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

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Chair

Mr. Dean Allison

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• (1220)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): We are now in a public meeting. I have a list going here. We'll have Mr. Savage and then Mr. Martin.

Mr. Savage.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you.

I agree with many of the points made by Mr. Lessard. New members of this committee perhaps wouldn't be familiar with the level of discussion we had at this committee in the past years. I wasn't on the committee in 2005 when this report was tabled, but I certainly was here in 2006 when we went through all the fallout from the disastrous adjustments that were made. Mr. Lessard is quite right that it was really destructive, not only for students but for community organizations across the country.

I'm inclined to support this motion. I think it makes some sense. I want to make sure I've discussed with the clerk the actual process for what happens here. I have a question for the clerk, and then I have a question for Mr. Lessard.

For the clerk, this does not constitute an issue of confidence. This is a recommendation to the House. I think it's important to understand that.

For Mr. Lessard, your recommendation in the motion is specifically around the increase in minimum wage. You're not suggesting the adoption of the entire report from 2005, correct?

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Yes, the 2005 report because it contained this unanimous recommendation from the committee. I'm referring to that report. On two occasions, the committee questioned the minister about the report. We're asking the government to adjust the budgets based on the minimum wage paid in each province.

[English]

Mr. Michael Savage: I can certainly support this motion under those circumstances. In fact, when the minister was here a couple of weeks ago, I suggested to her that she should double the budget of the summer jobs program—the summer career placement program, as it used to be called. With the economic difficulty that we're in, students are going to find it hard to get work. Also, not-for-profit organizations, youth recreation programs, or groups that deal with

persons with disabilities or with seniors can use these students very effectively in the summer, and if we doubled the program for a mere bargain these days of less than \$100 million, we could employ an extra 35,000 to 40,000 students and make life a lot easier for community organizations. I support, both in intent and in practice, this motion.

Thank you.

The Chair: Thank you.

Mr. Martin, and then Mr. Komarnicki.

Mr. Tony Martin (Sault Ste. Marie, NDP): I have a question, perhaps for you, Mr. Chair, on this. I would also note that the minimum wage in Ontario is going up to \$9.50 an hour on April 1. That will create some pressure on the money coming into Ontario and on how we will employ the number of students that was predicted would be employed when the announcement regarding the money for this year was made.

There was also mention in the budget of more money for the summer student employment program. How is that going to play out? Is some of the money going to be taken up in actually reflecting the increase in minimum wage in various jurisdictions across the country? Or is that new money something that could be used to deal with the issue that was raised here this morning?

I certainly support and agree with the motion and what it's intending to do. I think we really do need to challenge the government to be realistic in terms of the changes regarding the increase in the minimum wage and how that will impact the number of students we'll be able to hire, particularly this summer given the very difficult economy we're in and the number of workplaces that have shut down that would typically and traditionally—particularly in northern Ontario—hire students over the summer. There will be less money, and if we do not recognize the increase in minimum wage, there will be fewer students hired this summer as well.

• (1225)

The Chair: Did you want to comment, Kevin?

Mr. Kevin Kerr (Committee Researcher): You're correct, Budget 2009 does provide some additional money for the Canada summer jobs program. I believe it's \$10 million per year over a two-year period. As to whether or not that increase is sufficient to compensate for increases in minimum wage rates since 2006, I can't answer that.

The Chair: Go ahead, Tony.

Mr. Tony Martin: On a point of order then, I would maybe suggest that for Thursday we get a report to this committee laying out how that extra \$10 million is proposed to be spent by the government.

The Chair: Mr. Lessard, was this on the same point?

[*Translation*]

Mr. Yves Lessard: Yes, I would like to respond to the question raised by...

[*English*]

The Chair: Mr. Lessard has the floor here.

[*Translation*]

Mr. Yves Lessard: To answer Mr. Martin's question, I would like to recall something that may be of interest to our Conservative friends. Mention was made in the Speech from the Throne of a new youth summer jobs program which will be announced sometime in the coming weeks. We're wondering what that means exactly. If new initiatives are being considered, then perhaps the budget should be increased as well.

What impact will this initiative have on the budget? The minimum wage is going up. As I mentioned earlier, the minimum wage in Canada will increase to \$8.58 in May 2009. That's up from \$7.30 in 2006. We're looking at a \$1.28 increase in the minimum wage. In terms of how the current budget is impacted, this initiative translates into an increase of \$7.1 million, or 6.6%. Still to answer your...

Mr. Chair, perhaps they are not interested, but I would at least appreciate a little respect. Speaking out loud when someone is commenting is very disruptive.

On a practical level, could the government take this kind of initiative this year? If we look at what was done in 2007 when the government restored funding that had been cut, the answer is yes. It advised its regional offices right away in April and they were able to make the necessary adjustments. They could do the same thing this time around by April. All they would need to do this month is accept our recommendation, provided of course that it is adopted by the majority of members.

• (1230)

[*English*]

The Chair: Mr. Komarnicki.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Thank you, Mr. Chair.

I have some concerns about this motion from a couple of perspectives. If it's saying the budget should be amended to allow for what this motion calls for, then it would ask for an increase of funds and that would eventually become a confidence matter. If it's not asking for additional funds to cover the notion behind this motion, then it's taking away funds from others who might have received them, in the sense that you would be reducing the pool of recipients.

The recommendation states that:

Additional wage subsidies would be paid on the condition that sponsors share in the cost (e.g., for every \$1 paid in excess of the minimum wage rate in each province/territory, the federal contribution would be 50% in the case of not-for-profit....

etc., and 25% for private.

So it's not necessarily an issue about minimum wage in that recommendation. It's saying that if the sponsor pays more, we top it up to a certain amount. If you have a fixed pool of resources and you top up and match the amounts proposed in this resolution, you're going to narrow the pool of recipients. I ask this committee if that's what we want to do at this time. Do we want fewer people receiving more, or do we want more people receiving less but have more people out there working?

It would seem, based on what Mr. Martin said and given the state of the economy, you would want to have more people working than not, more students working than not. The budget itself, of course, has added \$20 billion over two years, as has been mentioned, and you want that to be going out to as many out there as you can.

This motion has some problems for me, because all it's going to do is either increase the budget amount, which is a confidence measure, and I'm sure Monsieur Lessard and his party will not support it. In fact, they won't support the additional \$20 billion because they voted against it, as did Mr. Martin's party. But that being said, it would be a confidence matter.

If you're saying it doesn't affect the amount, then it's going to affect the number of students receiving it, and that's a pretty big step for this group to take. Instead of having 1,000 students, we will narrow it down to 800, because we want to give the effect of this formula of a dollar for a dollar, or a dollar for fifty cents, or twenty-five cents for a dollar. I'm saying that before we go down that path we should think about it.

I don't like the motion as it sits. If it were to say you want the government to take some things into account in arriving, through the formula, at where the \$2 billion goes, that would be one thing, but to say we want more for less, a smaller number of people, I would have to oppose it.

The Chair: Thanks, Ed.

I have Mr. Martin, and then Mr. Lessard again.

Mr. Tony Martin: I just wanted to add to what I said earlier.

The Chair: Go ahead. I have you, and then Mr. Savage.

Mr. Tony Martin: This will be brief.

I said earlier the minimum wage was going to \$9.50. That was for adults. In Ontario, as of March 31, it's going to \$8.90 for students, so there's a difference. I just wanted to make sure that was clear on the record.

Thank you.

The Chair: Thanks, Tony.

Mr. Savage.

Mr. Michael Savage: When the officials were here I asked them about this extra \$10 million a year under the Canada summer jobs program, and they confirmed it was going to happen. My concern was that it was going to be re-profiled in the way that CCL's funding had been re-profiled, which in effect meant cut out. I asked if it was going to be in every riding equally, and they said they hadn't figured that out yet. I hope they do figure that out.

The summer jobs program has been changed a couple of times recently. One was when it reflected the new census of 2001. Another time, I think it was 2004, the loaded-up cost of students—in other words, benefits on top of wages—had to be factored into the summer jobs program, in effect reducing the number of students who might apply. That was a problem.

I don't see that this motion is in any.... This is a recommendation. This is basically a recommendation to the government, saying it should take this seriously. I have an e-mail from Irwin Cotler's constituency office indicating that the Province of Quebec stands to significantly increase its minimum wage.

Our budget [for summer jobs] has not moved in several years yet we face an increase in the minimum wage....

I raise this in the hope that the budget for this riding, as for all Quebec ridings similarly affected, might be adjusted to allow us to maintain the level of programming offered by worthy groups.

I think there's nothing wrong with this motion. This motion simply says we should take into account the fact that costs have changed. It's not imposing this on the government; it's recommending reasonableness. That may seem like a lofty goal these days, but it's only recommending reasonableness in the carrying out of this program. I think it's entirely worthy of support.

• (1235)

The Chair: Thank you.

I have Mr. Lessard, and then we'll go back to Mr. Komarnicki.

[*Translation*]

Mr. Yves Lessard: Mr. Chair, I'd also like to take this opportunity to answer the question raised by our colleague, Mr. Savage.

Eligibility criteria are not affected in the least by my motion. For example, the minimum wage is higher in Quebec and Ontario. In terms of the budgets allocated to the regions, this creates favourable conditions for regions that pay a lower minimum wage in that they receive more, because funding is based on the national minimum wage, which is set at \$8.58. In some provinces the minimum wage is set at \$9 or higher. Therefore, the funding breakdown will not be based on the minimum wage paid in each provinces according to current rules. I'm not sure if that answers Mr. Savage's question.

Regarding Mr. Komarnicki's comment, the Conservatives' arguments do not hold water. They cannot put forward just any old argument. If Mr. Komarnicki's argument was rational, then the Conservatives would have applied it in the budget. For instance, the budget announces \$2 billion in spending for infrastructures as a job creation initiative. At no time did the government say that municipal infrastructures should be targeted for cuts, or that jobs in the mining, forestry and other sectors should be eliminated. That's not how it works.

This budget is truly unique. It can be improved, just as the government acted to improve the budget in April 2007 when it suddenly announced, without prior consultation, an additional \$10 million in funding to correct its mistake.

We are talking about an additional \$7 million, and our argument is entirely rational and sound under the circumstances, namely the fact that a new minimum wage rate is set to take effect. Organizations and businesses that hire students find themselves in a position where they cannot compete from a wage standpoint. Since they are required to pay minimum wage, they have to make up the difference.

[*English*]

The Chair: Thank you.

Ed, you have the floor.

Mr. Ed Komarnicki: I just want to be sure, Mr. Chair, that we have this in proper context. The motion talks about amending the 2009 budget...“given the increase in the minimum wage since 2006, as the Committee recommended during the First Session of the 38th Parliament in its report entitled”, and so on. When you go to the report of that committee, the tenth report, with reference to what Mr. Lessard is proposing, it says that:

...given an increase in the budget for the Summer Career Placements Program, a higher wage subsidy be paid on behalf of program participants who are pursuing a post-secondary education. This would strengthen the program's objective to help finance students' return to school. Additional wage subsidies would be paid on the condition that sponsors share in the cost (e.g., for every \$1 paid in excess of the minimum wage rate in each province/territory, the federal contribution would be 50% in the case of not-for-profit and public sector employers and 25% in the case of private sector employers, subject to some maximum overall additional wage subsidy payment).

It prefaced it by saying that “public sector employers participating in the Summer Career Placements Program be entitled to a wage subsidy up to 100% of the provincial/territorial minimum wage rate.”

With this motion referencing back to the minimum wage motion in the tenth report...that motion talks about a number of things—a basic minimum wage that has to be met and a provision for additional funds—or am I not reading that motion? I think they both tie together, do they not? They both talk about minimum wages. All I'm saying is that if you did that, you're still going to end up decreasing the number of recipients. That's all I want to say.

Kevin, are you saying they're different? They both talk about—

• (1240)

The Chair: I have Mr. Lessard, and then Mr. Savage.

[Translation]

Mr. Yves Lessard: Everyone understood that it wasn't a question of trying to change the minimum wage. It is the responsibility of the provinces to set the minimum wage based on economic and labour market conditions. The motion calls for the government to take into consideration the increase in the minimum wage in all provinces and to recognize that provinces have additional obligations towards employers who have to contend with varying minimum wage rates from one province to another. The fact remains that the minimum wage is much higher than it was in 2006. Since 2006, the average minimum wage in the country has increased by 6.6%. So then, we're asking the government to apply this to the budget allocated for Summer Jobs Canada. If it agrees to our request, an additional \$7.1 million will be allocated, according to existing allocation criteria.

[English]

The Chair: Thank you, Mr. Lessard.

I have Mr. Savage, and then Mr. Martin.

Mr. Michael Savage: I think Mr. Komarnicki's concern is about the wrong paragraph in the original report of the House of Commons Standing Committee on Human Resources. That is my sense.

The point is we're not suggesting that Budget 2009 should be amended. We're supporting a motion to amend the 2009 budget for the Canada summer jobs program. HRSDC could find the money somewhere else if they deem it to be of significant importance or savings. We're just supporting that HRSDC find the money within their budget to increase funds to this program.

I think under those circumstances it's a very logical and sensible motion, and it reflects the reality of the labour markets in the provinces across the country.

The Chair: Thanks, Mike.

We're going to move now to Mr. Martin, and then I have Ed.

Mr. Tony Martin: I have a further point of clarification on the minimum wage in Ontario. I don't want to set anybody down the wrong path who might perhaps read Hansard tomorrow.

The minimum wage, as of March 31, 2009, for students under 18 who are employed up to 28 hours in a week or during a school holiday is \$8.90 an hour. Everybody else is \$9.50.

The Chair: Ed, did you want to speak?

Mr. Ed Komarnicki: I have a couple of points, to address Mr. Savage. The motion clearly says "amend the 2009 national budget for the Canada Summer Jobs initiative...", not to get the money from somewhere else.

And if we're talking about the second paragraph—not the one I'm talking about—that would mean the budget would have to be amended annually to allow for increases and decreases in numbers of participants and the increases in minimum wages across the country. Of necessity, that would mean you have to amend the amount. If the number of students didn't decrease and the minimum wage went up, you need to amend your budget accordingly. In effect that would be a confidence measure, if we're talking about the 2009 budget, which he is in his motion.

So as I say, you have two problems. If you're going that way, you're amending the amount of the budget. If you're not going that way, you have some problems because you're limiting the pool of applicants. Either way, it's a bad motion.

The Chair: Mr. Cannan.

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

My colleague Mr. Komarnicki has commented as far as the aspect of the national budget. The other aspect I want to clarify is that it says "increase" and it doesn't talk about how much. I think the figure was somewhere around \$7 million, which I heard from somewhere. There's no reference to how much increase is recommended. How much are we asking to increase the budget?

We're adding \$10 million a year for the next two years. Unfortunately, I wasn't here in 2005 when the study was done. Maybe somebody who was here might enlighten me a bit as far as how the provincial regulations that set the wage—as Mr. Lessard noted, it's under provincial jurisdiction—play into what the budget is today and given the 10% increase proposed for the next two years.

• (1245)

The Chair: Thank you.

I have Mr. Martin. If there are no more, then I'll call the vote after Mr. Martin.

Mr. Tony Martin: I'm going to support this motion in spite of what Mr. Komarnicki suggests.

I think Mr. Komarnicki is making a mountain out of a molehill here, not to say that this isn't an important issue and that the molehill isn't important to the students out there and the not-for-profits, particularly, that have to pay them the minimum wage because of the laws that exist within their provincial jurisdictions. Governments always have an ability to move money within departments here and there to deal with things that come up, like an increase in minimum wage, for example.

I know that three years ago when we ran into major difficulty in the summer employment program, and it became obvious that people weren't going to be very happy and that the program wasn't going to be as effective as it had the potential to be, all of a sudden the government found the money. They put significantly more money into that program that year because they had taken the decision-making out of the local area and brought it all the way to Ottawa, under Minister Kwinter at the time. They had left out, had not funded, literally thousands of groups across the country that had typically and traditionally gotten money out of that program to support all kinds of good efforts in the summer, from festivals to tourism events, and not-for-profits that went out there. They decided that the easiest way to deal with it was to actually just fund anybody who had applied, who had been successful the year before, and they found the money for that. There was money within the ministry that was there because perhaps some other programs didn't take up as much of the money as they had thought they would, or they shifted money around. Within ministries there is that ability to make sure that if there is money in an envelope that isn't being needed at the moment or isn't being spent or that is available, they build contingencies in; they always do.

I'd suggest that this doesn't have to be the non-confidence motion that Mr. Komarnicki suggests. What it says to the government is to go back and find the money and to put enough money in there to reflect the reality in provincial jurisdictions where the minimum wage has gone up. I think that's an excellent suggestion and one that will give great support and relief to many organizations out there that are either going to find themselves having to top up with money they don't have in this difficult economy—and I could go into a million reasons why that would be—or reduce the number of people they can hire because they don't have enough to meet the provincial requirement for minimum wage.

The Chair: I have one more person, and then we're going to call the vote after that, so I'm going to cut off the speakers. I think we've heard the for and against.

Mr. Trost, welcome to committee, and the floor is yours, sir.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Thank you.

I realize I'm not a regular on this committee and I'm substituting for someone today. Just by listening to Mr. Martin, I have to put on the record that I find it somewhat unfair that if the committee is going to call for a specific reallocation to support this program and then just say, well, take the money from anywhere, I think for the members who are very much in favour of this, if they do look for a reallocation of money, they should suggest specifics of where they would want the money to come from, or they should word the motion to state that if there are funds left over, not allocated, etc, within the envelope.... It's just irresponsible to state that they'll find the money somewhere, after saying go out there and find it.

If you're going to specifically call for new measures, new spending or a reallocation of spending, which I guess is what's being said here, we don't know what the unknown reaction is going to be. The assumption is there are funding envelopes that aren't going to be fully utilized. We don't know that for sure. It's been talked about, how hard the economy is, and the demands on government and so forth. If that's true, it is possible that all the funding envelopes from all the other programming done in this area might be fully utilized as well.

If that's true, then what we're doing is essentially saying something has to be cut, and we're calling for a cut, but we just don't know where.

I think if members are going to present this, they should be very specific and clear as to what they're looking for and provide some detailed guidance.

• (1250)

The Chair: Thanks, Brad.

I have one more speaker, Madame Beaudin, and then hopefully we can have the vote.

[*Translation*]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Thank you very much, Mr. Chair.

I view a motion like this one as a tangible way for the federal government to contribute to the effort to reduce poverty. I was a field worker myself in 2007. I experienced first hand the end of this

program and I was forced to look for staff throughout the summer to meet the needs of children who were either in primary school or under the age of 5 and who were also financially or intellectually deprived. Ideally, we were looking for young university students to work with them. Under the program, Canada Summer Jobs, qualified university students could be hired to work with these young children.

Therefore, I see the motion on the table as a tangible way of helping children and youth in our communities break out of the cycle of poverty. We need these qualified individuals to achieve this objective. We cannot be satisfied with offering specific jobs that pay a decent minimum wage only to students who are just beginning CEGEP or students in their last year of secondary school and for whom this will be their first job. This program allows us to recruit young university students who may be a little more qualified.

This is a concrete initiative. It may end up saving some underprivileged youth, even if it is only one person who is saved. I've seen cases where young university students have helped underprivileged youth turn their lives around.

Moreover, these summer jobs help young university students as well as CEGEP and secondary students who might be thinking about quitting school to hold on to a dream, to develop a taste for the working world and to stay in school, because dropping out of school is also a problem.

As I see it, making financial adjustments to the program to take into account provincial minimum wage provisions is one way that the government can make a tangible, direct contribution. Clearly, it is a solution that should be embraced by this committee as it looks for concrete ways of reducing poverty.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you.

I'm going to call the question now.

Mr. Michael Savage: I know we want to leave, but just in a spirit of collaboration and to ease the mind of my colleague, Mr. Komarnicki, I want to assure that there is nothing binding on the government in this motion. It's not considered an issue of confidence. This is a recommendation to the government.

The Chair: Thank you.

All those in favour of the motion?

Go ahead, Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: I would like a recorded division, please.

[*English*]

The Chair: Sure, just one second.

(Motion agreed to: yeas 6; nays 5)

The Chair: We'll be back on Thursday to discuss the agenda as we move forward. Hopefully it will be a short meeting.

The meeting is adjourned.

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