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Chair

Mr. Ed Komarnicki

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•(1545)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): I call the meeting to order.

Just by way of information, of course, we have with us individuals from Human Resources to give us a general introductory briefing, and they will of course respond to questions. There will be an opening statement and then, in accordance with our initial minutes, each party will be given five minutes to ask questions. There are two panels today.

We'll start with the New Democratic Party and then move to the Conservatives, and we'll keep alternating until we get to the Liberals and the Conservatives at the conclusion of that rotation.

There will be an opening statement, as I said, and there will be some questions following.

I'm not certain who from Human Resources will start with the opening statement.

Mr. McGovern? We'll give you the opportunity to present and then we'll open up to questions.

Mr. David McGovern (Senior Assistant Deputy Minister, Strategic Policy and Research Branch, Department of Human Resources and Skills Development): Thank you very much, Mr. Chair.

We've circulated a deck in advance that I'll be referencing throughout the course of my opening remarks.

HRSDC was created in 2006 to bring together the Government of Canada's social and labour market strategies in recognition of the linkages between labour market success and the various social elements of Canadian society, including poverty, low income, and social inclusion.

While it is a large and diverse department, Human Resources and Skills Development Canada's mission provides a focal point to build a stronger, more competitive Canada; to support Canadians in making choices that help them live productive and rewarding lives; and to improve Canadians' quality of life. The department is responsible for some of the most well-known and significant programs provided by the federal government, including the Canada pension plan, employment insurance, old age security, children's benefits, and student loans, programs that span the lifetime of Canadians.

Service Canada, as the face of the government across the country, has proven to be both an effective and popular organization. It brings related services and program benefits to citizens from coast to coast.

We will move to slide 4.

The department includes the labour program as well as Service Canada. The labour program is responsible for overseeing federal labour responsibilities. These include labour laws, mediation services, and representing Canada in international organizations and international labour negotiations. HRSDC also provides funding to other levels of government, provinces, and organizations to support labour market and social development.

Given the extent of our programming, reaching all parts of the country requires a large workforce. We have approximately 26,000 employees currently in place.

I will now reference slide 5.

•(1550)

As I mentioned, HRSDC, through Service Canada, has offices from coast to coast to coast. Of the department's approximately 26,000 employees, two-thirds work in the regions. The department's responsibilities include the development of the labour market and labour force; reducing barriers to post-secondary education and skills development; overseeing federal labour regulations; and providing income support to seniors, families with children, and EI recipients.

The broader HRSDC portfolio includes several other organizations, including the Canada Mortgage and Housing Corporation, the National Seniors Council and, as of May 18 of this year, Status of Women Canada, each of which provides additional services and policy and program support across a range of areas for the federal government.

I am now referencing slides 6 and 7.

HRSDC operates under the Department of Human Resources and Skills Development Canada and the Department of Social Development Act. It also has the primary responsibility for legislation relating to its programs, such as the Employment Insurance Act and the Canada Labour Code. These acts provide for the appointment of both the Minister of Human Resources and Skills Development Canada as well as the Minister of Labour. The Minister for the Status of Women is appointed under the Ministries and Ministers of States Act and is not covered by the departmental legislation.

I will now go to slide 8.

This slide shows the department's program activity architecture, or PAA. All departments are required to use a PAA to show the strategic outcomes or goals of the department, and how programs are organized to support the achievement of those outcomes. The PAA forms the basis of financial reporting and funding votes in Parliament.

I will now go to slide 9.

The department administers approximately \$100 billion in spending each year. This slide provides a budget breakdown for the department's expenditures as they appear in the report on plans and priorities, which was tabled in Parliament in June.

I will now go to slide 10.

As a large organization we continually adapt to an ever-changing environment for Canadians, our partners, and the Government of Canada as a whole. We see demographic changes under way in Canadian society, the profound effect of technology and trade on social and economic opportunities, and a need to meet Canadians' rising service expectations, tempered by the need to contain costs.

To adapt to these changes and contribute to the Government of Canada's plan to return to balanced budgets, we need to modernize how we do business. HRSDC is working to become a more focused, efficient, and modern organization.

This change agenda has three major components: first is implementing the strategic review decisions contained in Budget 2011; next is a Service Canada business transformation; and the final point is the enabling services renewal program, that is, modernizing the way the department handles its HR, finance, and IT services and systems.

These changes are about getting government right, allowing us to achieve better results for Canadians, and providing better value for money while positioning our department for the future.

I will now go to slide 11.

• (1555)

There are six priorities in the department's report on plans and priorities. At the end of the year, we will report our progress on supporting these priorities in the departmental performance report.

In conclusion, we are a large department with offices and employees across Canada. In very tangible ways, we are the face of the federal government for many Canadians. This broad mandate and reach puts us at the forefront of the Government of Canada's labour market and social policy agenda. It gives us an opportunity to make a difference in the lives of Canadians from coast to coast to coast.

Thank you for giving us the opportunity to appear before you today. We'll be pleased to take your questions.

The Chair: Thank you, Mr. McGovern.

We'll commence the questioning with Ms. Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Chair.

Thank you for coming before us. It's always a process to educate a new HUMA committee on the very complex department you operate.

In preparation for the meeting, I went to your integrated business plan. You acknowledged in your opening remarks that roughly 95% of your budget has to do with the income support programs. I have a question about your strategic review, which you also referenced. If 95% of your funds are with those income support programs and you need to achieve roughly \$500 billion in savings over three years, I wonder where that money is going to come from. To me, that says you have roughly 5% of the department to cut \$500 billion over three years. I wonder what the impact is going to be on programs that are delivered outside of that 95%. What kind of process are you going to use to review that?

Mr. David McGovern: The government is committed to reducing its spending and its size. To achieve this, it started with a number of initiatives, including the strategic review that you noted in your question. In 2010 HRSDC began a strategic review of its programs. These reviews are done on a regular cycle, and our review was essentially in the fourth year of a four-year cycle. We undertook to look at our programs and services to ensure that they were efficient and effective, that they continued to respond to the priorities of Canadians, and that they were in line with our core federal responsibilities.

Ms. Jean Crowder: May I follow up on that? The \$500 billion that's expected to be cut over three years, will that only come out of the 5%, or will it also be targeted at the 95% where the income support programs are?

Mr. David McGovern: As we announced in the budget, our department will reduce its spending by approximately \$270 million over three years through strategic review. Our focus—

Ms. Jean Crowder: Will that come out of the 95% or the 5%? That's the piece that I'm interested in.

Mr. David McGovern: The reduction comes out of our department's base budget. It's a 5% reduction under strategic review.

Ms. Jean Crowder: I'm not clear on this. Will both parts of that funding pocket in the department be impacted?

Mr. David McGovern: It excludes the benefit programs.

Ms. Jean Crowder: It will come out of the 5%, then, the balance of the department. My understanding is that 95% is EI, CPP, and all of the income support programs.

• (1600)

Mr. David McGovern: My understanding is that in Budget 2011 we announced the strategic review decision as it impacts HRSDC. The reduction we are looking at is \$270 million over a three-year period.

Ms. Jean Crowder: I'm reading your program here and it says \$96.2 billion, or 94.2%, will directly benefit Canadians through large statutory transfer payment programs such as old age security, the Canada pension plan, employment insurance, Canada student loans, and universal child care benefits. If I'm hearing you correctly, that 94.2% is not part of where those cuts need to come from. The cuts need to come from the other 5% of the department's budget. I'm just wanting to be clear on where those cuts will come from.

Mr. Jacques Paquette (Senior Assistant Deputy Minister, Income Security and Social Development Branch, Department of Human Resources and Skills Development): To clarify the benefits, if I may, you were talking about the CPP and OAS and so on. They are not counted in this. Then there is a base that is evaluated for the entire department, and the 5% is 5% of that base.

Ms. Jean Crowder: Okay, so that \$270 million will come out of that piece.

Do I have time left, Mr. Chair?

The Chair: You have about 45 seconds.

Ms. Jean Crowder: Okay.

You won't have time to answer this, but I also noted that your FTE reduction is roughly 3,500 FTEs over three years. The note in here says part of that is because you were staffing up as a result of increased employment insurance.

I wonder if you could provide us the FTEs prior to 2010. If you could do that in writing, it would be much appreciated because you will not have time today. The three years prior to 2010 would be useful.

Thank you.

The Chair: Thank you for that exchange. I gather from it that the statutory benefits will continue without being affected.

We will now allow Ms. Leitch to go ahead.

Ms. Kellie Leitch (Simcoe—Grey, CPC): Good afternoon.

I won't be speaking a lot of French. Unfortunately, I only speak English right now.

I really appreciated the presentation. Thank you very much for taking the time to come to present here, and also for taking the time to put it together. I know these are not easy tasks and you have a lot of things on your plate right now, so I greatly appreciate your taking the time to come to present today.

I have two questions, so there is a more fulsome appreciation of the breadth and depth of what you cover in the department.

What are the key programs currently undertaken by HRSDC that you believe are facilitating participation in the labour market? You specifically outlined the strategic initiatives for HRSDC on page 8. What are those programs that are helping us increase our skilled labour force across the country?

Mr. Louis Beauséjour (Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Skills Development): There are a number of programs put forward either to increase the skills of people or to have them come back to the labour force. If we look at trying to have more

people participating in the labour force, we have programs that are targeted to people at risk. We have the opportunities fund to help disabled people become more attached to the labour force. We have labour market agreements for persons with disabilities with provinces, giving disabled people access to labour markets.

There is programming that specifically addresses aboriginal people. We have the aboriginal skills and employment training strategy, and also the aboriginal skills and employment partnership. There is also the youth employment strategy targeted at youth. There is the targeted initiative for workers to ensure they can obtain some of the skills to regain their attachment to the labour force.

When we look at our big suite, there are two big transfers that we make to provinces to provide funding for training. There is the labour market development agreement, which partly targets either employment insurance clients or former clients of EI, and also labour market agreements to provide support for unemployed people to regain their attachment to the labour market.

We also have a program that targets specific skills development, such as the literacy and essential skills program, where we work with stakeholders to develop best practices in identifying the right kind of training for essential skills.

What else can I mention? We also have a program, the foreign credential recognition program, through which we provide funding to stakeholders to develop and accelerate foreign credentials recognition to ensure that internationally trained people, both immigrants and Canadians who were internationally trained, can have faster access to labour markets.

I think that covers most of the programs. It's a large suite of programs to deal with these kinds of issues.

• (1605)

Ms. Kellie Leitch: I'll ask one other quick question.

Could you inform the committee of the modernization tactics you've undertaken to modernize the organization? I know you've been very actively engaged in doing that. Could you update us on the modernization that you've done? I understand there's been a fair amount of automation injected into the organization.

Mr. David McGovern: With respect to the automation of our programs, the people appearing next from Service Canada are best placed to respond to that question.

Ms. Kellie Leitch: Thank you.

The Chair: Your time is up as well.

We'll move now to Claude Patry.

[Translation]

Mr. Claude Patry (Jonquière—Alma, NDP): Thank you, Mr. Chair.

Mr. McGovern, I would like to thank you so much for being here and for your presentation.

In your presentation, you spoke about modernization. I come from the union world. When there is modernization, there is centralization. Things will now be done by telephone and computer. You know that Canadians are not all skilled at using computers. Even I have trouble adjusting to these changes.

I have a concern. I have a question for you, but then another one after that. The wait time to speak to someone at Service Canada to ask about employment insurance has increased. I've been told that the wait is longer than it should be.

You know that when someone presses 1 or 2, they often hear "your call is important to us". Now, callers aren't even getting an answer. They're told that the lines are busy. People are having difficulty responding to them.

Questions are being raised, and we are quite concerned about people who want to receive employment insurance benefits. Some of them are receiving benefits currently because of a lack of work. When they get sick and want to change their claim, they get no answer, even after 60 days. The timeframe has really increased since we started speaking about centralization and modernization.

A 58-year-old man like me who wants to make a claim and who must put an X in the boxes can sometimes make a mistake on the computer without even knowing it, and the system can block him. It can take days before he gets an answer.

I am an advocate for centres because contact with people is important. The type of people who are going to come and meet you in person at the service centres are going to be more comfortable.

According to the *Fédération des travailleurs et travailleuses du Québec*, it takes 100 days to process an employment insurance claim, instead of 28. There are 30,000 delayed files in Quebec alone. Service Canada has already lost control of its service offer and says that these cuts of over 600 positions will have no considerable impact. Canadians will be the first victims of inappropriate budget cuts.

In the case of a file review, which must not exceed 21 days, it's taking 181 days under the current system. For the control investigation service, instead of taking 21 days, it's taking 532. What will the average wait time be to process an employment insurance claim after services are centralized?

Mr. David McGovern: Thank you for your question.

As I said in my previous response...

• (1610)

[English]

the Service Canada officials who will be appearing after us are much better placed to answer the concerns raised by the member. We work very closely with Service Canada, but my experience is that it's best to have them respond to service-related questions.

The Chair: Claude, do you have any additional questions you'd like to ask? You have an additional two minutes.

[Translation]

Mr. Claude Patry: No, it's okay.

[English]

The Chair: You want to share the time. That's a fair thing to do.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Mr. McGovern, you talked about reducing barriers to post-secondary education, and in your document you also made reference to supporting communities in their efforts to address local challenges and to meet the social development needs of Canadians. Mr. Beauséjour actually touched on my question. He talked about the aboriginal skills and training strategic investment fund, which is part of one of the programs you deliver. Yet when talking about aboriginals, all too often, as you know, they don't have the same amount of resources as others do. By the time a program is put together, such as the police studies certificate program that I have here, they get a bit of funding but then can't continue. Maybe you can tell me whether or not that program is still in existence, because the documentation I received says the response they received was that the program was finished as of March 31, 2011.

Is that program still in existence? Is there an opportunity for organizations like the Assiniboine Community College to actually tap into those dollars to have their program go forward for their people?

In keeping with that, Aboriginal Affairs and Northern Development Canada has already committed 25% funding to this program and the RCMP fully supports it. St. Theresa Point will be providing accommodations as well. So they need the dollars to move forward on this program. I am just wondering if that program is still in effect.

Mr. Louis Beauséjour: I will try my best to answer that question.

Basically, when we look at the aboriginal labour market program, right now there are three types of programs. We have the aboriginal skills and employment training strategy. There are five years of funding for that. It provides funding to 80 aboriginal organizations, which provide over 40 points of service to prepare first nations, Métis, and Inuit to return to work or gain access to employment.

There is the skills partnership fund, which is also an ongoing program. We have \$200 million over five years for that. It is a partnership based, employment driven fund that will support projects and encourage innovation and partnership.

As part of the EAP we also had additional money that was provided. I don't remember the name, but I think it was ASTSIF. It was additional money to supplement that funding. It was time limited money, which was also providing project based funding. That money effectively came to an end in March 2011.

The Chair: You might have to answer that supplementally in the next round.

We'll move on to Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and thank you to the witnesses for being here today.

I have some questions about page 9 of your deck out of interest, as I'm new to this committee.

You show your expenditures of \$101.1 billion. Of that amount, the Canada pension plan is \$33 billion. That's what you pay out, but there are premiums paid in. You don't have any revenue that actually comes into the department to offset that, or are you just managing the plan where you're paying out that amount of money?

Mr. Jacques Paquette: You're correct that we manage the plan. The contributions are being paid on an annual basis, amounting to 9.9% on a half-and-half basis between the employee and employers. That money is captured and, at the moment, we are not paying benefits out at the same level as the contributions. So the excess is being invested for what we call the future peaks, because of baby boomers basically retiring and so on. We don't expect to have to draw from this fund for another 10 years. So what you see here are the total benefits being paid through CPP on an annual basis.

• (1615)

Mr. Colin Mayes: I want to follow up on that a little bit. You put down \$33 billion. Is that the benefit paid out, or does the department get a percentage of that for handling that fund on behalf of the Canada pension plan?

Mr. Jacques Paquette: That includes the....

Mr. Colin Mayes: It includes the costs of managing the fund?

Mr. Jacques Paquette: Yes.

Mr. Colin Mayes: Okay.

It would have been interesting to me, as a newcomer here, to have a revenue base, not just expenditures, to see how much money is coming in. I understand the reserve on the Canada pension plan, for instance, is \$60 billion. Is that roughly what it is?

Mr. Jacques Paquette: I didn't check the last figure because markets are moving, but it's in the \$150 billion range.

Mr. Colin Mayes: That's great. It's good news.

That would be similar to employment insurance, insofar as there is revenue coming in. You just manage the issuing of the benefit. Is that correct?

Mr. Jacques Paquette: That's correct.

In fact, there are three different sources of funds for the department. One is EI, one is CPP, and the rest is a central....

Mr. Colin Mayes: It would have been interesting for me, as a newcomer, just to see what does come in. When a taxpayer looks at this and sees there is \$101 billion going out, it's always nice to see what is coming in from the premiums that are being paid. When you look at that, you take the amount of money the Canada pension plan is receiving and the money coming in from employment insurance and you add those together and all of a sudden you realize that, actually, there is only a little over \$55 billion going out. I think that is a better picture of the cost to the taxpayer. That would be an invaluable part of this deck.

Mr. Jacques Paquette: I would add that all the amounts relating to the CPP are published on a yearly basis by the Chief Actuary, who keeps a close track on the needs: how much comes in, and how much goes out. In fact, in his report he said that the CPP was viable for the next 75 years, and that's based on all of these projections and on the in and out currently happening. The number I have here is that the contribution last year was around \$37 billion. That's what was

coming into the system. As you know, we are managing the CPP on behalf of the federal and the provincial governments.

Mr. Colin Mayes: Canadians should be very happy that we have this security with our Canada pension plan. It's been a very great success and I think it's recognized around the world.

There has been some discussion about the possibility of employment insurance being an in-and-out fund, where it is balanced every year to the cost of premiums. We've had a hiccup in the economy. How do you see the department handling that? Have you had any discussions about whether you'd still be administering the sending out of the cheques and the administration of that fund? It would be a separate line item where you have the premiums coming in and the benefits going out, as far as EI is concerned.

Mr. Louis Beauséjour: I will take that question.

First of all, in terms of following the EI operating account, it's both the expenditure and revenue under the operating account. It is published as part of the public accounts. With regards to the financing of EI, right now we have the Canada Employment Insurance Financing Board, which is responsible for managing any surplus. They are also responsible for setting the EI premium rate to ensure that in the future, the EI operating account is in balance. As you probably know, last year it was determined that the maximum increase in the EI premium be fixed at a lower level. Right now, the government is doing consultations on what the EI rate-setting mechanism should be for the future in Canada.

• (1620)

Mr. Colin Mayes: Thank you very much for the information. I appreciate that.

The Chair: You're time is up.

We will move to Mr. Simms, for five minutes.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Thank you.

At the beginning, the 95% and 5% were discussed, as well as where the 4% expenditure review would come from. I'm not quite certain as to where it would.

Would any of those payouts, or any of those three pillars, as I will call them, regarding the 95% paid out be affected by an expenditure review of 4%?

Mr. David McGovern: I can give you a breakdown of where the department's contribution to the strategic review exercise came from. As I noted before, Budget 2011 announced that—

Mr. Scott Simms: Excuse me, I just get one shot at this.

Is it possible that the 4% expenditure review money, the cuts that are coming, would also include the 95%?

Is that a yes or no, or am I being too complicated?

Mr. David McGovern: There's no decision on the strategic operating review.

Mr. Scott Simms: Okay. When it comes to the student jobs program, would you be able to comment on that? Would you consider that program to be in that 95%?

Mr. David McGovern: Again, if you're referencing the strategic operating review, or SOR, that process is still under way and there have been no decisions taken on it. We can comment about the strategic review, where the details have been announced in Budget 2011.

Mr. Scott Simms: I understand. I'm just worried about the future.

Since my time is limited, let me move on to the EI rate issue again. What did the board recommend the EI rate should be to bring it into line, to make it balanced, I guess is the term?

Mr. Louis Beauséjour: Unfortunately, I don't have that information with me. I didn't bring that. It's higher than the current rate. The EI operating account, as you know, was in a deficit because of the economic downturn; but I don't remember the level that was indicated. It was part of the Chief Actuary's report that was published last fall. It indicated the level that would bring the account to balance in a given year, but I don't remember the numbers.

Mr. Scott Simms: Does the board have a cap on a cash reserve to deal with any deficits in the EI fund?

Mr. Louis Beauséjour: As it exists right now, I think the legislation provides that if they were to have a surplus, the CEIFB should maintain a \$2 billion reserve.

Mr. Scott Simms: They should maintain a \$2 billion reserve.

Was it not recommended awhile ago, maybe by the Chief Actuary or the Auditor General at the time, that about \$15 million would be needed to sustain a program such as this?

Mr. Louis Beauséjour: Yes, I think I remember that was one recommendation made at the time.

Mr. Scott Simms: Okay, so the government just decided it was going to be—

Mr. Louis Beauséjour: At the time when they took the decision, it was decided that \$2 billion would be enough to face the kind of fluctuation in the economy we were having at the time.

Mr. Scott Simms: You obviously don't have the rate number, but the number is fairly substantial to bring this program into balance.

Mr. Louis Beauséjour: If you were to do it in a given year, yes.

Mr. Scott Simms: Fine, okay.

The rest of my questions are for Service Canada.

The Chair: Okay, thank you very much.

We'll move to a Conservative member, Mr. Daniel.

Mr. Joe Daniel (Don Valley East, CPC): Obviously, a concern for most Canadians is the poverty level among seniors.

Could you comment on the measures to decrease seniors' poverty, particularly bearing in mind the recent increase in the guaranteed income supplement?

Mr. Jacques Paquette: Yes, sure.

What I would say is that the efforts focusing on seniors in the last few decades have been quite successful when one looks at the poverty rate among seniors. In a few decades, that rate went down to

only 5.2%, which is in fact lower than the average for the rest of the Canadian population. This is due to a combination of many factors, including the fact there has been greater labour market participation by women over the last decades, which is also having an impact.

The OAS increases that were announced in 2006-07 and, more recently, what we call the GIS top-up, have contributed to the increased level of benefits seniors are receiving. This is for old age security, but specifically the guaranteed income supplement that is for the lowest income seniors. The top-up that was announced in the last budget focused on the lowest of these. In fact, the amount announced was provided in a way that had the greatest impact on or benefit for lowest income seniors.

Of course, you have to add to this the other measures that have been announced in the last few years, including some tax measures to increase the seniors tax credit, and so on. It's because of the combination of all of these elements that we can now state that compared to other OECD countries, the level of poverty among our seniors is among the lowest. There is still some work to be done, but we can say with assurance that we're certainly going in the right direction.

•(1625)

Mr. Joe Daniel: Okay.

Kellie, would you like to supplement that?

Ms. Kellie Leitch: Yes.

I just have one further question for Monsieur Beauséjour. Is it not true that the transparency and the creation of the new accounts for EI were created in the 2008 budget by the Conservative government?

Mr. Louis Beauséjour: Yes, it was both the creation of the new Canada Employment Insurance Financing Board in 2008 and its ability to set the rate on a going forward basis. Moreover, there was an instruction to this new organization to look at the balance starting in January 2009, going forward.

Ms. Kellie Leitch: Is it not also correct that this rate was set so that there would be protection for employers and employees from substantive increases?

Mr. Louis Beauséjour: Yes, at the time the maximum increase was set at 15¢ per year. The government, as I remember last fall, as part of the budget, decided to have the maximum increased up to 5¢ for the coming year.

Ms. Kellie Leitch: Thank you very much.

The Chair: Okay.

We will then move to Ms. Perreault.

[Translation]

Ms. Manon Perreault (Montcalm, NDP): Good afternoon, ladies and gentlemen.

Page 4 of your presentation indicates that you help Canadians with specific needs, including persons with a disability. I recently read the 2011 Summative Evaluation of the Canada Pension Plan Disability Program. The report indicates that 49% of people who do not qualify for the disability program still have no employment income after three years.

Does the department intend to study the reasons for the problem behind these numbers?

Mr. Jacques Paquette: Actually, when we looked at the evaluation report, we noticed that some numbers were surprising and that we would need to do a lot of work to understand the numbers better. It wasn't clear why some of these people did not return to work or how the files were presented. In our response to the report, we noted that this matter would require a more in-depth review to understand the dynamics and better understand what these numbers really mean. It wasn't clear whether we could draw any conclusions from what the data seemed to be indicating. We are now trying to better understand what these numbers represent, the reasons why these decision were made and that factors that explain why some people have not returned to work.

• (1630)

Ms. Manon Perreault: Could we get a copy of your study? Would it be possible to have a report that would justify these numbers and percentages?

Mr. Jacques Paquette: We are conducting evaluations to determine whether there are things that we aren't seeing or that we don't know, and to evaluate the effectiveness of the program. It's important to know that the Canada pension plan disability program uses very specific and very precise definitions that refer to the seriousness of the disability and to a long-term disability, among other things.

The fact that someone did not return to work doesn't necessarily mean that that person fulfils those conditions. This is sort of what we need to understand better, the nature of the situation or the reason why the individuals didn't later return to work. It also involves seeing if there are other reasons to explain whether or not a situation matches the definition itself of the program.

Ms. Manon Perreault: The same report indicates that 48% of recipients are below the poverty line, and that it's mainly people with mental problems who are affected. What does the department plan to do to deal with this level of poverty?

Mr. Jacques Paquette: Are you talking about people who benefit from the pension program or other people?

Ms. Manon Perreault: I read it in the summative evaluation report, so it's people who benefit from the program.

Mr. Jacques Paquette: It's an insurance program. When we contribute to the Canada pension plan, we also automatically contribute to this insurance fund. The program is set up to provide these insurance funds to people who meet a minimum number of criteria. For example, a person needs to have previously contributed to the program, and so on. Once you are eligible for the program, there is a basic benefit amount, a minimum but still respectable amount, that everyone gets. This way, even if you haven't been contributing to the program for very long, you still get a minimum amount. Added to that is a percentage of what you would have

received for a pension, for example. It's the combination of those two amounts.

It's a little like the Canada pension plan, which was not put in place with the intent of replacing 100% of a person's employment income. It was designed to help and replace up to 25% of employment income.

When a person benefits from the disability program, amounts are therefore added. Other programs, including tax credits, are also in place to help these people.

[English]

The Chair: Ms. Perreault, your time is up.

We'll conclude with Mr. Butt.

You have five minutes, and we'll suspend after that.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you very much, Mr. Chair. I appreciate it.

Thank you very much for coming today. I wanted to let you know that one of my first very positive experiences after being elected on May 2 was my visit to the Service Canada office in Mississauga. It's a very busy office, but I was very impressed with your staff. I was very impressed with the openness and the professionalism I saw. I hope you'll take that back to them. I'll remind them when I visit them again how pleased I am with how the office operates.

What I would like you to do is to provide some detail on the various services, the myriad services that the staff are providing, for someone walking off the street in Mississauga into that office on Glen Erin Drive. On the other support services, as an example, I know there are computer terminals and stuff there that the public can walk in and use to access government programs. Could you just take a minute or so and detail the various services and programs that citizens can get access to just by dropping into their Service Canada office?

• (1635)

Mr. David McGovern: Mr. Chairman, I have no problem accepting compliments on behalf of Service Canada, but I think it's best that it provide that information. As you know, it is appearing immediately after us today.

Mr. Brad Butt: I'll ask the same question of them later.

Mr. David McGovern: But I share your observation. I recently visited a Service Canada office in Iqaluit, and it's an extraordinary role they play for the citizens of that territory.

Mr. Brad Butt: Okay, I'll move on.

I guess I was confusing the overall areas that each of the presentations was covering today. So I'll get back to something that's more appropriate in the HRSDC department area.

Do you want to detail some of the achievements to date on labour mobility issues and your progress towards some national standards, while obviously working with our partners in the provinces and making sure that we have programs that are meeting the needs of our labour market today and where we are likely to be going in the future?

Mr. Louis Beauséjour: In 2009 one of the big achievements we had in terms of mobility, both internally and in ensuring that people coming from other countries or who had been trained in another country could have more access to the labour market, was the pan-Canadian framework for foreign credential recognition, which was key to that achievement.

Based on that, there were two sets of priority occupations that were identified under to ensure that the individuals who could potentially be working in those occupations would have fast assessments of whether their credentials could be recognized in Canada.

Last December, for the first set of occupations, we basically achieved our goal of ensuring that within a year, people would be advised if their credentials would or would not be recognized in Canada. Now we are working on a second set of occupations.

The other main achievement was the interprovincial trade agreement where, basically, we reached agreement that people who have been assessed in one province, particularly in an unregulated profession, would be able to work in any other province in Canada. That was also an achievement.

The Chair: We'll suspend for the next panel.

Thank you very much.

• (1635) _____ (Pause) _____

• (1645)

The Chair: I think we're ready to go.

We've heard from HRSDC, and we're now wishing to hear from Service Canada.

One of you will present, I gather, and then we'll open up for some questions.

Without saying too much more, we'd like to hear from you with respect to Service Canada.

Ms. Carolina Giliberti (Senior Assistant Deputy Minister, Services Management, Service Canada): Thank you very much, Mr. Chair.

I am pleased to appear before you today to give you a brief description of Service Canada and its role in the delivery of federal government services and its commitment to delivering the best service possible to all Canadians in a way that's efficient, effective, and focused on the changing needs.

I'm accompanied by my colleague, Mr. Paul Thompson, who is the assistant deputy minister of the Processing and Payment Services Branch; and Mrs. Cheryl Fisher, who's the acting assistant deputy minister for the Citizen Service Branch.

[*Translation*]

The purpose of today's presentation is to provide an overview of Service Canada, who we are and what we do. I will also talk briefly about our future plans, based on the ongoing improvement of the service.

We'll now move on to the presentation. I'd be happy to answer your questions afterwards.

Service Canada aims to offer one-stop, easy-access to government information, programs and services to meet the needs of Canadians. Our integrated national service delivery network makes it easier for Canadians to get what they want or need from the government, how and when they choose, by Internet, by telephone, in person or by mail.

[*English*]

As the operational service delivery arm for HRSDC, Service Canada supports the achievement of policy and program priorities through the delivery of core programs, including employment insurance, the Canada Pension Plan, old age security, the guaranteed income supplement, the social insurance number, and the wage earner protection program.

In addition to delivering core services, Service Canada also works with a range of federal partners to provide Canadians with help or information on such life events as finding a job, getting an education, applying for a passport, having credentials recognized, raising a family, retiring, living with a disability, starting a business, and much more. I will speak more on this later in the presentation.

[*Translation*]

Service Canada has strongly prioritized collaboration and intergovernmental partnerships, for example with the agreements on life events.

Within HRSDC's portfolio, Service Canada comprises a national headquarters and four regional management structures: West, Ontario, Quebec and Atlantic.

Service Canada is one of the largest and most regionally diversified organizations within the government. In fact, in a workforce of 16,000, almost 9 out of 10 employees do not work in the National Capital Region.

Service Canada has on four key business lines.

[*English*]

Our citizen services business line is responsible for Service Canada's client service strategies and offerings, as well as our integrated approach to managing key service channels. It captures the views of and perspectives of Canadians through such initiatives as our office for client satisfaction and the voice of the client initiative, as well as the insights of employees on how to continually improve services through our newly launched voice of the employee.

Our processing and payment service business line is responsible for the operational delivery of the department's core programs, including employment insurance, the Canada pension plan, old age security, and the guaranteed income supplement.

Our integrity services business line helps us to ensure that the right individual receives the right benefit payment at the right time through a comprehensive risk-based program to improve the accuracy of processing and payments, ensure compliance, and ensure the security and accuracy of personal information.

Our labour market and social development program is delivered at the regional level and is responsible for the delivery of a diverse range of programs to Canadians, such as youth, seniors, persons with disabilities, and aboriginal peoples.

[Translation]

Service Canada is responsible for delivering over \$95 million in benefits for some of the most basic programs that touch the lives of Canadians: employment insurance, the Canada pension plan, old age security, the guaranteed income supplement and the wage protection program.

• (1650)

[English]

This represents approximately 4.3 million payments annually, with the vast majority—nearly 85%—deposited directly into client bank accounts, greatly simplifying the client service experience.

In addition to making payment processes more timely, Service Canada is also achieving higher levels of payment benefit accuracy through more automated processes, generally meeting or exceeding the 95% accuracy target for all major programs.

[Translation]

Ensuring that Service Canada and its employees are focused on the needs and wants of Canadians when it comes to priority services is at the heart of our vision.

[English]

Our mission statement is based on what Canadians have told governments they want from a service organization: timely, single-window access to the full range of government service offerings, supported by knowledgeable service professionals.

[Translation]

Under our mandate, we are committed to continuous improvement by deepening the level of cooperation in services to offer Canadians a wider range of government services in the delivery method of their choice. Service Canada's national multimode network ensures that Canadians can click, call or visit to get the government information, programs or services they need.

[English]

To provide you with a bit of detail on our more than 600 points of in-person service, we have 331 Service Canada centres, 274 scheduled outreach sites in rural and remote locations, and 28 Service Canada community offices.

On slide 7 you will see a map showing shows that we have over 600 points of service across Canada. Service Canada provides over 90% of Canadians with access to services within 50 kilometres of their homes.

[Translation]

This extremely detailed map of points of service shows the wide range of locations offering services in person to Canadians. As you can also see, the map very clearly illustrates that it is a priority for our organization to provide an efficient presence in urban and rural areas across the country.

[English]

At the present time, the vast majority of our in-person sites, nearly three-quarters, are located in rural and remote areas of the country.

[Translation]

Since it was created, Service Canada has made it an ongoing priority to create solid and sustained partnerships and to engage in intergovernmental cooperation.

[English]

We have more than 70 service offerings, and they're now delivered on behalf of Human Resources and Skills Development Canada and 12 other government departments and partners.

[Translation]

These partnerships increase our ability to attain more complex and convergent results when it comes to providing services to Canadians.

[English]

We enhance existing services, for example, sharing information relevant to social insurance number issuance. We deliver new services such as the passport receiving agent service, and we implement new cross-government service offerings such as the joint CPP disability and disability tax credit.

[Translation]

I'm now on slide 9.

There are four key challenges before Service Canada for the future, and these challenges have an impact on our ability to serve Canadians.

The first challenge is the changing demographic.

[English]

Our aging population will increase the pressure on Service Canada to deliver the pension and other services that Canada's seniors rely upon. Canada's senior population is expected to more than double by 2036, increasing service demands for pension programs. And as more people retire, we know we will need to turn our focus increasingly to supporting the skilled workforce we will need in the future.

[Translation]

The second challenge is the rising citizen service delivery expectations.

[English]

Canadians expect government services to compete with the levels of service they receive from the private sector. This means 24-hour, online, easy-to-use self-service. They want one-stop government services that are organized and offered to meet their individual needs. And in this digital age, as citizens are increasingly empowered to self-serve online, they expect 24/7 access to fully transactional government e-services.

[Translation]

New technologies present the third challenge.

[English]

Around the world, public and private sector service delivery organizations are leveraging new technologies to integrate and simplify the delivery of services, streamline transactional services, and make better use of online communication.

[Translation]

Lastly, fiscal restraint is also a challenge.

• (1655)

[English]

In a period of fiscal restraint, Service Canada needs to be efficient and as effective as possible.

[Translation]

To meet these challenges, Service Canada remains committed to delivering service to Canadians in a way that is modern, efficient and sustainable.

In the coming years, our service improvement plan will reflect the following priorities.

[English]

We want to enhance our service delivery through an improved Service Canada website and the My Service Canada Account, so that citizens can take advantage of greater electronic services and self-service options when they are seeking information and conducting service transactions.

[Translation]

This service improvement plan will also focus on the continued progress of a general modernization program by moving ahead with the possibility of automating, regrouping and further standardizing our administrative processes to attain better operational performance and cut costs in this period of fiscal restraint.

Thank you very much. I would now be pleased to answer your questions.

[English]

The Chair: Thank you for that presentation. You certainly do provide a full range of services that affect the lives of many, many Canadians.

We will now open it up to rounds of questioning, starting with Claude Patry.

[Translation]

Mr. Claude Patry: Thank you, Mr. Chair.

Good afternoon, ladies and gentlemen. Thank you for your presentation. I was listening attentively.

I'm surprised to find out that 99% of claims are made electronically, because that doesn't correspond with what goes on in my riding.

I have three questions. I would like it if you could answer me in writing because we probably won't have the time to hear the answers.

Many rumours have been circulating since last summer about modernizing the employment insurance system. Canadians are concerned about the impact that automating the benefits claim process will have. The Department of Human Resources and Skills Development hasn't provided any specific information about the impact of its costing review strategy. Canadians have the right to be informed of changes the department wants to make to services

offered to workers, particularly in this period of economic instability. Modernizing the system to make it more efficient is certainly respectable, but it must not be to the detriment of the quality of public services. How will these changes affect the quality of services offered to Canadians in person?

According to the *Fédération des travailleurs et travailleuses du Québec*, it takes 100 days to process an employment insurance claim, instead of 28. There are 30,000 delayed files in Quebec alone. Service Canada has already lost control of its service offer and says that cuts of over 600 positions will have no considerable impact. Canadians will be the first victims of inappropriate budget cuts.

File reviews, which are supposed to be done within 21 days, are taking 181 days under the current system. For the control investigation service, instead of taking 21 days, it's taking 532. What will the average wait time be to process an employment insurance claim after services are centralized?

Ms. Finley, the Minister of Human Resources and Skills Development, said that there would not be massive job cuts. It's astonishing that she doesn't consider the loss of 600 jobs...

[English]

The Chair: If I may interject, Mr. Patry, the translators are having difficulty because you're speaking quite fast. If you could slow down a little bit, that would be helpful to them, as they're just not able to keep up with you.

[Translation]

Mr. Claude Patry: Okay.

[English]

The Chair: So if you want to just continue, I'll give you a little extra time if you want.

[Translation]

Mr. Claude Patry: The cuts are massive and have been mostly in the regions, which means that less money is being spent in the small communities. Not only will these cuts increase the unemployment rate in the regions dealing with a high number of job seekers, but they will also inevitably affect the quality of services offered to them.

How many jobs will be abolished in Canada in the next three years because of the automation of employment insurance claim processing? How many will be eliminated by attrition? What are the reasons behind the decision to centralize claims in one processing centre over another?

In closing, I'd like to remind you that I'm surprised to learn that 99% of people complete their claim electronically, because older people often don't have a computer or aren't very skilled at that kind of task. I seriously wonder.

Lastly, people have told me that when they phone to get information, the telephone lines are busy. So they can't get answers. I think we need to promote contact with individuals when they go to an employment insurance office because they can get their questions answered and be directed to the right resources, depending on what they need.

● (1700)

[English]

The Chair: That was a comment. Did you have a question you wanted answered, Mr. Patry?

Does anyone have a response to that?

Ms. Carolina Giliberti: I'll start on the modernization piece and then maybe I'll turn it over to my colleague, Mr. Thompson, to talk about the service level aspect of it.

Certainly we're hearing from Canadians that they do want online access. We know, for example, that we've had 15.9 million log-ins to our website this year alone. We know that Canadians do want to have modern service delivery, and for us, that means automation. So for us, the ability to respond to Canadians and their needs means developing an automation platform that allows us to provide really effective, fast service delivery.

At this point we're currently working on automation at about 40%, and we'll be moving to 70%. That will dramatically increase our ability to be efficient and effective and to meet the needs of our clients.

Maybe Paul can talk about some of the service standards.

Mr. Paul Thompson (Assistant Deputy Minister, Processing and Payment Services Branch, Service Canada): One of the facts you mentioned in particular was the level of electronic applications we receive. You quoted the 99% figure. Indeed, we've had great success in getting our clients to submit their applications online. They include individuals applying from their homes online, but also by visiting one of our Service Canada centres, where our staff often assist clients if they have any difficulties in filling out the application using a terminal in the Service Canada centre. So between individuals doing it at home or in a Service Canada centre, that's what's enabled us to achieve this level of electronic applications. It has been extremely helpful to us, having that data electronically to process the claim in a more timely, accurate, and cost-effective manner as well. That's been one key element of our automation agenda.

The other key document we need is the record of employment from employers, where we've had great success too. Almost two-thirds of our records of employment are now submitted by employers electronically.

Having those two critical pieces of information in an electronic form has allowed us to take advantage of technology and move to more cost-effective processing.

The Chair: Thank you. Your time is up.

Certainly, your comments on the record of employment are noted. Many wanted that service.

We'll now turn to Mr. Shory.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

And thanks to the witnesses and officials for coming here.

In going through the deck, on page 4 I saw a service delivery highlight that said you had:

Realized a total of \$740 million in direct and indirect savings through integrity initiatives.

Could somebody elaborate on this a little bit?

Ms. Carolina Giliberti: As part of the service offerings, we do have an integrity group that is responsible for getting it right, as I mentioned in my presentation. We need to have controls in place to make sure that we have accurate information when we do our analysis of the amount we're going to be paying. This requires us to look at other data sources to make sure that we have the right information. It also allows us, as we're going through the integrity function, to make sure our information is accurate and up to date. In doing that we will save the account's resources.

As well, there is also a component to it that looks at cases of fraud, where people are giving us the wrong information. So we have a function that allows us to make sure we go through the files and do the audits, as it were, to make sure we have the accurate information. If it is not accurate, then we will require a repayment.

Mr. Devinder Shory: It is a wonderful job you guys have been doing, and I thank you very much for that.

Even though I haven't had a chance to visit any Service Canada office yet, I definitely hear from my staff about all kinds of cooperation there. In my riding of Calgary Northeast, we have a unique multicultural population and quite a few seniors are of an Indian background.

I was reading somewhere that seniors can earn up to \$3,500 per year in Canada without having GIS clawed back, an improvement that I believe was brought by our good Conservative government. But there seems to be some confusion, because I have been told by seniors, specifically ex-servicemen and seniors societies, et cetera, that it does not hold true for seniors who accumulate up to \$3,500 in small foreign pensions or other income sources in countries like India, from which they are technically not allowed to bring that money to Canada.

I just want some input on that so I can share it with my constituents.

● (1705)

Mr. Paul Thompson: Some of the details of that aspect of the program are probably better dealt with by my colleagues who were here earlier, including policy design. But, indeed, there is a \$3,500 exemption under the guaranteed income supplement program, which is independent of any earnings an individual may have. That is a key element of the program, as you noted. And there was an adjustment to that level as well in a recent budget. So that is one of the programs we administer, and Service Canada implements that aspect of the legislation.

Mr. Devinder Shory: Where can I get the clarification on that issue for my riding, that \$3,500? Maybe it is not for income earned in a foreign country.

Mr. Paul Thompson: That would require a detailed examination of the situation. We could undertake to do that and provide an explanation to you.

Mr. Devinder Shory: Very good. Thank you.

Do I have another minute?

The Chair: You have 40 seconds or a minute.

Mr. Devinder Shory: I'll pass.

I don't know whether someone can comment on foreign credential recognition. Does it come under your area?

Mr. Paul Thompson: Foreign credential recognition was addressed briefly by my colleague Mr. Beauséjour in the previous session.

The Chair: We will be dealing with foreign credential recognition more fully in our next study.

We'll move on then to Ms. Crowder.

Ms. Jean Crowder: Thank you. I'll share my time with Manon, and if there's any time left over, with Carol.

I have just a couple of brief questions. In your deck it says that you are responsible for labour market development programs. Does that include sector councils?

Ms. Carolina Giliberti: No, that's the other group.

Ms. Jean Crowder: It doesn't. That's the other part of the department. Okay, I'll get back to them on it.

The other quick question I have, after reviewing the integrated business plan, is whether the client-centred service change in FTEs is in Service Canada specifically?

Ms. Carolina Giliberti: Yes.

Ms. Jean Crowder: Okay.

I noticed that between 2010 and 2014 there's going to be a decrease of 1,112 FTEs. The minister was up in the House last week indicating that part of that decrease in FTEs would be a result of temporary hires to deal with employment insurance claims processing. But the employment insurance claims have stayed relatively high. So I wonder if there's going to be a change in this planned reduction in FTEs.

Ms. Carolina Giliberti: At this point in time we are monitoring the situation very closely. We have automation, which helps greatly with processing these claims. And at this point in time we are monitoring the workload to make sure we can meet the demands with the resources we have.

Ms. Jean Crowder: So it's a work in progress, then.

Can you tell me what the percentage is of casual or determinate versus indeterminate employees is in the department?

Ms. Carolina Giliberti: Yes, I can. As of July 1, 2011, we had an employee population of 17,128 at Service Canada, of which about 81% are indeterminate staff and 12% term employees. I don't have the number on the casuals. But it's 81% indeterminate, and 12% term.

• (1710)

Ms. Jean Crowder: And 12% are term. Okay.

Finally, you indicated in your presentation that the goal is to have client service available within 50 kilometres of home. In many rural areas that's an issue, because—and I can't speak for Ms. Hughes, but I know it would be difficult for many of her constituents to have access within 50 kilometres. But what about the rural areas that don't have public transportation? In my area there's no public transporta-

tion, and sometimes it is a challenge for people more than 50 kilometres away to get access. And they don't all have reliable Internet access either. So what's the plan for them?

Ms. Carolina Giliberti: Currently we provide service to 90% of the population within 50 kilometres. But I'll let my colleague Cheryl explain the way our services are divided to address the rural situation.

Ms. Cheryl Fisher (Acting Assistant Deputy Minister, Citizen Service Branch, Service Canada): Thank you very much.

The service standard that we maintain is 90% coverage within 50 kilometres. We measure it by the driving distance, by the roads.

We also look at where we have pockets of rural communities, and we often do scheduled outreach services in small communities. Scheduled outreach services are those in which our staff from a Service Canada Centre, who are fully trained, travel to these communities so that the latter can access full services, just as if they were at a Service Canada Centre.

We bring a computer; we have the Internet hook-up, and we work with community partners. We go right into the communities.

That's really how it works. We have 331 Service Canada centres. Of those, 274 do scheduled outreach, where we travel to the communities. We cover a pretty good distance to remote rural communities, and northern communities as well.

Ms. Jean Crowder: Great, thank you.

I'll turn the rest of my time over to Manon.

[*Translation*]

Ms. Manon Perreault: Good afternoon. Thank you for being here today.

You said earlier that Service Canada has some 17,000 employees.

I'd like to know how many of the people in your service centres have a functional limitation.

[*English*]

Ms. Carolina Giliberti: I'm sorry but I don't have the answer to your question on the breakdown. I will make sure you get a written response.

[*Translation*]

Ms. Manon Perreault: I have another question for you, but you can also give me an answer in writing.

Do you have programs that would help meet the particular needs of those employees, to make up for their limitation, to help them realize their full potential and maximize their abilities?

[*English*]

Ms. Carolina Giliberti: We have a number of internal programs for employees of Service Canada and HRSDC—the entire portfolio, for that matter—as well as a number of things that we do as part of our external services to Canadians. We make sure we're very sensitive to the needs of people with disabilities.

We do have a number of programs that are geared for people with disabilities within the public service, and as part of the response on the actual number, we'll make sure we include information about the types of programs. I am familiar with them.

The Chair: I want to advise you that your time is up, but I have a question.

Are the scheduled outreach sites outside the 50-kilometre range?

Mrs. Cheryl Fisher: Actually, the 90% within 50 kilometres include the scheduled outreach sites. So it's 90% of Canadians who live within 50 kilometres of a Service Canada centre or a scheduled outreach site.

The Chair: Thank you for that clarification.

Mr. Butt.

Mr. Brad Butt: Thank you very much, Mr. Chair.

And thank you very much for coming. I hope you were sitting in the back earlier and heard my compliments about the Mississauga Service Canada office, which I did have an opportunity to visit very shortly after the election on May 2. I really do want to compliment your centres and staff. From my perspective the general layout of the centre, at least the Mississauga one, is very welcoming. I think our residents are getting great service from those locations.

Within Service Canada offices I'm sure you have a cookie-cutter kind of approach, because you obviously have services you have to provide across the country regardless of the region the Service Canada office is in. Do you make an attempt to localize or regionalize some of the services you're delivering in certain parts of the country? I'm sure the issues that residents have in Ms. Hughes' riding in northern Ontario are going to be a lot different than they might be for my residents in a suburban Toronto riding.

Do you take time in each of those 308 locations to regionalize the services and the outreach and the programs a little? Obviously, there are different needs for different Canadians, depending on where they live; and there are different circumstances given the varying unemployment rates, which could be higher in certain areas and lower in others, and given the other support programs we have. How do you deal with these differences within each of your centres?

• (1715)

Ms. Cheryl Fisher: Thanks very much.

Thank you for the compliment earlier. It's always nice to hear positive comments.

One of the things about Service Canada is that in our quest for delivering service excellence, we really focus on citizen-centred programs and services. We really try to tailor the service experience that we provide to citizens in order to meet their needs.

As an example, we often bundle services by life events. Rather than a person coming into our office and having to know that they need CPP, EI, foreign credential support, or something like that, we actually take a life event approach. If they are experiencing unemployment or they're looking for a job, we try to tailor services to meet their needs.

The specific answer to your question is that really we do both. We have standard programs that we deliver nationally. Those are our

core programs. They're available in every Service Canada centre and outreach site wherever you go. Those are the Canada pension plan, employment insurance, old age security, and CPP disability. We also offer the social insurance number. If someone needs a social insurance number, they can come to any Service Canada centre.

We get into some of the more regional needs when, for example, an office is in an area where we have a large number of seniors. Obviously our statistics and the way the staff would approach the citizens would be much more geared toward supporting seniors. The staff would be much more knowledgeable of all of the things that seniors would have access to. The same goes for rural locations. We often have a particular need in rural communities, and we try to balance it that way.

So it's basically a national program tailored to the needs of the citizen wherever they live.

I think that answers your question.

Mr. Brad Butt: I have a supplementary question to that. I'm sure a couple of my colleagues who represent ridings that are heavily multicultural will be interested in this.

We mandate that services have to be provided in English and French in Canada. Those are the two official languages. But in our regional offices, do we attempt to have—though I realize that we can't mandate this—staff available who speak other languages? I'm thinking especially of a community where you have a language other than English or French that's very predominant in that region.

Do you do your best to try to have people available who either can translate or provide help and assistance to that client in their mother tongue?

Ms. Carolina Giliberti: Yes. I think one of our efforts is to ensure that we do meet the needs of Canadians. Many Canadians, as you mentioned, have different languages, which we try to address. In fact, in all our sites we have a service called CanTalk, a phone system that allows us to hook up the client with another individual who speaks their language to allow for the translation so that we can meet their needs.

Mr. Brad Butt: That's excellent.

That's it for me, Mr. Chairman. Thank you.

The Chair: All right.

We'll now move to Mr. Simms for five minutes.

Mr. Scott Simms: How much automation do you say you have right now for the EI processing centres? What percentage of them are automated?

• (1720)

Mr. Paul Thompson: The modernization agenda that we've outlined is to take us from 40% up to 70% automation.

Mr. Scott Simms: Okay, but if I were to call and ask for my EI claim to be processed, what are the chances that it would be done automatically?

Mr. Paul Thompson: We are already making progress on that 40% to 70%—

Mr. Scott Simms: But where are we right now?

Mr. Paul Thompson: We're at around 50%, at just over 50%, I would say. It fluctuates at different times of the year. Certain types of claims lend themselves to automation more than others, so it's not a stable number. It moves around.

Mr. Scott Simms: And the rest are done how—just manually?

Mr. Paul Thompson: There's a manual intervention that's required on the remainder. Some of those are complex claims that could never really be automated. We never—

Mr. Scott Simms: Would a complex claim be something like the pilot projects—the best 14 weeks, for example, or those sorts of things? Or would that be under automation as well?

Mr. Paul Thompson: I don't think that would necessarily mean it couldn't be automated, but it's generally the types of claims that require more fact-finding around them or that have some unusual circumstances around them that would—

Mr. Scott Simms: I asked because I get the feeling that people who are under best 14 weeks pilot project in these areas of high unemployment have trouble with it. Sometimes there are mistakes saying that they're not calculated by the best 14 weeks. Maybe it's the fault of the automation. Would that be the case?

Mr. Paul Thompson: We're not aware of any systematic errors with respect to the best 14 weeks. I do know that those claims are indeed harder to automate. There's probably a little more manual effort associated with those claims than with the average claim.

Mr. Scott Simms: When you say you're getting up to a certain level of automation, then, are you fixing the system so that these pilot projects can be accommodated?

Mr. Paul Thompson: We are working our way up. We're prioritizing our work. We'll automate the easier and less complex and more frequent types of transactions first, and we'll work our way up accordingly.

Mr. Scott Simms: Does that include the pilot projects?

Mr. Paul Thompson: I'd have to check the exact schedule as to when those—

Mr. Scott Simms: Could you get back to me on that?

Mr. Paul Thompson: That may not be determined yet, because we're working our way up. It may be part of the set of claims that are not—

Mr. Scott Simms: When is the schedule expiry date?

Mr. Paul Thompson: We have a three-year automation agenda associated with the strategic review commitment that was announced earlier and the 600 FTEs that were noted.

Mr. Scott Simms: Is it correct to say that it's within 50 kilometres of a service centre or not?

Mrs. Cheryl Fisher: Ninety percent of citizens are served within 50 kilometres of where they live as calculated by the driving distance.

Mr. Scott Simms: Is that via a service centre or service outreach? How does that work?

Mrs. Cheryl Fisher: It's either one, so both of those are included in that.

Mr. Scott Simms: The outreach centre means that you go to visit people, right? You visit these areas from a certain centre?

Mrs. Cheryl Fisher: That's right.

Mr. Scott Simms: How often do they visit?

Mrs. Cheryl Fisher: It's adjusted based on volume and demand, but—

Mr. Scott Simms: Okay. I asked because in my riding, my area, it's twice a month.

Ms. Cheryl Fisher: Typically it's once every two weeks, once a week, sometimes once a month. It's really based on the community needs and volume.

Mr. Scott Simms: When it comes to reducing the number of processing centres from 120 down to, I think, 22, why is it that when you decide where these centres will be—and I'll use Atlantic Canada as an example—there has to be one in St. John's, one in Moncton, and one in Halifax. It seems to me that if you're looking for efficiencies and savings, moving them to the most expensive centres is probably not the best way to go about saving money. Why were these centres chosen?

Ms. Carolina Giliberti: We looked at a number of factors when we did an analysis of where we were going to consolidate our sites. We examined the current footprint and we looked at the processing sites across the country. We examined each site and reviewed it from both a regional and a national perspective. We also looked at some factors such as bilingual capacity, labour force availability, and the overall regional balance. We also looked at things such as the opportunity for lower-cost accommodations.

Mr. Scott Simms: That's what I'm getting at. It's quite obvious they're in the most expensive centres out there.

Ms. Carolina Giliberti: But we would have to balance it with other factors that might be affecting that community, such as our bilingual capacity, such as—

Mr. Scott Simms: How does the money you're saving create an efficiency, then? You're keeping the other centres open. The regional minister of Newfoundland and Labrador has said that no jobs will be lost.

Ms. Carolina Giliberti: That's right, so over—

Mr. Scott Simms: So there is a mass exodus from the centres to the bigger centres. Is that correct?

Ms. Carolina Giliberti: We have a very planned workforce adjustment, such that positions for those people who are retiring will not be backfilled. So it's done through attrition. As those positions are not backfilled, in the areas where we're actually going to have growth, they will be filled. So either through attrition—

Mr. Scott Simms: Certainly, if you're at a lower rate of automation now, by doing this you're going to run into all kinds of problems.

Ms. Carolina Giliberti: Exactly. So we're phasing our attrition and the people who are moving and backfilling based on our automation releases. So as Mr. Thompson's shop does automation rollouts, we are carefully monitoring our workforce. We have a number of management controls, such as vacancy management committees and knowing exactly where our staff are, as well as their eligibility for either retirement or attrition, or other business lines they can maybe work in. We are carefully monitoring all of that in line with the automation agenda that Mr. Thompson's shop is rolling out.

• (1725)

The Chair: Your time is up.

We have time for one more questioner. Do you wish to go ahead?

Ms. Kellie Leitch: I'm going to share my time with Mr. Menegakis.

Going back to the earlier comments on HRSDC, the Prime Minister has made it clear that direct transfers to Canadians will not be affected by the strategic operating review, just so we're clear on that.

One of the Service Canada outreach centres is in my riding. It's superb. It definitely aids in reaching higher volumes, which I truly appreciate.

There's one thing you didn't go into detail about, but I think the committee members would appreciate knowing. You do an excellent job of monitoring your quality and making sure you are meeting that 90% or more—and from some of the statistics I've seen, it's even more—and of reaching Canadians about the things they need at the right time and the right place. Could you maybe comment on the monitoring and the quality control that you have?

Ms. Carolina Giliberti: Yes. We are very committed to delivering high-quality service that meets the needs of citizens. Really, what it means for us is listening to clients tell us about our services and how we can improve, as well as looking to our employees and a series of management tools that we've put in place to make sure we have good integration between what we hear from our clients and employees and our service improvements.

The work is really being done in Cheryl's shop, so I'll let Cheryl expand a bit on some of the quality assurance we've put in place.

Ms. Cheryl Fisher: Thank you.

Quality assurance for us is really about continuous service improvement and about always making sure that we're responding to citizen needs and expectations. One of the key ways we do that is through feedback. This actually was acknowledged in the Auditor General's report last year. We have a number of feedback mechanisms—it's really quite rich—and I will name a few of the key ones.

In every Service Canada office we have client comment cards, and we pay very close attention to them when people take the time to write down their comments. We take them into consideration. We also have "Your Comments Matter!" online; we get a lot of feedback there. We have the 1-800-O-Canada number, and also the office for client satisfaction, which takes client comments into consideration.

Really importantly, I think that our mystery shopper research and our client satisfaction surveys are also key, being among the more quantitative measures that we use to monitor how we're doing and how we're meeting client expectations.

One of the key recommendations or outcomes of the Auditor General's report was to consider comments from employees. We've just launched a process called the voice of the employee, using social media and some internal online methods to efficiently gather the collective experiences of our employees to improve service.

Thank you.

The Chair: There are two minutes left.

Mr. Costas Menegakis (Richmond Hill, CPC): Thank you, Mr. Chair.

I want to thank you very much for your presentation here today. It was very thorough. I've certainly learned a lot. It's nice to see it in one document in front of us.

I have a service centre in Richmond Hill, my riding. I see it as an extension of the constituency work that we do in Richmond Hill. It's absolutely fantastic. I'm very, very pleased with the service, and the collaboration and communication between my office and Service Canada is certainly of a very high quality.

I did note some statistics from your presentation that I find rather amazing, if not astounding. There are 67 million online visits to the site. Just to put that into perspective, that's 183,561 per day. Perhaps more astounding are the 58 million calls handled by Service Canada annually. That's 158,904 calls per day.

My question is a rather simple one if you happen to have the statistics. Annually, we accept more than 250,000 people into Canada—new Canadians. Are you finding that new Canadians are using the service across the country?

• (1730)

Ms. Carolina Giliberti: Yes, I think it is part of our efforts to make sure that Canadians know about our services and, certainly, when we look at some of the activities that we're trying to do with bundling, we're hoping our services can be enriched by making sure that we meet their needs.

I think Cheryl might have some things to add on what we do on—

Mr. Costas Menegakis: Thank you very much for your excellent work.

Ms. Cheryl Fisher: Are we out of time?

The Chair: Do you have a comment to conclude with? We are at exactly the end of our time.

You've been very informative, which we certainly appreciate. I'll let you make a final remark and then we'll close.

Ms. Cheryl Fisher: I just wanted to assure the committee and the member that newcomers to Canada are a key client segment for Service Canada. We have seven client segments, and newcomers are one of the key client segments. So, yes, we pay a lot of attention to them and they do come to see us.

Thank you.

The Chair: Thank you very much for your appearance.

The meeting is adjourned.

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