



House of Commons  
CANADA

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

---

HUMA • NUMBER 003 • 2nd SESSION • 40th PARLIAMENT

---

**EVIDENCE**

**Tuesday, February 10, 2009**

—  
**Chair**

**Mr. Dean Allison**

Also available on the Parliament of Canada Web Site at the following address:

**<http://www.parl.gc.ca>**

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

Tuesday, February 10, 2009

• (1530)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** I call the meeting to order.

Pursuant to Standing Order 81(5), we are considering supplementary estimates (B) 2008-09, votes 1b, 5b, 15b, under Human Resources and Skills Development, referred to the committee on Thursday, January 29, 2009.

I want to welcome everyone here today. I also want to thank Mr. Lessard for taking care of the committee during the last half hour this morning.

Here we are again. I want to thank the minister for making herself available. I know that we were working hard last week to find a time that would work for everybody. We know how busy you are today, and we appreciate your taking the time to meet with the committee to go over estimates.

I'm not going to do much more talking other than to welcome the rest of the department here. Then we'll get right to the minister's opening statement of around 10 minutes. After that, we'll go to our seven-minute round, followed by five minutes.

We have you here for an hour, Ms. Finley, so I'll turn the floor over to you for your opening statement. Thanks for being here.

**The Honourable Diane Finley (Minister of Human Resources and Skills Development):** Thank you very much, Mr. Chair.

Before I begin, I'd like to introduce my officials. Accompanying me is my Deputy Minister, Janice Charette, and she will introduce the rest of her team.

**Ms. Janice Charette (Deputy Minister, Department of Human Resources and Skills Development):** Thank you, Minister.

With me is Ms. Linda Lizotte-MacPherson, our new Chief Operating Officer for Service Canada and Senior Associate Deputy Minister of HRSDC; and Mr. Bruce Manion, Chief Financial Officer for HRSDC.

**Hon. Diane Finley:** As well, to my right is Karen Kinsley, the President of Canada Mortgage and Housing Corporation.

First of all, let me say that I'm very pleased to be here before the standing committee to answer questions about the 2009 supplementary estimates (B) and to talk about our department's role in

supporting Canadians through our government's economic action plan.

Human Resources and Skills Development provides assistance to Canadians of all ages, everyone from families with young children to seniors entering their golden years. We assist students making the transition from school to work. We help workers make the transition from one job to another. We assist the unemployed reintegrate into the workforce, and we help those making the transition from the workforce to retirement.

[Translation]

We also play an important role in assisting some of society's most vulnerable, including persons with disabilities, aboriginal Canadians and those with lower incomes.

[English]

Mr. Chair, many Canadians are facing difficult times of transition during the current economic slowdown. Over the last few months, the global economic situation has deteriorated further and faster than anyone had predicted. While Canada continues to fare better than many other countries, Canadians are feeling the effects of the global recession, and they're concerned.

I understand their worries. Every day I hear and see first-hand the stories of those who have lost their jobs through no fault of their own. I see and hear first-hand the stories of those who are worried about making ends meet. They're worried about keeping their jobs. They're worried about being able to pay their mortgages. They're worried about being able to take care of their families. Many are even worried about simply putting food on the table.

It's during these difficult times that Canadians need to know that their government is listening to them and that we have an action plan that will help them. To address the most pressing needs of workers affected by the current economic downturn, Canada's economic action plan is investing \$8.3 billion for the Canada skills and transition strategy.

Let me discuss many of the items that are part of this strategy.

• (1535)

[Translation]

We will help those facing unemployment. We will protect jobs. We will invest in training and skills development.

[English]

Further to our Budget 2008 commitment, we'll also make post-secondary education more affordable and accessible for Canadian students and families by investing in new student financial assistance measures beginning in the fall of 2009. As part of our economic action plan, we're proposing to increase funding to the provinces and territories so that more Canadians can have access to the training and skills they need to land a new job.

[Translation]

But we cannot do it alone. We will do it in partnership with the provinces and territories.

[English]

So recognizing that the provinces and territories have the pulse of their local labour markets, we'll invest \$1 billion over two years through the employment insurance program under existing agreements. These funds will enable provinces and territories to train an additional 100,000 EI-eligible clients in hard-hit sectors and regions of our economy.

A proposed new strategic training and transition fund will provide \$500 million over two years. This fund will provide flexibility to help meet the different training and support needs of workers affected by the downturn, whether or not they qualify for employment insurance, and up to 50,000 individuals could benefit.

Another area of investment is the targeted initiative for the older workers program. We are increasing this program's budget, providing an additional \$60 million over three years, and we're expanding its reach. Assistance will be made available to more workers in a large number of cities, particularly those heavily dependent upon a single sector or single employer facing adjustments.

We have an apprenticeship incentive grant to encourage more Canadians to get into the skilled trades, and we propose to build on this by adding a new grant for apprentices who successfully complete their apprenticeship training in a red seal trade. This \$2,000 grant could benefit up to 20,000 eligible apprentices per year.

To further support the trades, the Prime Minister and premiers recently agreed to work together so that Canada can benefit from the experience of skilled new Canadians. To this end, we are committing \$50 million over two years to help more newcomers obtain the certification they need to get to work quickly once they get to Canada.

Mr. Chair, let me now turn to employment insurance. In an economic downturn EI is the first line of defence. As members know, EI has important features that automatically respond to changing economic conditions. As employment rates increase in a given region, the number of hours required to access EI is reduced, and the duration of benefits increases. The government, however, is taking significant additional steps to help Canadians. For the next

two years we'll make available nationally the five weeks of extended EI benefits that have previously been available through a pilot project only in regions with the highest unemployment. The government will also increase the maximum duration of benefits to 50 weeks. Some 400,000 claimants could benefit from these changes.

We also intend to support long-term training for those workers who have worked many years and did not make significant use of EI. We would extend income support for the duration of their training, and this would benefit 40,000 workers.

The government will also freeze EI premium rates for 2010 at \$1.73 per \$100. This is the same rate as 2009, and it provides a projected stimulus of \$4.5 billion relative to break-even rates.

What's more, we'll extend work-sharing agreements by 14 weeks to a maximum of 52 weeks. This will enable Canadians to continue working while companies adjust to a temporary slowdown and recovery. To complement this measure, we're also proposing to increase access to work-sharing agreements through greater flexibility in the qualifying criteria.

In terms of processing EI claims, our priority is to ensure that clients receive their EI benefits just as quickly as possible. We've already made significant efforts and investments to process the increasing EI claims. We're hiring additional staff, redistributing workloads across the country, and recalling recent retirees. We're also increasing overtime, opening EI call centres on Saturdays, and increasing automation of claims processing, and we will do more as it's needed.

In a time of economic uncertainty, housing is of particular importance to Canadians. We have an obligation to protect the most vulnerable citizens in this country. In September 2008 our government committed \$1.9 billion over the next five years for housing, to improve and build new affordable housing for low-income Canadians and to help the homeless. Canada's economic action plan invests more than \$2 billion in additional social housing, creating jobs in construction and renovation. We hope provincial and territorial governments will match this investment because this will help families and individuals in need access safe and affordable housing at rents they can afford. It will bring older projects up to standard and make them more energy efficient.

• (1540)

[Translation]

We will also invest in new social housing for low-income seniors and persons with disabilities so they can continue to live independently in their communities. We have an obligation to protect the most vulnerable citizens of this country.

[English]

That's why our government, in September 2008, made a five-year commitment of \$1.9 billion to extend housing and homelessness programs to low-income Canadians. And we will be building new social housing and repairing and modernizing existing social housing in first nations communities and in Canada's far north.

The supplementary estimates addressed a couple of issues that are close to my heart. Elder abuse is a subject that has required a focused and coordinated effort, involving the Department of Justice, the Public Health Agency of Canada, and the RCMP, with HRSD providing a leadership role.

[Translation]

We are now in a position to work with stakeholders to help seniors and others to prevent abuse and recognize the symptoms.

[English]

On the disabilities side, I took great pride in helping launch the Canada disability savings program. The goal is to provide for the financial security of persons with severe and prolonged impairments and physical or mental functions.

[Translation]

My personal struggle with a physical disability has taught me the importance of providing avenues for independence and self-sufficiency for persons with disabilities. They appreciate that so much.

[English]

Mr. Chair, our government recognizes the challenges ahead. We understand and sympathize with those who are going through these difficult times. Following the most extensive pre-budget consultations that our country has ever seen, we've heard from and are delivering for Canadians through our economic action plan. This plan will stimulate the economy and will create and maintain jobs.

As parliamentarians, we owe it to Canadians to pass this legislation as soon as possible.

[Translation]

This plan is currently before Parliament, and I urge all members to pass it without delay.

[English]

I now invite committee members to ask questions on the supplementary estimates (B) or on any of the HRSD measures announced in Canada's economic action plan.

Thank you, Mr. Chair.

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

I'm just going to remind the members that the first round is going to be seven minutes, followed by subsequent rounds of five minutes. I have a timer here, and when it goes off it's going to beep and be obnoxious. We're going to try that and see how it works. We are on a tight timeline. We want to get as many rounds in today as possible.

Without any more conversation, Mr. Savage, the first round is yours, sir.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Thank you, Chair. If you could let me know when I have two minutes left, my colleague wants a quick question.

Thank you, Minister. It's nice to have you here. We get to chat in little short bursts in the House of Commons, but that's such a cold, formal place that it's nice to have you at committee.

Minister, it's nice to see the staff here who gave us a briefing. I know they work very hard.

In the budget you've increased by five weeks the EI benefits for those who are already on them, and that's been widely criticized because we didn't do anything about increasing access for people. You also didn't do anything on the two-week waiting period. Can you tell me why you chose the five weeks as opposed to something more meaningful on EI reform? "Meaningful" may be a pejorative term, but excuse that.

•(1545)

**Hon. Diane Finley:** First of all, let me say that I am delighted to be here, and it is nice to have this chance to have some open and constructive conversation. When we did our consultations across the country, we heard from a lot of people, and they said they wanted to have a longer term of benefits. They were concerned that with this worsening global recession, the current system wouldn't last them long enough. That's why we've added five weeks on top of the regular benefits for those who need it the most, because we believe that will help more people who are more in need.

In terms of access, the way the system is designed, it automatically adjusts as conditions get worse on a regional basis. The country is divided into 58 regions, and the employment conditions in each of those regions are monitored monthly. As the conditions change, the access becomes greater. If the conditions worsen, access becomes easier and the benefits occur longer. That's something that's automatically built into the system. We've seen some great examples of that lately, as to how it is working for Canadians.

**Mr. Michael Savage:** Have you determined the cost of that versus the cost of eliminating the two weeks?

**Hon. Diane Finley:** There are some other challenges with eliminating the two weeks. For example, there is a constant churn in the market. It would actually block the accessibility of those who really need EI if everyone were to be put through the system even though they were just moving to another job. That's another reason we want to do this. But we did look at what Canadians asked us for, and that's what we are delivering.

**Mr. Michael Savage:** It doesn't seem to be what Canadians are asking for, judging by the reaction from social policy organizations. Even the C.D. Howe Institute, as I heard in the House today, indicated that they were surprised that you didn't do something to increase the access for people to EI. EI is arguably, from the numbers I've seen, the best stimulus we can have, because the people who get EI have to spend it virtually right away.

Is it possible for you or your officials to get back to me with the cost of eliminating the two-week waiting period versus adding the five weeks at the end? Okay.

Also, I would be remiss if I didn't ask you about a comment you made where you suggested a week and a half ago that you didn't want to make EI too lucrative and pay people not to work. That's an offensive term to many people in Canada. Could you explain what you meant when you said that?

**Hon. Diane Finley:** When I talk to folks in my beautiful riding of Haldimand—Norfolk, they are suffering. They are losing their jobs, unfortunately, and they're asking me how they could best get back to work. They know, they've heard, and we're seeing right across the country that there are a lot of positions still open where they can't find the skills that are needed to fill those jobs. People are asking me, "How can we get the training to fill those jobs?"

This is a global economic recession. It's affecting different parts of the country differently. What we want to do is to help people get the training they need to get the jobs that need to be filled. That's the real goal here.

**Mr. Michael Savage:** I appreciate that, and I agree, there is some money for training. I think that's a good thing.

You mentioned your beautiful riding of Haldimand—Norfolk. What is the unemployment rate there? How long do people have to work? What's the qualification period? I'm sure you deal with constituents.

**Hon. Diane Finley:** It's the same as the entire region, and it changes monthly, just as the others do. I do not have today's—

**Mr. Michael Savage:** I know in my region, with the unemployment rate, you need 700 hours to qualify.

That's okay. If you don't know, that's fine.

**Hon. Diane Finley:** I don't have what it is as of today.

**Mr. Michael Savage:** I have one quick question, Minister, and then I'm going to let Monsieur D'Amours have a go at this.

I'm looking at a chart that indicates that a two-earner family with two kids, earning \$150,000, is a net beneficiary of \$483 from the measures in this budget, from the changes to the tax system in the budget, whereas a \$20,000-income two-earner family gets nothing. Does that seem fair to you?

**Hon. Diane Finley:** There are different circumstances for different families. According to the research I had from my own riding, the average family of four, with two kids, has about \$1,365 in tax relief. It depends on the circumstances and local issues.

By the way, I do have the numbers for my beautiful riding of Haldimand—Norfolk. It takes 665 hours to qualify.

**Mr. Michael Savage:** I was just interested in whether you knew that.

J-C.

•(1550)

[*Translation*]

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

Minister, I would like to ask you two quick questions.

Do you find it acceptable that people are currently required to wait 55 days before receiving their first employment insurance cheque? That's the reality, and a 55-day waiting period probably isn't the worst case. I know the specific case of a person who lost his apartment and is losing his car. He couldn't even buy groceries. Fifty-five days without receiving a cent: do you find that acceptable, yes or no?

**Hon. Diane Finley:** Not at all.

**Mr. Jean-Claude D'Amours:** If you don't find it acceptable, Minister, why has this situation lasted?

The second specific case I would like to talk about is as follows. A young woman stops working, files for employment insurance and, three days later, has a baby. She has to wait 40 days before receiving her first employment insurance cheque for maternity benefits. Do you think it's acceptable for a single mother to be forced to pay for diapers, milk and food for her baby when she isn't even able to buy groceries?

This is an everyday occurrence. Why is the system unable to help people locally—our workers and mothers giving birth—when they are in need in their region, in their community?

Do you find it acceptable to have a 40-day waiting period without receiving a single cent with which to support a newborn baby?

**Hon. Diane Finley:** I just said I didn't find those situations acceptable. Not at all. That's why we are investing a great deal to increase resources.

[English]

We're expanding the resources that we're giving to delivering EI in a timely manner. We're raising the standards. We're already processing 30% more claims in each month than we have historically, and we are still—

[Translation]

**Mr. Jean-Claude D'Amours:** Minister, the 40-day waiting for the mother was in September of last year, before the crisis hit.

[English]

**The Chair:** Mr. D'Amours, that's all the time we have right now.

Thank you for your answer.

We're going to move to the next question.

Monsieur Lessard, seven minutes, sir.

[Translation]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chairman. I also want to thank the minister for agreeing to arrange her schedule so as to meet us today.

I'm going to try to ask some brief questions to get some direct answers. In budget 2007, if I'm not mistaken, the government made a commitment to complete the job training transfer, particularly for youth, seniors and persons with disabilities.

You are currently negotiating with Quebec on this matter. Where do the negotiations stand, and when will the money be transferred? Is it correct to say that the federal government wants to set conditions in order to be able to carry out this training?

**Hon. Diane Finley:** It's true, we're negotiating with the Government of Quebec. We've been doing that for a long time now. I'm happy to say that we have made progress. Of course, there are always conditions when we grant funding. One of those conditions is accountability and the requirement to report on progress. This is taxpayers' money. It is important to consider taxpayers' interests and to ensure that the money goes where it is supposed to go. We are currently in negotiations, and I am confident that an agreement will soon be reached.

**Mr. Yves Lessard:** Why would there be accountability specifically on this matter when this kind of accountability is not usually required when transfers are made?

**Hon. Diane Finley:** There are certain types of transfers under these programs that require accountability. That's the responsible way of acting for taxpayers.

**Mr. Yves Lessard:** From what I know, only the accountability issues remain to be resolved, and the amounts are already agreed upon. Is that correct?

**Hon. Diane Finley:** That's part of the negotiations. We don't want to conduct them publicly because that would help no one.

**Mr. Yves Lessard:** So you don't want to answer that.

**Hon. Diane Finley:** It's because of the negotiations. We're about to reach an agreement, and I wouldn't want to jeopardize that.

● (1555)

**Mr. Yves Lessard:** Now let's talk about the Enabling Accessibility Fund of the Office for Disability Issues. That fund has a \$10 million budget. How many projects were approved last year? What are those projects funded by the Enabling Accessibility Fund of the Office for Disability Issues?

**Hon. Diane Finley:** There were two new types of projects. There were major projects and small projects. There were two major projects and roughly 83...

**An hon. member:** More than 100.

**Hon. Diane Finley:** There were more than 100 small projects across the country.

**Mr. Yves Lessard:** They were approved?

**Hon. Diane Finley:** Yes.

**Mr. Yves Lessard:** Why has your office refused to answer our questions on the subject?

**Hon. Diane Finley:** Did you ask questions? When? What were they?

**Mr. Yves Lessard:** The Bloc research department has been asking questions on the subject for two weeks, and we have yet to receive any answers.

**Hon. Diane Finley:** I wasn't aware of that; I apologize.

**Mr. Yves Lessard:** Perhaps you could solve the problem. That would prevent us from having to take the time here with you when we could be getting the answers elsewhere.

May we have a list of the projects that have been approved, Minister?

**Hon. Diane Finley:** It's a public list, isn't it?

**An hon. member:** Yes.

**Hon. Diane Finley:** Yes.

**Mr. Yves Lessard:** For both types of programs?

**Hon. Diane Finley:** Yes.

**Mr. Yves Lessard:** Thank you very much.

Now I'd like to talk about the Housing Act. I refer you to page 192. More than \$210 million has been authorized for advances under the National Housing Act. It appears these funds have not been used.

Are we to understand that these amounts were intended for tax deductions for aboriginal housing?

**Hon. Diane Finley:** Pardon me, but we're checking our notes.

**Mr. Yves Lessard:** As far as we know, these were tax credits for the construction of multiple social housing units and for aboriginals.

**Hon. Diane Finley:** What exactly is your question?

**Mr. Yves Lessard:** Why wasn't this amount used? Are you going to use it for the same purposes?

**Hon. Diane Finley:** This is funding for Ontario. We want to continue transferring funds this year because the province had trouble establishing programs before the end of last year. So we want to spend it; we want to transfer last year's money over the next year.

**Mr. Yves Lessard:** Is this a supplementary amount that is being added to the same amount this year?

**Hon. Diane Finley:** I don't believe so.

**Mr. Yves Lessard:** So it will be transferred and they'll be able to use it.

**Hon. Diane Finley:** Yes.

**Mr. Yves Lessard:** Now let's talk about Canada Summer Jobs. You've added \$20 million over two years. Are we to understand that that \$20 million means \$10 million a year in addition to the \$97 million?

**Hon. Diane Finley:** Yes, that's correct.

**Mr. Yves Lessard:** In other words, the program is now worth \$110 million a year.

**Hon. Diane Finley:** \$110 million? No, it's \$107 million.

**Mr. Yves Lessard:** In your budget, you also say that there will be improvements this year. Will that \$10 million be applicable to the program this year, in 2009?

**L'hon. Diane Finley:** There will be \$10 million this year and \$10 million next year.

**Mr. Yves Lessard:** Will officials contact us in our committees in order to complete project implementation?

**Hon. Diane Finley:** Yes.

**Mr. Yves Lessard:** Now I would like to address the issue of the accessibility of the employment insurance system. Some 53% of unemployed persons do not receive benefits. These are figures recognized by your own department.

Why are there no measures in the budget to improve employment insurance accessibility?

**Hon. Diane Finley:** I'd like to discuss the figure. According to our figures, 82% of people who have contributed to employment insurance receive it when they need it.

**Mr. Yves Lessard:** Yes.

[*English*]

**The Chair:** Thank you. That's all the time we have for this round.

We're now going to move to the NDP.

Mr. Martin.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Thank you, and good afternoon.

I want to go back to this comment about "lucrative". You've indicated that the freezing of the EI premium at \$1.73 per \$100 will actually produce a \$4.5 billion cushion. Is that correct?

● (1600)

**Hon. Diane Finley:** Stimulus.

**Mr. Tony Martin:** Does it provide the projected stimulus relative to the break-even rates?

**Hon. Diane Finley:** Yes.

**Mr. Tony Martin:** So there's break-even and then there's \$4.5 billion on top of it. Is that what you're saying?

**Hon. Diane Finley:** No. If we had gone with what was anticipated—the break-even rate of EI instead of \$1.73—we would have had to increase it considerably, just to maintain a break-even rate. This would have cost employers and employees \$4.5 billion more for EI. Those are job-killing taxes that we did not want to impose.

**Mr. Tony Martin:** What's your definition of "lucrative", then?

**Hon. Diane Finley:** That's out of context completely. In the 1980s, during the recession, and in the 1990s as well, we had job shortages. We had too many people, not enough jobs. Now, in many parts of this country, we do not have enough skilled people to fill the jobs that exist. That's what we had going into this recession. We expect to have the same situation coming out.

We want to take advantage of this opportunity. We have people who have the opportunity to get new skills. We want to give them the chance to get that training, get the new skills, so that they'll have jobs that will last a long time. That's what we're trying to do. That's good for them, the employers, and our economy. It's good for everyone. We want to make sure they have the chance to get the training they need.

**Mr. Tony Martin:** There are 140 people who have already lost their jobs in the Soo, at Essar Steel. There are 500 or 600 who will lose their jobs in Sudbury. Can you tell me today, so I can take it back to them, where they should go to get these jobs that are available?



**Hon. Diane Finley:** It varies from sector to sector and region to region, but unless they have the skills, they won't be able to apply. We're trying to make sure they have access to the training that will give them the skills. But until we get this budget passed, we won't be able to move forward.

**Mr. Tony Martin:** We're hearing dire information coming from some of the places that people were moving to in order to try to get these jobs. There's Calgary, Alberta, where oil fields and refineries are shutting down. There were lots of jobs out there, but not any more.

I think you want to be careful not to set people's expectations up and then have them not fulfilled. I don't know anybody out of work and on EI who doesn't want to get another job. I mean, 45% doesn't give you much. They want to work.

**Hon. Diane Finley:** I agree—

**Mr. Tony Martin:** So none of them see EI as lucrative. They just want to work, and they're having a hard time figuring out where they're going to get that work.

**Hon. Diane Finley:** One of the areas that I might suggest they consider, in answer to your question, is the health care area. There are shortages of skills, from patient support workers right through to brain surgeons and orderlies, nursing staff, radiologists, and therapists—

**Mr. Tony Martin:** So how does a steel worker become a health care worker in enough time to continue to make sure they don't lose their house and they pay the bills and feed the family and all of those kinds of things? How does that happen?

**Hon. Diane Finley:** Well, this is through the programs that we're working on with the provinces and through our support for long-tenured workers, who could have EI supports for up to two years while they get training.

**Mr. Tony Martin:** But these are not there yet.

**Hon. Diane Finley:** We have to get the budget passed first, before they can access these.

**Mr. Tony Martin:** Okay. Moving on to another issue, there is the whole question of eligibility for EI. We'll argue about the numbers, but the Canadian Centre for Policy Alternatives suggests that it's as high as 60% of applicants who don't qualify. Others, such as the Province of Ontario, claim that only 28% on average qualify, and 22% in the Toronto area. You'll say it's higher. At the end of the day, there will still be a residual group of people who will not qualify because of the rules in place now.

What do you suggest they do, the folks who don't qualify for EI?

**Hon. Diane Finley:** Well, I think we need to clarify the numbers that are being presented: 82% of those who pay into EI are able to claim it these days. All right? There are a lot of people who don't pay it, but we are making our training programs available to the self-employed, to those who have been out of the workplace for a long time, to those who don't qualify for EI.

My cousin, for example, has been home raising a young family. She's taking training to get into the health care field because, through the kinds of programs that we're trying to expand now with this budget, she would have that opportunity to do it—and she's even

getting child care support while she does this, so that she can get into the workforce in a job that will last her and her family a long time.

**Mr. Tony Martin:** Okay, we'll have to agree to disagree on some of that and on the opportunity that is there.

But in making the decision not to waive the two-week waiting period, what analysis or study did you do to indicate that wasn't a good public policy to introduce?

**The Chair:** You have one minute left.

**Hon. Diane Finley:** The very first thing we did was we listened to Canadians right across this country, from coast to coast to coast. They said if we had dollars to invest, they wanted to see those in longer benefit terms, because they were concerned that the people in the hardest hit areas were going to take longer to find jobs, and it would be at the end of—

•(1605)

**Mr. Tony Martin:** With the encouragement of the finance minister, I had my own consultation in Sault Ste. Marie, and what I heard from every person who actually presented—and we spent a whole afternoon and evening there. The first or second thing they said was, reform of EI—

**Hon. Diane Finley:** Yes.

**Mr. Tony Martin:** —and changing the eligibility rules.

But you obviously didn't listen to the folks from my area, and I would suggest that they clearly represent a large number of people across northern Ontario who have been reeling from unemployment for quite some time now, particularly given the downsizing in the forestry industry, and now in mining and manufacturing.

**The Chair:** Thank you. That's all the time we have for this round.

**Mr. Michael Savage:** On a point of order, Mr. Chair, if I heard the minister correctly a few minutes ago, she said that 82% of those who pay into EI can draw it? Is that what she said? Is that confirmed by her officials?

**Hon. Diane Finley:** Hopefully, it's confirmed.

**Mr. Michael Savage:** Well, Mr. Chair, I would ask for some validation of that, because that is not my understanding.

**The Chair:** What we can do is come back to that in the Liberal round and maybe get the details then.

I'm going to move now to the last individual this round, Mr. Komarnicki. You have seven minutes, sir.

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Are we splitting the time between you and me, or not? The seven minutes are mine?

**The Chair:** The seven minutes are all yours.

**Mr. Ed Komarnicki:** Okay, I'll split it with Mr. Cannan.

There's been a lot of debate on and confusion about EI accessibility and the variable entrance requirements, and perhaps a misunderstanding. There's some notion that because there's a variance between regions in terms of the number of hours required to qualify and the length of benefits, it's somehow discriminatory or unfair.

I wonder if you could explain why there are variances between region and region, and even perhaps from month to month within a region. And can you explain the equity of that and provide some examples of it, and why it might change from month to month in a particular region?

**Hon. Diane Finley:** There is a lot of confusion, and some of it is deliberate. There are people who are trying to mislead others, unfortunately.

As I mentioned earlier, the country is carved up into 58 geographic regions. The employment statistics for each of those regions are tracked monthly. There is a complex formula, but the essence of it is that every month the local employment conditions are reviewed and the regional definition is adjusted. For example, if an economy worsens in a particular region, it's easier for the local people to get EI benefits. They have to work less time to qualify, and they get those benefits longer. A really good example right now is Oshawa, Ontario. In the last year there has been a tremendous number of layoffs. But those who are getting laid off now, when it's even tougher to find a job than it was a year ago, can work two fewer weeks to qualify for EI and get those benefits for four more weeks than they could a year ago.

So as that local economy has worsened, they're automatically getting more benefits as they need them without anybody having to interfere through legislation, regulation, or anything else. We're seeing this across the country. It's a very responsive mechanism.

Comparing one province to another is grossly unfair because it varies significantly, not just from province to province but within regions. So when the people are getting laid off in Oshawa, they get easier access to EI compared to some other part of the country that might be experiencing a boom. We believe that is fair. It's most responsive to the people who need it most.

• (1610)

**Mr. Ed Komarnicki:** So if the system is going to be responsive to unemployment in a particular region, it's going to vary from one part of the country to another. On what is the same, it is equally responsive to areas that have suffered increases in unemployment rates. Is that correct?

Although 82% of those who pay into EI are generally entitled to receive it, there are those who are not. You have taken that into consideration, as you mentioned earlier, and you also have a fund that would apply to those who want to get training or increase their skills.

**Hon. Diane Finley:** That's right. We want to make sure that if somebody who is self-employed is not having a very good go of it at their business, they have the opportunity to get access to training for the skills they'll need for the future. It gives people, like my cousin, who have stayed at home for some time the opportunity to upgrade. People are needed to fill these positions. We need people with these skills, and we want to make sure that all Canadians, whether they're EI eligible or not, have the opportunity to upgrade to get jobs that are going to last them a long time.

**Mr. Ed Komarnicki:** Thank you.

I'll pass it over to Mr. Cannan.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

Thanks to Madam Minister, her staff in the room, and all those who are not here but are on the front line working diligently. I have to say that Service Canada employees in my riding of Kelowna—Lake Country have done a stellar job. Throughout our country I think all the staff are working 110% at the programs we have in place. The coming programs will be even more onerous on their time demands, so we thank them in advance for the work they will be doing.

A lot of good things have happened with the programs in place. In 2007 we saw a downturn in several sectors in communities across the country. In the manufacturing sector they've been working with the work share program. It's been well received, and the extension of 14 weeks is greatly appreciated.

Like my colleagues around the table, we had round tables in the community. The extension of EI and the work share program were front and centre. The Canada disability savings program was also well received by parents whose children have disabilities. They now have a chance to leave behind a legacy for them. I appreciate the empathy of Madam Minister and all her staff.

One of the concerns in my riding is a housing shortage. I have the highest demographic of seniors of any metropolitan area in the country. In both the supplementary estimates and the economic action plan there are references to funds being allocated to modernize and renovate our existing stock.

I have two quick questions. Can you expand on how these investments will help improve our country's housing situation for those most in need of social and affordable housing? How will these investments help with the economic stimulus that our action plan will deliver on the economy?

Thank you.

**The Chair:** There's one minute to go.

**Hon. Diane Finley:** Thank you.

I'd be glad to do so.

Back in the 1990s, responsibility for social housing was devolved to the provinces and territories. That said, we want to make sure as a government that those who need housing the most, those who have the hardest time getting affordable, safe, stable housing on their own, have access to it, and we are prepared to step up to the plate and help provide that.

A lot of the social housing stock across the country right now is in very poor shape. That's why we're investing \$1 billion in upgrading it so that people can have safe, stable housing that they can afford.

We're also investing a significant amount of money in building new social housing for seniors, for the disabled, for the far north, and for aboriginals, because we know these people have the least opportunity to provide it for themselves. That's why we're investing in it, and in the process we'll be creating a lot of jobs, and preserving jobs in the construction industry but also the spinoffs. Up to 80% of the materials used are made in Canada, so we'll be creating jobs for those people as well.

**The Chair:** Thank you very much, Mr. Cannan and Minister Finley.

Now we're going to move to our next round, which is going to be five minutes each. I see that we have about 15 minutes left. I'm hoping we can get at least four interventions in. If we could do that, that would be great.

We're going to start with the Liberal Party.

Ms. Minna, you have five minutes.

•(1615)

**Hon. Maria Minna (Beaches—East York, Lib.):** Thank you, Mr. Chair.

Madam Minister, thank you for coming.

I'm looking at categories that are identified as early learning and child care in the 2007 federal budget. One of the categories refers to the multilateral agreement on early learning and child care: \$350 million. That was the 2003 agreement under the Liberal government some time ago. But then in 2007, for child care spaces initiatives there was \$250 million, which goes to the Canada social assistance transfer, but no reporting specifically, although the previous one did. So there's a total actual transfer of \$600 million, not the \$1.1 billion that I know the government claims.

But to continue, the category also lists things that I find rather interesting. On the universal child care benefit for \$2.4 million, even a government website indicates that people are using this for anything but child care—for RESPs, family recreation, paying the bills, and so on—not to mention the fact that for those people who do need child care spaces, after they pay taxes they really don't have enough. So this is really not a child care program.

In addition to that, the next category is child care expenses through the child care expense deduction. This is a deduction, not direct funding of child care spaces.

The next one is even more curious. It's the Canada child tax credit, which is an income plan for children. It is not a child care program. Then it says total early learning and child care expending claimed by the Conservative government is \$5.6 billion or \$5.7 billion.

Out of all this, I'd like you to clear up something for me. It seems to me, from what I've seen here, with the exception of this \$350 million, which went way back to 2003, and then the \$250 million that your department put in for 2007, that there is no other direct transfer to provinces for child care spaces. Am I right? That's what the category shows in your budget of 2007, and I cannot consider the other categories I've just enunciated as having anything to do with child care spaces or early learning and child care at all.

**Hon. Diane Finley:** No. In fact, as you're aware, it is the responsibility of the provinces to provide child care spaces. Heaven help the federal government that steps into that provincial jurisdiction. We're not prepared to do that, but what we have done is to provide them with funding: \$250 million through the social transfer, with that amount going up 3% a year.

We're also providing incentives for business to create child care spaces, through the tax system. That would not show up here. The key thing, though, with the universal child care benefit is that we're not telling parents they have to spend it on child care. They have the choice, and if one of the parents chooses to stay home to look after their children, as should be their right, then paying the rent or paying for the groceries, or even crayons so that they can teach the child to express themselves and develop artistic skills, is all part of that early learning development, and I think we owe it to parents to allow them to have that choice.

**Hon. Maria Minna:** But with respect, Minister, I would like it if you could give this committee the specific number of spaces that businesses have actually created in child care. It's my understanding that there has not been much, if anything at all, in that area.

The other thing is that, after taxes, the universal child benefit does not provide anything approaching the necessity of what it costs for child care, especially for families who need it and especially in this environment. After taxes, this comes down to about \$50 a month. I have been talking to families this last week who've come to me. One family is spending \$1,300 per child on their child care. One woman broke down and cried because she couldn't find space and her only option was to quit her job because there were no spaces available; there's a two-year waiting list.

So the categories in the budget are somewhat misleading. It talks about early learning and child care, when in fact we've got the benefit, which isn't that; we've got the deduction, which is fine, but you need money in order to deduct. So it doesn't create spaces. And then of course the child tax credit is even more bizarre because it's an income program, not a child care program.

So I would suggest that your documents be redone in the next budget to make it clear. I would like you to tell this committee, if you could, exactly how many spaces have been created by the \$250 million transfer and how many have been created by the business community.

• (1620)

**The Chair:** Is that something we could get back to at a later point in time? We're out of time on this question.

**Hon. Diane Finley:** Well, maybe somebody else will ask a question where I can provide that answer.

**The Chair:** Okay, thank you very much.

We're going to move to Mr. Lobb for five minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thank you, Mr. Chair.

I would like to thank Minister Finley and her staff for coming here today on short notice. It's very much appreciated.

I would like to point out that I believe this meeting was for supplementary estimates, and I haven't heard a question yet on supplementary estimates, but that must be a testament to you and your staff's good ability.

I'd also like to point out that I appreciate the seriousness and the compassion with which you conduct yourself on a daily basis. I really think the people of Canada appreciate a minister who takes her job seriously and is compassionate about the issues that Canadians see. So on behalf of the people here in Bruce, I would like to thank you for that.

I also appreciate the spirit in which you've put together your programs by actually talking to Canadians. I think a lot of the items we've seen in the budget through the economic action plan reflect the wishes of Canadians. Specifically, we've received numerous appreciative calls in our constituency office regarding the five-week extensions. As a person who used to work in the finance department of a company, the freezing of EI rates is definitely appreciated in the business community, as well as by the employees, because that comes directly off the paycheques of Canadians. There is no better stimulus than the freezing of EI rates. So on behalf of the people here in Bruce, I thank you again for your efforts.

I also know your staff is working very hard to put the wheels in motion, and so are the people in the field with Service Canada. We have a tremendous relationship with them, both in Goddard and Kitchener, and I know they're working extra hours. They've put more people in the field to work overtime to make sure no one gets left behind, and I really do commend you on those initiatives and those actions.

As a member of Parliament from Ontario, we've heard a lot about Ontario's fair share, and I just wondered, on the topic of EI accessibility, if you could address the so-called Ontario fair share

argument that is currently being made. Some look at the numbers and say there's a lower percentage of people in Ontario eligible for EI and they suggest that it's somehow due to the unfair treatment of Ontario within the EI system. Minister, would you be prepared to clarify that issue today?

**Hon. Diane Finley:** Thank you very much. I appreciate the recognition for the staff and the officials who really are working very hard to make sure we get these programs out the door quickly, that we get the benefits to the people who need them as quickly as possible.

There has been a lot of talk about provincial disparity. As I mentioned earlier, we don't look at EI that way. What we do is on a regional basis. Until very, very recently, for example, Vancouver had about a 3% to 4% unemployment rate, whereas parts of northern British Columbia had a very high rate. They'd had different accessibility and different terms of benefits for EI.

Ontario's rates vary as well. In the last three months, 11 Ontario regions have experienced increases in their unemployment rate, and that has resulted in lower accessibility standards. In other words, they could get at it easier and have longer benefits.

One of the interesting things about Ontario is also that it has a much higher percentage of self-employed people, which is a great spirit of entrepreneurship. One of the challenges with that, though, and it's a risk of being self-employed—I've been there myself—is that you don't pay EI, and EI is, by definition, insurance. It's like house insurance. If you don't pay the premiums, you can't collect the benefits.

That being said, in this economic action plan, we are including opportunities for people who are self-employed to get the benefits that one would normally get under the part 2 portion of EI, which is training for a new position, getting skills that will help them transfer into another job in another sector where they could have jobs for a very long time. I think that's a very special part of this, and it's one of the reasons I'd like to see this budget pass quickly, so that we can have the authorization to go ahead and get these expansion programs out to the people who really need them.

• (1625)

**The Chair:** Twenty seconds, Ben.

**Mr. Ben Lobb:** I would just like to say further that I believe what you're saying. In my riding we've lost a number of jobs, they've been able to receive the training immediately, and I'm sure they'll get right back into the workforce.

**The Chair:** Thank you, Mr. Lobb.

We're going to move now to Madame Beaudin for five minutes.  
[*Translation*]

**Mrs. Josée Beaudin (Saint-Lambert, BQ):** Thank you, Mr. Chairman.

Thank you for being here today, Minister.

Let's continue talking about employment insurance. We want to improve access for people who pay their contributions. Let's take the example of a person who is currently on his 30th week of employment insurance benefits. Would he be entitled to the additional five weeks? If so, starting when?

**Hon. Diane Finley:** The budget has to be passed before any change can be made. The budget has to be adopted for the changes to go into effect.

**Mrs. Josée Beaudin:** Once the budget is passed, would a person on his 30th week of benefits be entitled to the five additional weeks?

**Hon. Diane Finley:** If that person lives in a region where that applies, the answer is yes.

**Mrs. Josée Beaudin:** That doesn't apply to all regions?

**Hon. Diane Finley:** There is a maximum of 50 weeks. In the case of a pilot project where the maximum is nearly reached, then no, there wouldn't be—

**Mrs. Josée Beaudin:** There wouldn't be an extension.

**Hon. Diane Finley:** The maximum is 50 weeks.

**Mrs. Josée Beaudin:** I understand.

Let's talk about homelessness. Vote 5b concerns supplementary funding of \$27.3 million for the Homelessness Partnering Strategy. This funding is intended for shelters, halfway houses, supervised housing and support services.

Why is the government allocating housing spending through Human Resources and Skills Development Canada rather than the Canada Mortgage and Housing Corporation?

**Hon. Diane Finley:** That's part of a series of programs. We want to prevent homelessness; that's the first thing. We have to offer affordable housing, and that's why we are investing so much money in this area. It must be acknowledged that we spend a lot of money to fight homelessness every year. Last fall, in September, we promised \$1.9 billion more to combat homelessness and support affordable housing. A lot of money is invested. CMHC's role is more financial. That's why this comes under the department.

**Mrs. Josée Beaudin:** As you'll see, there's logic in my thinking. Homelessness and housing are an enormous concern for me. So I have a final question on housing. Let's talk about Vote 15b. Provision is also being made for \$11 million in spending to increase the supply of affordable housing for low-income households. This is of interest to me because, in the budget to date, it was more a matter of renovating housing for seniors. When it comes to low-income households, that's a concern for me. I believe that this is action that

can have a real effect, given the economic crisis that young families with children are experiencing.

We're talking about the Affordable Housing Initiative. How many units are planned for construction next year?

**Hon. Diane Finley:** There is funding for construction, but also for renovation, because 10,000 housing units need to be renovated, because they are not up to standard.

**Mrs. Josée Beaudin:** I entirely agree with you about renovation; there's no problem there, but—

[*English*]

**The Chair:** You have one minute left.

[*Translation*]

**Mrs. Josée Beaudin:** —as regards the construction of housing for families, in particular those with young children, I see there is a credit—

● (1630)

**Hon. Diane Finley:** —for persons with disabilities, aboriginal persons and seniors. Approximately 40,000 housing units will be built—

**Mrs. Josée Beaudin:** —through the Affordable Housing Initiative. So 40,000 units could be built through this program.

**Hon. Diane Finley:** Yes, approximately.

**Mrs. Josée Beaudin:** We're talking about new housing units. Thank you.

[*English*]

**The Chair:** Thank you.

We're now going to move to Mr. Vellacott.

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Thank you, Mr. Chair.

Minister, you've referred to this already in your opening remarks and also in response to Mr. Lessard. In regard to the initiative for older workers, all of us know, maybe through personal experience, that it becomes a little more difficult for older people to get back into the workforce when they get laid off. It's harder to learn new skills and harder to get back into the workforce if those jobs or careers no longer exist. You've said a number of times in the House that you have real confidence that older workers can learn the new skills it takes to re-enter the workforce, and that we shouldn't write them off or send them out to pasture and off into the sunset.

People have said that you can't teach an old dog new tricks, but I don't think that refrain is valid any more. At 50-plus myself, I know we can teach an old dog new tricks. It takes longer sometimes, and you may have to go a little slower and use a bit more repetition. I find this with myself, though I don't know about others. Learning French, for example, takes more repetition and you have to go slower at it. I can pick up these new skills. I've been a member of Parliament now for 12 years, but I won't be one forever. At some point down the road I will have to pick up new skills. I have confidence that I can do it.

I have a lot of older workers in my constituency of Saskatoon—Wanuskewin. What does the training program look like in the targeted initiative for older workers? Can you explain the program, what it looks like in terms of their getting back into the workforce? How would older workers get into the program and back into the workforce?

**Hon. Diane Finley:** We actually have four different programs that play to those people who have long-tenured employment, who are perhaps in a town where there's heavy reliance on a single industry or a single employer. Outside of HRSDC, there's our \$1 billion community adjustment fund, which is to help the community diversify. But that can be coupled with the targeted initiative for older workers, which is designed to help the very people you're talking about get the new skills they may need.

As well, we have special targeted support, as you mentioned, for what we call long-tenured workers, people who may have graduated from high school at, say, 19, and have worked in one industry, with one employer, for the last 20 years. They may not have developed a lot of skills that are portable, and their jobs may be gone forever. Through that particular program, we're extending their EI benefits for up to two years if they go into training. We'd also want to make it possible, if they used their severance to pay for their own training, let's say at college, for their benefits to continue. That severance would not be used against their EI.

We believe that if we work with the municipalities, if we work with industry, we can help whole communities adjust.

You bring up the point about members of Parliament. A lot of us come to this royal House after the age of 50. Some have even become leaders of their party after the age of 50. So to say that people over 50 aren't capable of learning is very unfortunate, I think, and is an insult to anybody over 50. I personally have great faith in these people.

And yes, it has been said that there should be some changes to EI. It was brought up earlier that we haven't seen major reform with this budget. I did discuss that with Premier McGuinty. He has been a big advocate for major change. But perhaps I can share with you what he said when he was asked about a macro rehaul or retrofit of the EI system—that we don't have time to do that, so let's just make some temporary changes that stand to benefit folks who have lost their jobs, especially in Ontario.

And I agree with him on that. What we need to do is pass this budget. There are a lot of good things to help the unemployed, to prevent unemployment, to help people get going—I'm referring here to the extension of the work sharing program—and to help get people into jobs so that they won't be unemployed in the future. This is to help them and this is to help their families. I have great faith in these people, and I would really like your support to get this budget passed quickly so that we can deliver these benefits to those who really need it.

•(1635)

**The Chair:** Thank you.

I have just a quick question, Minister. I realize you have your officials here.

The Canadian Council on Learning is an organization whose mandate is up this year. Do you know if that has been extended or will be extended? Or do you know its status right now?

**Hon. Diane Finley:** The funding for that has been extended to the end of next year. There will be discussions about the future.

**The Chair:** Excellent. Thank you very much.

Once again, I want to thank the minister and the department for being here. We do have to have some votes here on the estimates....

Go ahead, Mr. Martin.

**Mr. Tony Martin:** On a point of order, Mr. Chair, many of us have further questions for the minister and the department on some of these very important issues.

Could we forward those questions to you, Minister?

**Hon. Diane Finley:** Absolutely.

**Mr. Tony Martin:** One of them, for example, is on whether you would consider a pilot project to drop the two-week waiting period for employment insurance in different parts of the country. But we'll send you that.

**Hon. Diane Finley:** Okay. In fact, the most efficient way would be to give it to me in the House.

**Mr. Tony Martin:** Okay. Perfect.

**The Chair:** Go ahead, Ms. Minna.

**Hon. Maria Minna:** Perhaps the minister, through her officials, could send us the child care numbers.

**The Chair:** So you're asking about the numbers on the child care spaces?

**Hon. Maria Minna:** Yes, with regard to the \$250 million and the business category.

**Hon. Diane Finley:** The provinces and territories have reported to us that they've actually created 62,000 spaces since March of 2007.

**Hon. Maria Minna:** And business?

**Hon. Diane Finley:** That program was just launched in the last year, so we don't even have a full year's figures yet. As it is a tax credit, it would be unfair to release...well, obviously it hasn't been done, and we can't see the impact yet.

**The Chair:** We'll release the minister and the departmental officials.

We do need to have a couple of votes here on the estimates. I know that you received the information ahead of time, so I'm going to ask to call the vote, then, on vote 1b.

HUMAN RESOURCES AND SKILLS DEVELOPMENT  
Department  
Vote 1b—Operating Expenditures.....\$ 20,925,721

(Vote 1b agreed to)

**The Chair:** Shall vote 5b carry?

Vote 5b—The grants listed in the Estimates and contributions..... \$37,357,758

(Vote 5b agreed to)

**The Chair:** Shall vote 15b carry?

Canada Mortgage and Housing Corporation

Vote 15b—To reimburse Canada Mortgage and Housing.....\$11,100,000

(Vote 15b agreed to)

**The Chair:** Shall I report the supplementary estimates to the House?

**Some hon. members:** Agreed.

**The Chair:** Once again, thank you for your cooperation.

The meeting is adjourned.

---







**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliament of Canada Web Site at the following address:  
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**