it's going to be harder to find workers in the next five years than it is today.

It is hard to imagine that in Alberta right now, and in lots of British Columbia, because the concern is very high. That level of concern about the future is very high across western Canada. In fact, it was highest in Saskatchewan, and I think that has a little bit to do with depopulation in some of the rural communities of Saskatchewan.

When we ask our members—and this is an important question we get asked a lot—whether the problem is a skills shortage or a general labour shortage, our members are telling us it's both. In the past, the issue really was a shortage of skills. We've known that we're short of certain trades, such as welders, or perhaps in the health care professions we're short of nurses or doctors, but it has gone beyond that. Our members across Canada, particularly here in western Canada, are saying that not only are they short of skilled workers, but they're short of workers, period, including those at the entry level. That is, of course, a much more difficult public policy challenge to solve.

When we ask our members how they're coping with the skills and labour shortage, 64% of our members across western Canada say they're hiring underqualified individuals, but that means the employer is undertaking some training to bring them up to speed; 51% say they're improving salaries and benefits, which is obviously a challenge, especially in a province like this, for our members, small and medium-sized firms. To try to possibly compete with larger businesses, particularly in the resource sector, is very difficult, and on the salaries and benefits equation, it's often a huge struggle for small and medium-sized firms.

What's most concerning when we ask our members how they're dealing with the skills and labour shortage is that 46% of our members, almost half in western Canada, say they're ignoring business opportunities. That is a very big concern for us. That means that businesses in this province and across the west are taking a pass on business that they know they could get, simply because they don't have the people to put their products and services to market.

That has long-term implications for the Canadian economy, because if Canadian firms, western Canadian firms, ignore business opportunities today, those may not reappear tomorrow, and that employment that could be created goes elsewhere.

There is, of course, some good news in this, so it's not all doom and gloom. We've asked our members their success rates in hiring from underrepresented groups within society. Some very positive results have come out recently in a special survey we did in western Canada. The data in our slide deck shows you our numbers in 2002 and 2005 in terms of hiring of seniors, aboriginals, new immigrants, and the disabled. In all four of those categories, successful hiring has gone up. One of the biggest increases has been in the category of seniors. Seniors are being looked at by small and medium-sized firms increasingly as an opportunity to solve their labour shortages.

The number of businesses that had been successful in hiring seniors went from 22% to 33%. What was also very heartening was that hiring among the disabled went from 14% across the west to 23% across the west. So obviously the strong economy, the narrowing skills, and the labour shortage that we're facing are helping to pull some of these under-represented groups in society into the workforce, and we think that this is a major societal contribution that small and medium-sized firms are making.

I have just a couple of other slides in there that I won't touch on in any great degree, other than to note that we've been working closely with the B.C. government on a training tax credit. They dedicated \$90 million over a three-year period to employee training. This is a very difficult thing for small business. Training tax credits, generally speaking, are only accessible by large firms because they have the resources to apply for the credit and track the training that is associated with it, and our members, generally speaking, train informally, which doesn't often get recognized by government agencies. That is a major challenge when we are designing solutions to this problem, but we are working with the B.C. government on that issue. We'd be pleased, of course, to work with the federal government, perhaps using the EI program as a step to try to address the skill shortages facing our members.

That really just summarizes a few of the key concerns that our members are facing here today. I'd be thrilled to take any questions down the road.

•(1020)

The Chair: Thank you, Mr. Kelly, and thank you for your presentation.

We'll move to our next group, which is Literacy Alberta. We have Ms. Cairns and Mr. Kennedy.

Ms. Cairns, go ahead for five minutes, please.

Ms. Elaine Cairns (Chair, Literacy Alberta): I offer my apologies to the committee. We were in our provincial literacy

conference until Saturday of this week, and we spent until last night writing our speech for this presentation, so we did not get time to put our notes into French. I apologize for that.

The Chair: Just to let you know, Ms. Cairns, we'll have it translated and sent to the full committee when it's translated.

Ms. Elaine Cairns: Imagine. Imagine a Canada where everyone reads. Imagine a Canada where everyone writes. Imagine a Canada where all children have people who read to them every day. Imagine a Canada where language is plain. Imagine a Canada where the workplace is safe. Imagine a Canada where workers have the skills they need to do the job. Imagine a Canada where we can compete in a global economy. Imagine a Canada where a learning culture is fostered and celebrated. This is our dream for Canada. This committee has the power to help us achieve this dream.

My name is Elaine Cairns and I am president of Literacy Alberta. I represent the thousands of Canadians who volunteer in the literacy field and I am here with my colleague Ian Kennedy, who is vice-president of our organization.

Literacy Alberta is the Alberta branch of a national network of coalitions. The work accomplished by us in the province supports the work of literacy here and across the nation. The regional program funding from the National Literacy Secretariat enabled us, among other things, to improve and support literacy programs and services; to refer learners and their families to literacy programs in their communities; to provide resources for and develop capacity within the sector; and to provide professional development for literacy learners, volunteer tutors, and literacy practitioners across this province.

Over the last 18 months, we have spent some of our time developing a provincial literacy strategy: Literacy—For a Life of Learning. We don't have the time here today to go through it, so we have attached it to the speaker's notes you have been given.

As you know, the federal government has made devastating cuts to literacy. We speak for low-literate learners when we speak out in protest against these cuts. For Literacy Alberta, the cut translates to approximately half a million dollars, or half our budget. Without this funding, our ability to provide these services and supports to literacy learners and practitioners is severely compromised. The infrastructure of literacy supports across the country over the last 20 years will be decimated. Momentum will be lost and literacy leaders will be gone.

We find this federal government decision to be short-sighted and flawed. We say that teaching adults to read and write, and to read and write well enough to function fully in today's knowledge-based society, is an investment in the Canadian economy and in our society. And it's a federal responsibility as well as a provincial responsibility. It is, in fact, everyone's responsibility. Now is the time for all sectors—business, voluntary, government, and individuals—to be collaborating to improve the literacy skills of all Canadians. We say literacy is a basic skill through which we make sense of our world and adapt to new circumstances. Being literate helps us to learn, change, and adapt. We must invest in every Canadian's literacy skills, and over 40% of us do not have the skills we need today.

Literacy skills determine how a country competes, especially in an increasingly knowledge-based global economy. A key finding in the recent International Adult Literacy and Skills Survey concluded that countries with higher average literacy scores do better economically over the long term. A lack of such skills undermines a person's confidence and a sense of self-worth. It limits their productivity and ability to reach their full potential. A lack of literacy skills can lead to accidents on the job, an inability to adapt in a job, to use technology efficiently, and to be as productive a worker as possible. The IALSS found that of unemployed Canadians, 53% don't have the minimum literacy skills required to function in everyday life. Lower-skilled adults tend to work fewer weeks, experience more and longer periods of unemployment, and earn lower wages when they're working, said the joint survey conducted by StatsCan, the OECD, and other partners.

In Alberta, 67% of our level one literate people are in the workforce, almost 170,000 people, and that is a statistic from three years ago. To assist these workers to improve their skills, we will need to first improve their literacy skills and then improve their workplace essential skills. Both literacy and workplace essential skills programming were cut in the recent round of expenditure restraints.

• (1025)

Statistics Canada describes the direct link to productivity. A 1% increase in literacy rate would increase productivity by 2.5% and gross domestic product by 1.5%. This rising gross domestic product translates into \$18 billion for Canada every year. That \$18 billion, or even the tax collected on \$18 billion, would make a great payment on the debt. As well, as literacy skills go up, so does the person's health, well-being, and social engagement. If there is a better investment for Canadians to be making right now, we cannot think of one. Can you?

We say that far from cutting investment in literacy, the federal government should be increasing it. We should be encouraging learning in the workplace and in the community. We should be working with workers at all levels to increase their skills, thus increasing our productivity as a nation. As we continue to ignore the fact that increased literacy rates lead to economic growth, and have been proven to do so around the world, as a nation we will continue to fall behind in our ability to lead, innovate, adapt, and change.

We want Canada to be a leader in the global economy. To do this, we must invest more resources, not fewer, into the abilities and productivity of Canadians. It is time for a pan-Canadian literacy

strategy that encompasses the broader perspective of literacy. We need to be inclusive of family literacy, adult basic education, workplace literacy, and essential skills training. We need to be inclusive of all groups—francophone, first nations, mainstream, and English as a second language. We ask for your support. Together, we can create a fully literate Canada.

Thank you.

The Chair: Thank you very much, Ms. Cairns.

We'll move to the Retail Council of Canada next. I believe we have Ms. Johnstone and also Ms. Brisebois. Thank you very much.

Can I call you Diane?

Ms. Diane Brisebois (President and Chief Executive Officer, Retail Council of Canada): Yes. If it's easier. I'm quite pleased. And it is my name, so I won't be offended.

[*Translation*]

Thank you, Mr. Chairman, members of the committee.

[*English*]

Thank you very much for being here today and receiving our recommendations and our thoughts on employability.

As a business association that represents over 40,000 storefronts across Canada, we constantly canvass our members regarding issues of concern. Employability, recruiting, and retaining good people are obviously on the top of their list, and specifically here in Alberta. This is the reason the Retail Council of Canada, as a national association, chose to present its views to the committee here today in Calgary.

More than most sectors of the economy, retail is people dependent. Labour accounts for more than half of the operating costs of a typical store. Let me add that while often, when we think retail, we think big, we think national chains and large discounters, 90% of the retail communities are represented by small businesses that employ fewer than 10 people in their stores.

The number of stores in Canada increased by more than 15,000 between 2000 and 2004, and employment in this sector grew by 165,000 workers during that time, adding four times as many workers as did the entire manufacturing sector. That's good news, obviously. However, the bad news is that in the very near future, the Canadian labour force will simply not have enough workers to fill the retail jobs available. As Mr. Kelly mentioned, not only is there a shortage of skills, there's a shortage of people and, in our industry as well, a shortage of services.

Let me just add that when I speak of services, I mean we have a lot of retailers now telling us right across the country, but specifically in Alberta and British Columbia, that not only can they not hire people for their stores, they can't find people to build their stores. They can't find the workers who in fact assist them in making sure they can grow their business and add employees to their complement. So it has been a challenge not only within their businesses as retail, but also because of the services that are lacking in the community as they try to grow and prosper.

You've received our submission both in English and in French, so I will not go into the details of all of the different areas.

Let me just add this morning, because I think it's important, that I'm sure as you sit through all of these hearings and these presentations you hear many groups say they need, they need, they need. We thought we would bring a different message this morning. We always need, obviously, but I think it's important to note that the employability initiative cannot work unless all stakeholders are involved. The responsibility is not only on government, but is also on industry and on communities across the country.

Let me give you a couple of examples before I end the presentation. We have had some successful initiatives with the United Way across Canada, specifically in Ontario and Quebec, with a program called the Gateway Cafe. It was funded also by HRSDC to offer sales associate training and job internships to youth at risk. This is an incredibly successful program, which is helping a lot of youth who are disenfranchised come into the workforce and become good workers.

We're also working with our members—HRSDC, the Quebec government, the Ontario government, and soon the British Columbia government—on English as a second language. Our members are working very hard at implementing those programs within their firms to take advantage of new Canadians' entering the workforce.

We're working with Goodwill, with four chapters across the country. Specifically, we are integrating persons with disabilities and social service recipients into the retail industry, not only as employees but as the future employees, meaning there is a lot of investment at this time in training those individuals.

Obviously our recommendation, very quickly, is that the government look at ways to encourage more women, aboriginals, and mature workers to join the workforce. Specifically in regards to mature workers, we talked about the federal rules for private pensions and the Canada Pension Plan, which encourages early retirement and discourages part-time work past the age of 65. Obviously, our submission goes into quite a bit of detail in that area.

We also talk about opportunities to bring disabled Canadians to the workforce. The retail industry has done an enormous amount of work in this area. We have worked in conjunction with the Government of Ontario, for example, and we will be working with other provinces in reducing physical barriers to employment for persons with disabilities.

• (1030)

Mr. Chairman, I will stop my remarks at this point. I'm sure there will be other question, and I'll be pleased to answer them in both English and French.

Thank you.

The Chair: Thank you very much for your presentation.

We're going to move now to the Logistics Institute. We have with us today Ms. Ferguson and Ms. Lucas. You'll have seven minutes. Who's going to speak?

Ms. Karyn Ferguson (Program Director, The Logistics Institute): Thank you. We both are.

• (1035)

The Chair: All right, good. You can't have 14 minutes.

Ms. Karyn Ferguson: We're very pleased to be here today. Thank you very much for giving us this opportunity.

I'm Karyn Ferguson, the program director with the institute.

We'd first like to briefly familiarize you with our history as the Canadian Professional Logistics Institute and review a number of the employability issues that we've been addressing.

Our suggestions today for actions and solutions are based on labour market research that we continuously conduct and our experience with workforce development initiatives that are undertaken with many community stakeholders.

The institute was incorporated in 1990 as a result of the collaborative efforts of 12 industry associations. We represent a cross-sectoral labour market, which means that our practitioners work in various industries. We are supported by over 2,000 logistics professionals who have earned our certification through our training programs, and we are also supported by our partners in professionalism, which include both industry, industry associations, and a number of educational institutions from across Canada.

We believe that the capacity to compete in a global market depends on the skill level of our workforce and the ability to mobilize that workforce.

As a sector council and a standards body, the institute has a core focus on specific workforce development initiatives and development issues within both a national and now global perspective.

Our portfolio of initiatives and activities encompasses many areas, including logistics labour market information studies. We address issues such as compensation, retention, recruitment, training and development, and mobility. We also are producing competency and productivity standards in logistics from entry levels of responsibility straight through to strategic levels of responsibility. We are trying to enhance the career mobility of logistics practitioners through our career mobility frameworks and by building different pathways to certification that address entry-level through to strategic-level practitioners.

We are delivering professional development in training, ranging again from the entry level right through to the strategic level, and we've recently established a Logistics Workforce Development Council, which is directly responsible for supporting research into and the creation of labour market development strategies.

Linda Lucas, a board member with the institute, is going to address some of the key employability issues we've been dealing with.

Ms. Linda Lucas (Director at Large, The Logistics Institute):
Good morning.

The first issue we would like to address with you this morning is effectively recruiting and retaining workers and their skills. Dan McLean, in *The Globe and Mail*, says, "A good employee is hard to find and even tougher to keep." The oil industry is one example. Employee turnover has a direct impact on a company's bottom line and can cost as much as 10% of revenue. In the case of logistics, the challenge of attracting and keeping skilled workers is even greater, as this sector must overcome a general lack of awareness and an understanding of the supply chain sector, while competing with other sectors facing equal workforce issues.

We know, however, that supply chain logistics workers are critical links in the Canadian economy, directly impacting Canada's ability to compete in what is in fact a global knowledge economy. Connecting people and job opportunities in a timely fashion is therefore absolutely critical. In the professional logistics community, networking or referral has been recorded at 36% as the most frequent means for locating employment, along with newspaper advertisements at 14% and Internet job boards at 7%. An emerging trend in opportunity for further corporate development may be the use of a company's website to offer current job postings and to attract potential employees.

In order to assist with recruitment, the Logistics Institute is offering post-secondary students free membership and is using a web-based career site to purposely connect these students with the professional logistics community. Through this career site, students can complete a skills inventory and can upload their resumé's, thereby directly linking job seekers with job opportunities.

A second issue relates to training and mobility. Relevant training, designed to broaden experience and enhance skills, is a key career development tool that significantly impacts employee retention. According to the Hay Group, when challenging training is offered to new employees within their first two years of employment, these companies increase their chances of keeping these employees over time. Industry focus group participants in the 2006 labour market study suggest that employers should be committed and willing to

invest in employee development and training. As well, participants recommended that this relevant training should connect to a clear path for succession and career planning within organizations. Over the last five years, the labour market information study that the Logistics Institute conducts indicates a great deal of mobility within the supply chain logistics sector—that movement between companies was more prevalent in 2006 than in 2005 and that personnel within the P.Log designation were very mobile within their company.

On transferable skills, a unique feature of the supply chain logistics sector is that there are understood key pillars or functions within this industry that are accepted on a national and international level. They are logistics information systems, warehousing, transportation, inventory and materiel control, and purchasing. Skill requirements don't appear to vary significantly in terms of company size, region, or in fact globally, indicating that supply chain logistics employees can move between regions and companies with some degree of ease. With more simplified competency standards that are accessible and applicable for a broader range of employees and employers, it becomes easier for employers to identify the skills that they are in fact seeking.

On competency standards, an overarching competency standard is particularly useful to small and medium organizations that may not have expert human resource personnel and for individuals managing their own career paths.

On school-to-work transition and career pathways in logistics, developing a career pathway in an industry as broad and wide as supply chain logistics is a significant challenge. Career path models are, however, essential to support workforce development. An example of a career pathway in logistics has been developed here in Alberta, providing a provincial snapshot of a broad range of logistics programs. This pathway creates linkages at the secondary level to post-secondary programs and then on to graduate studies and professional accreditation opportunities such as P.Log designations. This career pathway also creates a connection between academic learning and workplace learning or internship opportunities, both of which are critical elements in the development of a skilled logistics worker.

●(1040)

Women in logistics. In June 2006, the board of the Logistics Institute formally supported the creation and implementation of a three-year project that is designed to attract, support, and retain more women in the supply chain logistics sector. The goals of this project are to understand the issues women face in what has been largely a male-dominated field; to assist women to develop a career rather than to simply hold a job; to prepare women for leadership in the industry; to work with employers in order to create awareness of women as an underdeveloped talent pool; and as part of a larger human resources business strategy, to develop programs that will foster a network of professional support and will showcase women at all levels already in the industry, and will eventually bring more women into the P.Log program.

Dealing with skill shortages and foreign credentials. The Conference Board....

Am I getting the time signal, Mr. Chair?

The Chair: Could you quickly wrap up, please?

Ms. Linda Lucas: I will. Thank you. I apologize for taking extra time.

The ability to access learning opportunities at any time, anywhere, supports adult learning and continuous professional development while reducing costs in terms of time and travel. Distance education, when properly designed, can also provide opportunities for Canadians who may have some form of disability but who are able to access information and knowledge through the Internet.

There is much less to do in order to create a skilled workforce in supply chain logistics, but we are pleased that much is being accomplished through the leadership of the Logistics Institute and other partner organizations.

We thank you for this opportunity to make our presentation to you this morning. I'm sorry that we took a little extra time.

The Chair: Thank you very much for that presentation.

We'll move to the last group, Ms. MacFarlane and Ms. Sherry, for seven minutes.

Ms. Christine MacFarlane (Director, Sustained Poverty Reduction Initiative): Thank you.

I'd like to introduce my colleague Leigh Sherry. Both of us are here from the Sustained Poverty Reduction Initiative of the United Way of Calgary and area. This initiative consists of men and women from the business community, as well as experts in economic and social well-being. Our aim is to reduce poverty by promoting progressive policies and heightening public awareness.

This morning you had a presentation from some of our colleagues in the community. VCC is one of the groups we interface with.

I think each of you is very aware of the economic situation in Calgary and might have anticipated that Calgarians would say to you that the way to deal with the employability issues in Canada is to find a natural, non-renewable resource and use it to your advantage. But having the economic wealth that Calgary and Alberta are

experiencing right now comes with its downsides, and I think my colleagues on this panel have spoken to some of those issues.

We are aware that just because the economy is doing well doesn't mean that everyone in the economy benefits from it equally. It has been our experience that with increasing economic activity you have increasing social issues. Mr. Martin spoke to some of those this morning.

We know that in Calgary our homeless count has increased by 33% in two years. We have looked at the statistics across Alberta. There is a general trend of increasing homelessness.

This morning you touched on the issue of affordable housing. I don't think we can speak about employability and trying to address it as a national issue unless we think creatively about affordable housing.

I'd like to suggest four recommendations for your consideration, based on the work we have been looking at. These four include the implementation of a working tax credit, the modification of the employment insurance program to include non-standard employees, the implementation of a quality child care system, and increased funding for aboriginal post-secondary educational strategies.

On the first recommendation, the working tax credit, according to recent research most poor people in Canada have jobs, they pay taxes, and they get little assistance from the government, which I think is inconsistent with the common belief in our communities that most poor people are unemployed. The fact is that they are working and paying taxes.

They primarily work in the retail, hospitality, and manufacturing industries. They work in jobs that are precarious in that they pay low wages without benefits or pensions, they're non-unionized, and they provide little chance of advancement or training. They are jobs that are typically filled by women, aboriginal Canadians, visible minorities, and recent immigrants. But they are jobs that are critical to the functioning of other workers and the general functioning of the economy. Any storekeeper, warehouse owner, or small business owner in Calgary can attest to the difficulty they are facing in recruiting and maintaining these employees, as attested to you by some of the people on this panel. The men and women who work in these positions can also share with you the difficulties they face in living in Calgary.

We believe that the federal government should establish a working tax credit, or work with the provinces to implement a wage supplement to assist low-wage workers, similar to what is taking place in Quebec and Saskatchewan.

●(1045)

Our second recommendation is that the employment insurance needs to be revamped to include non-standard employees and all part-time workers. There is a decrease in the number of people eligible for employment insurance, and an increase in the number of Canadians employed in non-standard employment. Employment insurance does not cover 60% of all Canadians. Employment insurance is an important mechanism for maintaining people in the workforce. Without it, we risk the chance of their exiting completely from the workforce. We strongly recommend that you consider revamping the EI policy.

Our third recommendation is the implementation of a quality child care system. We know child care services support the employability of parents, particularly women. Women are now the majority in virtually all university programs. Without adequate child care services, we will have decreased labour force attachment among mothers, and that will continue to contribute to skilled labour shortages. We acknowledge the new choice in child care allowances, and we recommend the development of a publicly funded child care system and the immediate action of the federal government on a commitment to create new child care spaces.

Finally, we recommend that the federal government commit to maintaining and increasing financial contributions for post-secondary education and training for aboriginal people, so that they can receive full support in pursuit of their education.

I would like to thank you for this opportunity to speak to you about these important issues. I look forward to your questions.

● (1050)

The Chair: Thank you, Ms. MacFarlane.

We're going to start our first round of questions at five minutes each, beginning with Mr. Regan, please.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chairman.

Let me thank all of you for coming this morning and providing us with a lot of very valuable and detailed information. You've obviously done a lot of homework. Clearly these are topics you know well, but you've also done some work in preparing your presentations, and I know we all appreciate that.

Let me start by talking about literacy for a moment, and asking you, Ms. Cairns, if your group was consulted by the government before the cuts were announced. Do you know of any other group that was?

Ms. Elaine Cairns: No, and I don't know of any other group that was consulted. In fact, we were strung along. We had expected our grants to come around April or May, as they normally do for the fiscal year.

We were told there was no call for proposals, that it was delayed. We waited until there was a call for proposals in August and we all submitted proposals. Many literacy practitioners, and not just coalitions, spent numerous hours in the summer writing proposals and submitted them for the September 15 deadline, and shortly after that it was announced that literacy was cut. So there was no consultation at all.

Hon. Geoff Regan: Shortly after the cuts were announced, one of the explanations given was that the government didn't want to support or pay for lobbyists and advocates, and the indication was that regional and national literacy groups would not get funding for that reason.

Since then, as you know, there was a conference call—last Wednesday, as I understand it—and the government retreated from that, saying they're still cutting \$17.7 million, but not necessarily from the national and provincial groups. Clearly the government intended to take some of that \$17.7 million out of those organizations, although that wouldn't make up even a quarter of it,

I suppose. Now, though, it's not clear at all where they're finding it. Do you know anything more about it? What's your expectation of the impact it will have?

Ms. Elaine Cairns: Unfortunately, it will be probably too little too late, because we're already seeing people leave the field. That's expertise that has been developed over the last twenty years. I've been in the field for fifteen years, and I've seen some really good people leave lately.

Our other problem is that partnerships have been built. If we have to pick those partnerships up a year from now, who knows what they will be.

Coalitions are talking about closing their doors across the country. Literacy Alberta is fortunate because we have had a reserve fund, so we will have an opportunity to try to replace 50% of our budget. But the impact on the field is just...and morale at a grassroots level is very low.

Hon. Geoff Regan: Let me now turn to another question.

I want to ask Mr. Kelly from CFIB and Ms. Brisebois from the Retail Council for their reaction to some of the suggestions they've heard at the table, for instance, about the idea of a working tax credit.

We've heard people talk about a work income supplement. I think it's the same concept. What are your reactions to that and the other suggestions that we've heard?

Mr. Dan Kelly: My understanding is that the government actually did that in the last budget and put in place some form of tax credit for working Canadians, so I think there has been some progress made there.

We've been big fans of raising the basic personal exemption as a means of putting more dollars back in the pockets of low-income earners. We look at governments across Canada. In Manitoba and Saskatchewan you start paying tax at about \$8,000. Here in Alberta, you start paying tax at about \$14,000 or \$15,000. We think that puts real dollars back in the pockets of low-income earners.

I know the federal government did move, in the last budget, to put in place a new credit of some sort for working Canadians. To me, that seems to be a very practical solution.

The Chair: Just to clarify, Mr. Kelly, I think the government's was a personal one, but I think what you were talking about was a corporate one. We may just have to clarify that later.

Go ahead. I'll add the time.

Ms. Christine MacFarlane: We were recommending a personal working tax credit or supplement. I think there has been some movement on that.

The Chair: I just wanted to clarify that. Thank you.

Mr. Dan Kelly: That was my understanding, that it is for individuals, which we think is the way to go. You put the dollars in the pockets of individuals. In fact, when we ask our members what tax cuts are most important, often it is personal income tax cuts that our members see as being most helpful, particularly for low-income workers. In many cases, that body of people represents a group of employees for our members. The idea of reducing taxes for low-income Canadians, I think, is a fantastic idea and one we would support. The specific mechanism of a wage supplement is the one we may have some trouble with.

•(1055)

Hon. Geoff Regan: I only have five minutes, and I'm anxious to hear from others.

The Chair: You're out of time.

Ms. Diane Brisebois: I think all of us would support tax credits for low-income earners. It's good for a lot of our small and mid-sized businesses and it's good for the community, so it would be difficult to speak against that position. I think all of us would agree.

The Chair: That's all your time.

We're going to move to Mr. Lessard, for five minutes please.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman. I too would like to thank you for your presentation which I have no doubt give us some insight into the issues that we are examining today.

Each time we meet with groups like yours, we learn something new and certain issues become clearer. This morning, we have a clearer picture of western companies. If I understood correctly, Mr. Kelly said that 47% of his members claim to have passed on some business opportunities because they didn't have the proper staff and so forth.

Each group seems to come back to the labour shortage problem. The Retail Council of Canada maintains that steps must be taken to facilitate the integration of older workers, Aboriginals and women into the labour market. The situation faced by women is often mentioned. It's a well known fact that despite equal opportunity programs, and whether it's deliberate or not, women and men are not on an equal footing.

My question is directed to the Retail Council of Canada representative. What steps should be taken to address this situation?

Ms. Diane Brisebois: Are you talking about women in particular or...

Mr. Yves Lessard: If your group espouses a different vision than the other groups, then I'd like to hear about it. However, perhaps you advocate an approach similar to theirs.

Ms. Diane Brisebois: We do in fact advocate a similar approach. Only 61% of women are in the active labour force, compared to 73% of men. As a Quebecker, you know that some laws in Quebec encourage women to return to work. In fact, women across Canada are being encouraged to reintegrate the labour market.

Instead of sitting back and waiting for legislation that will make it easier for women to reintegrate the job market, we have worked with our members to develop programs across the country to encourage

women to go out into the workforce. Take daycare, for example. A growing number of Canadian retail companies subsidize daycare in the workplace to ensure that their female employees stay on the job. We are advocating a two-pronged approach: legislation to help women in the workforce, as well as industry measures to facilitate that process.

Have I answered your question?

Mr. Yves Lessard: Yes. On a similar note, you said that part-time work should be discouraged. From a business standpoint, that idea is somewhat ...

Ms. Diane Brisebois: That's not what I said. We are not opposed to part-time work, because our studies show that many people, whether students, or adult men and women, want to work part-time. Part-time workers are critically important to retail and small businesses.

We're saying that people must have easier access to the labour market, whether they choose to work part time or full time. Part-time and full-time work are equally difficult for women. To begin with, neither salaries nor job opportunities are the same. There is really no difference between part-time and full-time employment.

Mr. Yves Lessard: I understand. Thank you for clarifying that for me.

Still on the same topic, in the early 1980s, women were earning 62% of men's take-home pay, whereas today, that figure has risen to 72%. That means that today, there is still a difference of nearly 30% in the salaries paid to women and men. Would narrowing this gap be one way of encouraging women to enter the labour force?

•(1100)

Ms. Diane Brisebois: Absolutely, especially in the retail industry which faces stiff competition from the hospitality and other service industries. Therefore, it's very important to ensure equal pay for both men and women. That's one of the recommendations of the Retail Council of Canada and of the Quebec council. Action is needed at the regulatory and legislative levels to ensure that women stay in the labour force, share their time between work and family and earn the same salary as men doing the same work. That's essential.

Mr. Yves Lessard: Thank you very much.

[*English*]

The Chair: That's all the time we have, Mr. Lessard. We'll have to try to catch you on the next round. Time flies.

Mr. Martin, five minutes for you, sir.

Mr. Tony Martin (Sault Ste. Marie, NDP): Thank you very much.

The message I'm getting here this morning, particularly with this panel, is that one of the big challenges in Alberta these days is finding skilled workers. It's a question of looking at where they might be found, what are the pools? Diane, you talked about the disabled and creating workplaces that are adapted, and we heard some talk about women and getting more women in. We also heard that the fastest growing segment of our population in Canada at the moment is aboriginal, and yet each one of these groups is disproportionately represented in the group you defined as living in poverty.

We need to be doing something to try to reduce, if not eradicate, this terrible reality that exists in our country. We had some suggestions earlier and today of things we might do that would be helpful, and I would hope that even after today some of you might get together to talk about some stuff you could do that would be helpful, for example, the literacy people. Literacy is huge. We had a forum last night on poverty and people looking for opportunity, immigrants coming in, which is another pool. But they need literacy training, and to be cutting funding to literacy seems to me to be regressive. Also, they need proper and appropriate housing.

I want to ask Diane this. There was a suggestion—and I agree—that if we had a good national child care program in place, then more people, more families, more women in particular, who are now living in poverty because they can't get good work would be able to get into the workforce. Has the \$100 approach to child care of the present government produced any more workers for you? Has it made it better? Has it made a difference?

Ms. Diane Brisebois At this point, it would be impossible to answer that question, simply because it is too soon.

We are starting to do research, but the problem is that at the same time as there was a change in the child care legislation, there was also a change taking place within our industry, in that many of the companies, especially the larger companies, were starting to invest and develop child care programs for employees. So we need to separate both to see if in fact there's a difference between how the system works with the \$100 now versus how it worked prior to the new legislation. It is too early to tell, Mr. Martin.

However, that being said, there is absolutely no question that women are not well represented or as well represented as they should be in the workforce. There's absolutely no question that they are challenged in regard to balancing the needs of family and the needs of work. As Monsieur Lessard mentioned, the other challenge for women is equal pay for equal work. There are a lot of challenges.

There is no question that legislation needs to be revisited to see if in fact it is encouraging women to go back to work if they wish to do so. That is extremely important.

In our industry, in the service sector, not only in the retail sector, women represent more than 50% of the workforce. It is extremely important for us that they be able to work and to be paid and to deal with the challenges of both personal needs and work needs.

Let me speak on the issue of aboriginals. The challenge I think we all have, from literacy to the work area, is that Statistics Canada does not include the population of reserves in its monthly measurements of national unemployment. So it is difficult to have an exact figure,

but informal tracking and anecdotal evidence show that in fact unemployment for aboriginals is even higher than what has been reported.

I think we can look at that together as being a huge problem or a huge opportunity. We have a member called the North West Company, which is the largest employer of aboriginals after the Government of Canada. In fact, they have developed literacy programs and developed on-the-ground grassroots programs.

The message I would give to government and to this committee is that there is not one solution. Solutions must be grassroots, and they must be built around the needs of a specific community. We have found, especially with our retail members who live in those communities, that the most successful programs are those supported in the communities and supported by everyone and built for the communities.

So there are great opportunities but huge risks if we ignore aboriginal people, women, and people with disabilities. I think there are great opportunities for all of us.

• (1105)

The Chair: Thank you, and thank you, Mr. Martin. That is all the time you have for this round.

We are going to move to Ms. Yelich for five minutes, please.

Mrs. Lynne Yelich (Blackstrap, CPC): Thank you very much. Thank you all very much for your presentations. You've given us some good stuff to work with.

I'll start with you, Mr. Kelly. Your graph shows that the disabled are getting into the workforce increasingly. What has caused that very dramatic increase? Maybe it is not that dramatic when you look at the other groups, but I think it is good. Can you give us anything that might tell us why this has happened?

Mr. Dan Kelly: Sure. I think several things have occurred, the greatest of which is that there is a strong economy. Strong economies across the west have meant that employers are having to be far more creative than they ever have been in the past in terms of finding pockets of the labour force to tap into.

One of the nicest things I see, as I travel across western Canada and I spend a lot of time in Saskatchewan and in Manitoba, where I'm from originally, is that a lot more these days, in small or medium-sized businesses, people are making these kinds of accommodations to attract aboriginal workers and the disabled into their workforces. I think the economy has probably the lion's share to do with that, because employers are recognizing that they have to do more for their own business interests. The reports we get back from members, particularly with respect to the disabled, show that when they hire and make those accommodations to hire a disabled worker, that worker is often their most loyal employee, somebody who is there day in and day out, who sticks with them for a longer period of time.

So there are some real incentives, and I think employers are beginning to recognize that.

Mrs. Lynne Yelich: I believe visibility does make a difference. I know Ontario has a television campaign right now trying to encourage the disabled in the workplace. I saw the first ad just recently, and it showed that science and research can be an area that they can tap into.

Is the Logistics Institute partnered at all with the government, or are you part of the sector council, or are you made up of membership companies of the industry? I just want to know about your membership. I know I can see your membership. I want to know if federal or provincial governments are involved.

Ms. Karyn Ferguson: We were originally funded under the sectoral partnership initiative by the federal government, and through that we developed programs, a number of resources, and standards. We've also done a great deal of research into the labour market based on that work.

We no longer are funded and are actually fiscally self-sufficient. Through industry and our members and their membership dues and our own operations, we're able to sustain our own operations now without being funded.

Mrs. Lynne Yelich: Is there parallel work to some of the research you've done in the government? Do you overlap with Statistics Canada, or do you share with them? I just want to know whether you are part of—

• (1110)

Ms. Karyn Ferguson: Our labour market research takes a look at the larger contextual relationship, in terms of where employees come from and where the industries are that are employing logistics people. Our community asks our professional membership as well as general logistics practitioners. We share the information and then try to get a context from Statistics Canada.

Mrs. Lynne Yelich: Diane, I think it was you, for the Retail Council, who really liked the programs that involved youth at risk. You said these were very successful. What was your measurement of success? How did you measure it?

Ms. Diane Brisebois: The measure of success was, one, participation in the program from the youth at risk who were working at or socializing with the Gateway Cafe, as one example. So number one is their signing on for the program; two is literally going through the certification program for sales associate, and in some cases—it was quite astounding—also first-level store manager; three, the number of industry members who came on board and said they would hire those individuals immediately; and four, the fact that all of them are still in the workforce. So it's been very encouraging.

But as I said earlier, it has to be a cooperative effort. We talked about the issue of the booming economy and having a difficult time finding employees, and I can tell you we've been told by our retailers that in fact they'll hire people who don't even speak French or English. They don't care. That's how bad it is.

We talked about literacy, but we also talked about English or French as a second language being a huge issue, and at the same time, about tapping into areas such as youth at risk, the disabled, and aboriginals as great opportunities. The issue, though, is proper training support from government, and we've received it from HRSDC, but also making sure the industry is there to support the program and to provide the jobs once those people get the training.

Mrs. Lynne Yelich: In your industry you emphasize equal pay for equal work. Would you define that? I'm thinking that in the retail industry, if you have a gentleman and a lady clerk, they're both going to be paid the same. Are you telling me they aren't? Is that what you are saying?

Ms. Diane Brisebois: No, in retail we don't see the disparity as much. We used to see it at the management level, and it was specifically because there were fewer women than men. But our last research showed that in fact there are as many women at the management rank as men and that the salaries are at par, so we were delighted.

However, we know that disparity does exist in different areas. In retail generally, the women and men are paid competitively, based on their competency, so it's not as big an issue. But if we look at the overall population and the people we are bringing in or trying to bring into our sectors, there's no question that there's evidence to show that women are not paid as well as men for the same job.

The Chair: Thank you, Ms. Yelich. That's all your time.

We're going to move to the second round now. Mr. Regan, you'll have five minutes.

Hon. Geoff Regan: I have a couple of further questions in the short time I have.

Let me go back to Ms. Brisebois for one second. This is a very short question, I hope. It will hopefully be a short answer as well, if you can do that .

What's your reaction to the suggestion of increasing the minimum wage rate? Mind you, the federal minimum wage rate doesn't affect retail very much, obviously, but I'm still interested in your reaction to it.

Ms. Diane Brisebois: It's interesting that we're asked that question often, simply because there's a misconception about retail generally: that most employees make minimum wage. In fact, if we look at Alberta, for example, the average wage for a person at entry level—for cashier, for example—is \$12-plus, so it's well above minimum wage.

When we surveyed our members, over 85% of the retail sector was paying at least 25% above minimum wage for entry-level positions. So it has not been an issue for our members across the country.

Hon. Geoff Regan: Thank you.

Let me turn to Ms. Ferguson, from the Logistics Institute. What is the value and the importance of sector councils? Maybe I'm asking you to state the obvious, but how would you put it in a nutshell? I'll give you a chance.

Ms. Karyn Ferguson: The sector councils really serve as a voice for the larger stakeholders. So with our labour market research, what we're doing for the organizations that work with us is making them aware of the fact that there are disparities among their female and male employees. We are very much trying to help them in terms of increasing the workforce that's available to them, just by making awareness one of our first priorities.

In terms of school and the word "transition", for example, for the Logistics Institute, there are a lot of people working in logistics who don't identify themselves as working in a career in logistics. You go to the students and you talk to them, at the post-secondary or even high school level, and say "You know what an accountant is. You know what a doctor is. You know what a lawyer is. Do you know that you have certain talents and abilities that you can use in a career in logistics that's going to provide you with a good income and a good career, where you'll be able to contribute to society in the way you want to?"

So it's the awareness right there in terms of getting people into the workforce, and then beyond that, it's helping organizations understand how they train these individuals and provide for opportunities.

• (1115)

Hon. Geoff Regan: What's the nature of the skills that are required in logistics work and supply chain work, and what level of literacy? It's probably a range, but you tell me.

Ms. Karyn Ferguson: Absolutely. It's actually a huge range, anywhere from the entry level. You can work with skills and competencies that are very physical in terms of working in a warehouse and what's required there, but beyond that, what's happening is that there is a general level of sophistication that's required now in terms of logistics and supply chains because you're dealing with customers. So customer service, communications, and literacy are incredibly important. Numeracy is also incredibly important. You're trying to do analysis and improve your operations and make them more effective and responsive to your customers, which makes us more competitive.

They understand now, at an entry level, how all those skills contribute to their ability to move up, right through to the strategic level, where you're dealing with people who have asset management and strategic human resource management. So these are the people who are making decisions as to who is going to be employed, where they're going to be deployed, and how they train and develop those individuals.

Hon. Geoff Regan: How many people do you think are employed in this kind of work, and what's the size of the looming shortage that you see?

Ms. Karyn Ferguson: In terms of the logistics workforce, depending upon how you define logistics, you could be working with a labour market that is upwards of 680,000 to 700,000 people in Canada.

In terms of the workforce, again it's the both issues. There's a general shortage in terms of having enough bodies to fill the positions that are out there. There's also a dearth of the skills that people are looking for. So we have both aspects of it.

I can cite a couple of issues. One is the entry level. There's a severe shortage of people working in logistics relative to transportation and truck drivers.

Hon. Geoff Regan: I have only a few seconds.

Ms. Karyn Ferguson: There is a severe shortage there, and then right through to people who have systems thinking and process thinking to help sustain the competitive advantage for their organization.

Hon. Geoff Regan: Thank you. I think Ms. Brisebois wanted to comment on sector councils.

Ms. Diane Brisebois: Yes, briefly, we certainly think sector councils are extremely important. In fact, working with HRDC in the development of sector councils, we were able to develop certification programs. We realize that, for pay to be competitive, we need to increase the level of professionalism in retail, for example, and if it wasn't for the formation of a sector council and the discussion about forming a sector council for retail, that training and the funding for that training would not have been available today. It was extremely important to us, and we see it as extremely valuable.

Hon. Geoff Regan: I'm sorry, I guess my time is up. But I was curious to know what that meant in terms of the higher skill level and why that can allow you to pay more.

The Chair: Go ahead. You can answer that question.

Ms. Diane Brisebois: In an economy as strong as we are experiencing right now, there's no question that there's competition for good employees, and while it is creating some angst for many businesses, what it does do, though, is usually put pressure on wages, and it also makes companies understand that they need to invest in training. It is not about just recruiting, it's about retaining.

The expense comes in losing those employees. So at the end of the day, while it is putting an enormous amount of pressure on companies and on future investments, it's also putting pressure on wages and increasing, we believe, training and professionalism in the industry.

The Chair: Thank you, Mr. Regan.

We'll move to our next questioner. Monsieur Lessard, *cinq minutes, s'il vous plaît*.

• (1120)

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chairman. I still have several questions, but I'll limit myself to asking three, since I have only five minutes left.

Many of you talked about labour mobility. The representatives of the Logistics Institute told us that they had observed some worker movement between and within the ranks of companies. Would you care to share any observations with us on interprovincial mobility? Do you have any findings that you can share with us?

[English]

Ms. Karyn Ferguson: I can tell you that a number of the organizations that are working with the institute are national and have many branch offices, and among our professional members and among individuals who are candidates for certification, there is a great deal of mobility between provinces. I can't give you statistics. Anecdotally, I can tell you that we have a number of updates in terms of where our members are located, and it's usually from Ontario to the western provinces.

There is mobility between provinces, and again, because there's such a standard of competencies that's understood across Canada, that mobility is relatively easily done.

[Translation]

Mr. Yves Lessard: Some have said that many businesses are shutting down in Eastern Canada and that these workers could possibly be enticed to move west. Have you considered that? From a family standpoint, practically speaking, that seems highly unlikely, particularly since many of these workers are older. Have you considered that?

[English]

Ms. Karyn Ferguson: The short answer to that is yes. I think there is a mobility, but you're very right in terms of citing the fact that it's not just one individual who's moving; it generally is families, and uprooting when you are still thinking that it's not likely a more permanent or sustainable change, that it's just a condition of the economy for right now.... What happens in three, four, or five years if the economy slows down and they've moved their family? Have they made the right decision? It's a very massive change.

The Chair: Mr. Kelly, you wanted to add something there?

Mr. Dan Kelly: There is a remarkable degree of private sector labour market mobility, but there are still many government-imposed roadblocks to labour market mobility in Canada.

If you spend some time in this province, you'll see that employers are finding new and creative ways of filling their labour market needs. The oil sands in Alberta, for example, are pulling people in who continue to live in Atlantic Canada but come for the week to work in Alberta. There are planes from the interior of B.C. that are flying into Alberta to work for a short period of time and then going home, so the private sector is finding ways of accommodating that.

At the same time, recognition of credentials between provinces remains a massive problem for employers. The employment insurance system still is viewed by many as a roadblock to ensuring that people find their way from an area of higher unemployment to lower unemployment.

I will have to say, it does frustrate me when I hear other presenters talk about EI and the need for more generous benefits, because I have to tell you, in this province, if you don't have a job, you don't want a job.

[Translation]

Mr. Yves Lessard: Getting back to the representatives of the Logistics Institute, one very interesting point you made was that women must be encouraged to take on leadership roles. When women hold management positions, they are generally treated like

the men, despite being underrepresented at this level. You talk about logistics. Would you care to elaborate?

[English]

Ms. Linda Lucas: I think a lot of work and research needs to be done in terms of understanding various company cultures, so who are the people we see every day and what are the understood, normal kinds of expectations.

I think if we work in an environment where there are only men who are leaders, then there are subtle ways of giving messages that only men can be leaders. Part of the work we want to do is understand how we can encourage women to take on leadership roles and, if they wish, to prepare them for those roles.

So it's an evolutionary kind of relationship, but you first have to have role models and other women who are already fulfilling that role, so we create another image of leadership and then we find out what women need, and how they will deal with organizational cultures, and we move forward that way.

• (1125)

The Chair: Thank you, Mr. Lessard. That's all the time we have.

I thought I'd add one quick comment before Mr. Martin does.

Mr. Kelly, one of the things I thought, certainly as we started this study, was that if you didn't have a job, you didn't want to work. I think my opinion has probably changed a little bit on that, in terms of some of the issues that some people face. That's a quick comment.

I know there are certainly some cyclical things that people have a hard time trying to get out of, whether it's housing or some of these other things that help them to facilitate that, and the challenge, I guess, of government is trying to figure out where it can come in and not be intrusive while helping people get a leg up and get started back on track.

I don't know if you want to comment on that as well.

Ms. Christine MacFarlane: Thank you, Mr. Allison, for highlighting that.

I think it should be known that in Calgary there are social service agencies, led by the Salvation Army, that are trying to do a national campaign to tell people not to come to Calgary because there is no place to live. I told you that there's been an increase in homeless people in Calgary, a 33% increase in two years. Of the homeless people, 50% are working. They cannot afford to live in this city.

It's not that people don't want to work. They do want to work. They can't afford it, given the rising increase in housing costs and other issues. So a federal national affordable housing strategy is very important.

Thank you.

Ms. Diane Brisebois: I will respond to that, thank you.

We talked about mobility a moment ago. The experience we've had in our industry is that mobility has in fact had a negative impact on our industry. While there may be jobs in Alberta, the problem is that we're taking talented people from Quebec, from Ontario, from Nova Scotia and bringing them to Alberta, because there's a shortage of workers. That means those provinces then literally experience a drain and there are simply not enough workers to be able to train and replace the ones who have left.

In fact, the problem we're having in the retail sector is that retailers are stealing employees from other retailers, from one part of the country to another. So the whole issue of mobility has a negative impact on the growth of our sector across Canada.

The Chair: Sure, and I think we hear that as well. One of the concerns we heard in Halifax is that the economy is considerably better than it was years ago. The challenge, they feel, is how on earth they are going to be able to sustain that in the future when people are moving out west.

There's quite clearly a legitimate concern for issues here in Alberta as well. I think I've heard everyone say this requires a multi-pronged solution, that we have to look at all kinds of different things, not only one thought process.

Mr. Martin, five minutes.

Mr. Tony Martin: I wanted to follow up on the comment that Mr. Kelly made, of course, that somehow if you're not working you don't want a job. I've run into thousands of people across this country who would love to work and for one reason or another can't get themselves into a job.

Nobody chooses to live in poverty. Poverty is an awful, terrible, debilitating experience, and it seems that the further into poverty you get, the more difficult it is and the more costly it is to get you out. That's why I think we must reconsider the whole question of how we structure our EI program and make it more helpful to more people, the groups we were talking about earlier, the disabled, women, aboriginals, immigrants, who find themselves more proportionately in that category than others.

I heard it once said, actually by a bishop.... It might have been your Bishop Henry, I'm not sure.

Ms. Christine MacFarlane: He's very vocal.

Mr. Tony Martin: He's very vocal, yes.

He said that when people get laid off or they lose their job and they're on EI, if they're a plumber or a pipefitter or whatever, they still have a sense of confidence about who they are and usually feel they're simply moving from one job to another. If they stay on EI too long and they fall off onto welfare, they go into another category altogether. It becomes a poverty of spirit that happens to them. They lose contact with their old colleagues at work, their family starts to look at them a little weird, like "What's the problem with you?" Eventually they have to start borrowing money, and then nobody wants to talk to them. So the further down you drive people into poverty, the harder it is to get them out of it.

So it seems to me that extending EI to more people, the part-time people and so on, would actually be a good thing in terms of simply keeping people moving, because once they get stuck in a rut, then

too many things build up. It becomes much more difficult and, I would suggest for everybody, much more expensive in the long run. I refer to the costs in terms of health care, and oftentimes they end up in the criminal justice system because we criminalize poverty now more and more, and that kind of thing.

I'd like to hear from Christine and from Dan on that, or Leigh.

• (1130)

Ms. Christine MacFarlane: I couldn't agree with you more. That is why we're making the recommendation to look at revamping employment insurance. We believe it's a way to keep people engaged in the workforce. We have seen people who, as you say, get into a negative cycle and are unable to get themselves out.

We know there are some part-time employees who don't qualify for unemployment insurance, and we're hearing that the people most at risk in our community are involved in part-time employment. We would like to look at revamping some of that. We'd like to look at the number of hours that people need to qualify for unemployment insurance, as that's being changed as well, and moving it down significantly.

I agree with you and Bishop Henry about the issue and its impact on people—keeping them engaged in the workforce.

Mr. Dan Kelly: I want to clarify that I'm not for a second suggesting that there aren't innumerable impediments to people getting into the workforce and staying there. But I also want to urge the committee not to make these hearings irrelevant.

I have to tell you that it would be very beneficial for committee members to go to a shopping centre in Calgary right now and talk to a couple of retailers at random. An editorial in the *Calgary Herald* a few months ago summed it up very well. There was a business owner or manager sitting behind a desk, and a young student came in and handed him a piece of paper. The owner or business manager said, "Is this your resumé?" The student said, "No, it's my list of demands."

I have to tell you that in this part of the world—I know it isn't absolutely true everywhere in the country—increasingly our members are telling us that they are so desperate for workers that they put up with absolute garbage from employees on a regular basis. Basically employees can tell their customers anything they want, and employers are reluctant to discipline or terminate their employment because they are so desperate.

There are hundreds of thousands of jobs sitting vacant right now. I know there are roadblocks to getting people into these jobs. I'm not suggesting that for a moment. But it isn't the amount of jobs. Often it isn't the salaries or benefits, because employers are doing their share to try to create high-quality employment for the vast majority of Canadians. It is very frustrating to them when they see programs and policies put in place that act as roadblocks.

The Chair: Thank you, Mr. Kelly.

That's all time we have, Mr. Martin.

We're going to move to the last questioner this round, and that's Mrs. Yelich. You have five minutes, please.

Mrs. Lynne Yelich: Yes, I have a couple of things. Please don't quote Bishop Henry too much.

We are benefiting from Alberta's wealth, because many are coming back to Saskatchewan. So we're quite pleased that Alberta is doing as well as it is.

I'd like to give you each a minute, because all I have is five, to tell me if there's one thing you want us to leave here with today. Please do it right now. We'll go down the line and start with you, for one minute each.

I'd like to hear one thing you'd like to have as an impact of your presentation.

Ms. Christine MacFarlane: First, thank you for this opportunity.

The one thing we would want you to pay attention to, which might address some of the issues that my colleague at the end was talking about, is this. We agree with him that there are lots of jobs available in Calgary, and there seems to be a lack of people filling them, but we think there are a couple of things that federal leadership would make a big difference on.

First, the national child care strategy would make a huge difference and pre-empt a large number of women and male parents from being unable to engage in the workforce.

Second, there is a huge leadership role for the federal government to take in affordable housing. If they do so, this would address a lot of the issues for people who are leaving our city. CMHC's statistics show that the migration out of Calgary is increasing, and people are leaving because they can't work here. We're talking about Calgary, but this is going to become a national issue.

Those would be the two things I would say: child care and affordable housing.

• (1135)

Ms. Linda Lucas: I think the recommendation we would like to leave you with is to find ways to use technology to support continuous learning. People can't leave their job sites in order to go to school. So how can we use technology to encourage lifelong learning and make accessible ways for people to continue to grow their skills, grow their careers, and make transitions?

The second thing I would very much like to recommend is that we look for efficiencies and find ways to work with education, industry, and government. We need to move out of the silos that sometimes exist between ministries and among various levels of government. We have to find ways to come together to solve problems in a unified, efficient way.

We meet people here for the first time. There are many things we can each do to support each other's work. But we need ways to find each other, and government has a role to play in that kind of leadership.

Mme Diane Brisebois: Our recommendation would be that this committee, as well as all ministers and parliamentarians, support Minister Solberg's announcement last week about setting immigration targets at 265,000 permanent residents, which we think is extremely important, and support the announcement to allow foreign students to work off campus.

Finally—this is more of a challenge than a recommendation—ensure that the committee, as well as the government, does not see the EI program as a panacea. EI has moved from a pure insurance program to a multi-social-policy payroll tax program. Half of the premiums paid are for things that have nothing to do with regular benefits to compensate for job loss. So while we're all concerned about EI, we need to see how that money is being spent and who is in fact benefiting.

Thank you.

Ms. Elaine Cairns: I guess my recommendation is that we don't forget about the people at the basic skills level, which 40% of Canadians are at. We know that people need skills at level three, and 40% of Canadians are at levels one and two.

Just to comment, we also know that low-literacy people spend 38 weeks looking for a new job, and people with an education, post-secondary, spend nine weeks. So let's not forget about that in the cycle of saying that everybody can have jobs.

Also, I was looking at some statistics last night, and Canada ranks tenth in the recent adult literacy survey of workplace literacy initiatives. So we're not doing a good job of training people in the workplace. Even though there are a lot of really good programs out there, we're still only tenth, and we can do a lot better than that—whether it's an adult basic skills program, whether it's a higher skills program—in doing some of the work that people have talked about here.

Mrs. Lynne Yelich: It will do your heart good to know that that's where a lot of the initiatives are going and what some of the literacy spending is going to be focusing on, as well.

Ms. Elaine Cairns: Right. Thank you.

Mr. Dan Kelly: I'd ask the committee to ensure that while it looks at the challenges people have getting into the workforce, it does not forget about building the workforce for tomorrow and about looking at government policy through the lens of how this is going to address the skills shortages. I think Alberta's a bit of a canary in the coal mine on this issue. We're feeling it here very quickly. But I know that our members in Saskatchewan and our members in British Columbia are not very far behind. Immigration policy, I think, is one tool that we have in our war chest on this issue, particularly reducing the bureaucracy of the immigration program. We're going to be releasing a study in the first week of December that will put forward a number of recommendations on that front.

Look at the impact of the tax system, particularly the payroll tax system, in keeping people out of the workforce.

Another message I want to bring to you from our members, which we hear a lot, is that if you could save two hours a week for a business owner by reducing the red tape and regulation that businesses are facing each and every day, that would be a huge relief in addressing the skills and labour shortages they're facing.

Thank you.

●(1140)

The Chair: One more time, I want to thank all the witnesses for being here. As you can appreciate, the issues, although pretty much the same, do vary from province to province. This is why we're coming to every province, because the effect of these issues is different in different regions of the country. Thank you once again for your comments and your submissions. We certainly look forward to when we produce a report some time in the new year.

Thank you once again for taking the time.

This meeting is adjourned.

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