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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. Ed Komarnicki**



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

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•(1535)

[English]

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

We've been waiting for the members to arrive. We realize that the bus situation is rather interesting from the House to here, but we have the two ministers and department officials here for one hour, so we want to be sure and start. We will have each minister make a presentation.

I'd like to welcome both ministers. It's a great pleasure and honour to have you here and for me to be sitting on this side of the table, for sure, and after your presentations we will have a five-minute round of questioning, alternating among the parties.

We will adjourn a little early today. We'll probably adjourn about 25 minutes after the hour because we have to deal with the estimates.

Without saying much more, we'll ask Minister Finley to proceed. Please go ahead.

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

First of all, I'd like to introduce my officials who have joined me here today. Karen Jackson is the head of Service Canada and Alfred Tsang is our chief financial officer.

[Translation]

Mr. Chair, committee members, I am pleased to speak to the 2011-2012 supplementary estimates (B) for the Department of Human Resources and Skills Development.

[English]

I would first like to say a few words about the broader economic context, if I may.

It is clear that the global economy remains fragile, and although we can be proud of Canada's financial position, we really aren't at the end of the challenges of the global financial situation. That's why as a government we remain focused on job creation and on economic growth. As the Minister of Finance has said, our approach to balancing economic efforts with deficit reduction is working and we will continue our G-8-leading approach to economic stability.

[Translation]

As one of the largest departments in the Government of Canada, HRSDC must also reflect the short- and long-term fiscal realities we

are facing with solid leadership and stewardship for Canadian taxpayers.

[English]

This brings me to the supplementary estimates for my department.

[Translation]

First, I am pleased to point out that money committed in Budget 2011 to increase the Guaranteed Income Supplement for our most vulnerable seniors has already been dispersed.

This is the largest top-up to the GIS in 25 years and will mean that 680,000 seniors will receive more money this year.

These changes mean that a single low-income senior may receive up to \$600 more a year and that a low-income couple may receive up to an additional \$840 a year.

[English]

Secondly, I'm requesting \$2.4 million to implement the rollover and carry-forward provisions introduced in budget 2010 to the Canada disability savings plan.

As announced in budget 2010, this proposal will allow a deceased individual's registered retirement savings plan, registered retirement income fund, or registered pension plan to be transferred tax free to the registered disability savings plan of their financially dependent child or grandchild with a severe and prolonged disability. This \$2.4 million under vote 1 will go towards the implementation of these provisions.

You will also note that as a reflection of the increasing popularity of the Canada disability savings grant program, we are increasing our statutory grants forecast by \$43.8 million.

[Translation]

This is good news for families with children who have severe and prolonged disabilities. It represents another way in which our government is supporting Canada's families.

Under vote 5, most of these proposals are unspent funds carried over from previous years, with one notable exception, and that is the increase of \$5 million for the new horizons program.

This delivers on a Budget 2011 commitment and reflects our government's priority of combatting elder abuse and encouraging the active participation of Canada's seniors in our communities.

● (1540)

[*English*]

Third, I want to talk about the Canada student loan program. I'm sure that most members of this committee will have noticed the \$149.5 million writeoff of unrecoverable debts under this program, which is under vote 7. Let me put this number into some context, if I may.

The vast majority of Canada student loans—87%, to be precise—are repaid in full. The default on student loans has decreased to all-time lows under our government, thanks in part to changes in the repayment assistance program. This program helped approximately 160,000 borrowers find repayment options last year, ensuring a balance between the need to repay loans with the ability of low-income students to afford these payments. This program ensures that the payments for low-income students do not account for more than 20% of that student's income.

The debts included in this one-time writeoff cover a three-year period, and all reasonable efforts to collect them have been exhausted over six years; when an individual has not made a payment in six years and CRA considers the debt unrecoverable, the government writes it off.

The perceived increase from the estimates of 2007-08 is a result of two factors. The first is the combination of three years of loan writeoffs into this one submission. The second is that the Government of Canada started the direct financing of student loans only a short time ago. The first loans were issued 10 years ago, so any students who studied for a year or two and then did not repay their loans when they came due would only recently have run out the clock on the six-year limit.

This proposal was introduced as part of supplementary estimates (C) in March of last year, but because the election occurred before the passage of these estimates, this proposal has been re-introduced in our supplementary estimates (B) for this year.

Let me conclude by saying that our government's focus remains squarely on economic growth and job creation. In fact, we've seen close to 600,000 net new jobs created since the depth of the recession in July 2009, and we continue to focus our efforts on getting unemployed Canadians back to work.

[*Translation*]

HRSDC will continue to prioritize programs that ensure we have the most skilled and productive workforce in the world.

This includes ensuring young people have access to student loans as they pursue post-secondary education and upgrade their skills.

It also means faster processing for foreign credential recognition so that new Canadians can enter the workforce more quickly and contribute more fully to our communities.

[*English*]

Finally, it means that we will remove barriers, provide programs, and increase services to older workers so they can remain in the workforce longer and continue to contribute to our economy.

I will now ask Minister Raitt to say a few words about the aspects of the supplementary estimates that affect the labour program.

*Merci.*

**Hon. Lisa Raitt (Minister of Labour):** Thank you very much, Minister.

Thank you very much, Mr. Chair.

If I may, I'd like to introduce my deputy minister, Hélène Gosselin, who is here to make sure that I answer the questions as factually as possible, with all the data you may be needing.

I'm very pleased to be here as Minister of Labour to talk to you about the labour program and the importance of healthy and productive workplaces for our economy, but doing so in the context of the 2011-12 supplementary estimates (B).

As Minister Finley pointed out, the goal of our government is very clear: we want to have continued economic recovery. In our view in the labour program, this can't be achieved without an emphasis on constructive labour relations and on workplace health and safety. Those two elements actually work together in order to promote a stable, productive, and innovative industry.

The labour program services to the federally regulated sector support the underpinnings of a healthy economy. You know, a work stoppage in a major industry such as transportation can have immeasurable economic consequences. Considering the current economic climate, quite frankly, work stoppages come at a price that we simply can't afford to pay.

In 2008 our government commissioned a study to better understand the causes and the effects of strikes and lockouts in the federally regulated private sector. The study was conducted by a gentlemen by the name of Mr. Peter Annis, who is now Mr. Justice Annis. He's an expert in industrial relations.

What this study showed was that there is a general degree of consensus among all stakeholders—management as well as labour—that better labour-management relationships actually reduce the risk, the frequency, and the duration of work stoppages. It's these improved relationships that are the first step towards achieving greater productivity through more flexible and innovative workplaces.

Mr. Justice Annis recommended that the government use modern dispute resolution techniques to better address industrial relations challenges, especially in the era of global competitiveness, so that's why in budget 2011 the Government of Canada announced an investment of \$1 million over two years—and \$500,000 in ongoing funding thereafter—for the preventive mediation program. This funding will help the labour program do more to help employers and unions build and maintain constructive working relationships with each other.

Through this program, the Federal Mediation and Conciliation Service is going to provide services that are customized to meet the needs of the particular workplace, including workshops and training. Grievance mediation is also available to help the parties informally resolve whatever workplace disputes they may have. These services are delivered jointly to both employers and to unions by mediators with extensive experience in labour relations.

The program uses modern dispute resolution techniques and helps unions and employers establish those strong relationships that are needed before any formal labour dispute could arise. But if a labour dispute does arise, our federal mediators and conciliators assist the employers and the unions in resolving their differences without resorting to a strike or to a lockout.

In the last five years, 832 collective agreements have been finalized, and 792 of those were reached without a work stoppage. In other words, with the assistance of conciliation and mediation, parties reach or renew their collective agreements in 94% of the cases in the federal jurisdiction.

I will give you some examples. In the last year, the labour program's Federal Mediation and Conciliation Service has been instrumental in helping organizations like the BC Ports, the Port of Quebec, and the St. Lawrence Seaway Management Corporation reach those new collective agreements.

I will switch gears. The Government of Canada is also actively working to improve labour conditions internationally. As part of our bilateral trade agenda, the labour program works with other countries in order to cooperate on issues including social justice, improved global working conditions, and respect for international labour rights and principles.

Canada's recent labour cooperation agreements with the Dominican Republic, Peru, Colombia, Panama, and Honduras include comprehensive labour provisions based on respect for the ILO's—the International Labour Organization—fundamental labour rights and principles. These trade and labour agreements are very important drivers of the nation's long-term prosperity and growth. Our free trade agenda is creating jobs for Canadian families, and we're creating a level playing field for Canadian businesses to compete internationally through these LCAs.

• (1545)

The labour program also ensures the health and safety of Canadian workers as part of its mandate under part II of the Canada Labour Code. The program has been doing this for more than a century. It is a high priority and an ongoing commitment.

When it comes to health and safety, the activities are both proactive and reactive. Proactively, we educate employers and we inspect high-risk industries like air transport, longshoring, and road transport, but we also respond by investigating serious accidents and fatalities, as well as situations where there are work refusals.

As well, workplace health and safety has come to take on a definition that is broader than physical safety. A safe and healthy workplace also includes mental health. With this in mind, the labour program is providing technical expertise in the development of a national standard for psychological health and safety in the workplace, an initiative championed by the Mental Health

Commission of Canada. I'm very proud to say that Canada will be a world leader in developing a workplace psychological health standard.

Studies show that higher productivity in workplaces happens where morale is high. Employers who treat their employees with compassion spend less money on sick leave and less money on hiring and training new employees. It's an approach that fosters trust, and that, of course, promotes harmony between labour and management.

It's clear that maintaining a successful workplace requires a multi-faceted approach. Therefore, we must bolster our existing services to ensure healthy workplaces and, in turn, improve our economic prosperity.

The Government of Canada is demonstrating as well that it's committed to caring for the workers affected in Canada's recovering economy. Our government launched the wage earner protection program, or WEPP, as it's known, to help workers manage one of the toughest challenges they can face: going without their hard-earned pay because an employer has gone bankrupt.

In budget 2011, we announced an additional \$4.5 million annually to protect more workers. We extended the WEPP to employees who lose their jobs when their employer's attempt at restructuring takes longer than six months and eventually is unsuccessful and ends up in bankruptcy or receivership.

Mr. Chair, these are just some of the ways that our government's economic action plan is working for Canadians and strengthening our economy. I hope that you and the committee appreciate the overview and that it has been helpful for you in some measure. I look forward to responding to any questions.

Thank you.

• (1550)

**The Chair:** Thank you, Ministers, for the presentation and the information.

We will go to five-minute rounds, starting with Ms. Crowder.

Go ahead.

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

I'm going to make a brief statement, which doesn't require a response, and Madam Morin is going to pose the question.

I just need to say that the official opposition is very disappointed that we only had one hour with two ministers and no availability of the department to respond to questions. Part of our responsibility as parliamentarians is to practise due diligence in the oversight of things like estimates, so it's very disappointing that we don't have access to.... Particularly since the minister indicated this is one of the largest departments, I'm surprised that we couldn't find an hour with officials.

Madam Morin will now ask a question.

[*Translation*]

**Ms. Marie-Claude Morin (Saint-Hyacinthe—Bagot, NDP):** Thank you, Jean.

I want to start by thanking the ministers for meeting with us today to answer our questions, even though we do not have much time.

I must admit that I have many questions. If we don't have enough time to get through all the answers, I would very much appreciate if you would provide them in writing.

First off, two reports came out recently. Hunger Count 2011 was released about a month ago, and the Campaign 2000 report card was tabled yesterday. Both reports advocate investing in affordable housing as the first step towards reducing poverty.

Since we are on the topic of affordable housing, I would like you to speak briefly to the issue of homelessness. I see that the money earmarked for homelessness research was not all spent and that there are now more funds available. Does that mean the government acknowledges that homelessness has gone up in Canada? Is that what the government has observed?

Next, I want to discuss the severe housing shortage on reserves across the entire country. The best example I can think of to illustrate that shortage is Attawapiskat, where they have pretty much declared a state of emergency. I see that non-budgetary funds for reserve housing have not been exhausted; there is a \$247-million surplus. I would like to know why.

Lastly, the budgetary funds for subsidized housing were underused to the tune of \$157 million, whereas non-budgetary funds were overused by more than \$1 billion.

I would like answers to those questions. As I said, if you don't have enough time to answer them all now, I would appreciate receiving that information in writing.

Thank you.

• (1555)

[English]

**The Chair:** Minister, we have three questions there. You can answer them in whichever order you wish. We'll give you about an equal amount of time to answer the questions posed.

[Translation]

**Hon. Diane Finley:** Thank you, Mr. Chair.

I counted more than three questions, and I must admit that I did not fully understand all of them. I will try, nonetheless, to answer as many as possible.

[English]

We're proud of the work that we've done on affordable housing and homelessness: on and off reserve, for seniors, for the disabled, and for families in need, quite frankly.

You asked about homelessness. We signed a homelessness partnership agreement strategy with the provinces. After all, they're the ones closest to the ground; they know where the real needs are.

Because of the nature of homelessness, it's almost impossible to determine how many people really are homeless. I don't mean to sound facetious in the least when I say that you can't go out and do an enumeration of them like you might for an election: they don't have a door to answer when you knock on it, unfortunately.

So we have estimates, but those estimates are as broad as they are long. What we do know is that unfortunately there are people who are homeless. That's why, with the new homeless partnering strategy, we changed it in two fundamental ways.

We recognize that homelessness isn't just an urban problem. The previous program was focused on specific communities across the country. We also opened it up to rural areas like my own Haldimand—Norfolk, where the numbers may not be large but the effects of homelessness are just as serious for those who are going through it.

The other thing we did with some of the funds was to make sure we were addressing the mental illness needs of the homeless, which are pervasive. We considered this to be a big improvement.

We provide funding through CHMC for affordable housing and housing programs on reserve. We also provide funding off reserve.

Our economic action plan included \$2 billion that was broken out with specific funding for seniors, for the north, for aboriginals, for the disabled, for the renovation of existing affordable housing, and for the construction of new affordable housing.

As for having funding left over for specific projects, that would go to the administration of those programs. Quite often, there is a situation wherein people have been in negotiations for a particular project and negotiations have been delayed, so the start has been delayed. We carry money over from one year to the next because we want to make sure the projects get completed.

I'm sorry, but I do not understand your references to the million dollars not spent and the billion dollars overspent.

**The Chair:** Thank you.

In any event, your time is up.

We will move to Mr. Devinder Shory.

Go ahead.

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

Thank you, Ministers, for coming out this afternoon.

I want to talk about the economy also, Minister Finley, but before that, I want to talk about something that is really near and dear to my heart, and that is of course foreign credential recognition. As you know, in Calgary Northeast, my riding, we have a large number of new Canadians and also Canadians born in Canada who have their professional qualifications from overseas, from outside of Canada.

The fact is... This is in no way or shape a request or a recommendation for a lowering of the standards we require in any profession, but at the same time, it is clearly in Canada's interest to fully utilize all the human resources available to maximize our economic activity.

I know you are aware of the study this committee has been doing on the foreign credential recognition process and how we can move forward to ensure that foreign-trained individuals can contribute to the Canadian economy to the fullest. I would like your comments on two things. Would you like to comment on this committee's current study? Also, would you please make any observations you would like to on the FCR process?

• (1600)

**Hon. Diane Finley:** Thank you very much. This is a subject that's near and dear to my heart. I've been working on it since I arrived the first time at HRSDC, almost six years ago, and while I've been in other ministries. I've maintained my interest and involvement in it for a couple of very simple reasons.

Number one, we are facing and will be facing in the next 10 years a critical shortage in labour and skills right across the country, in a wide range of sectors. Some of these shortages were rather acute even during the worst of the recession in different sectors and in different parts of the country.

While we do need to make sure we're doing everything to help Canadian-educated people and people who are already here in Canada get those jobs or fill those jobs and have the skills they need to fill those jobs—and by the way, we're doing a lot on that front—we also have to make sure that those who are coming to our country with aspirations of working in fields where they've had significant professional training have the opportunity to use those skills. It's good for them, it's good for their families, and frankly it's the best thing for their communities here in Canada and for our country.

That's why we've done a number of things, primarily through two programs. One is through the Foreign Credentials Referral Office, which is under the Ministry of Citizenship and Immigration. The office helps people find their way to places where they can get their credentials evaluated, see what opportunities exist within Canada for different jobs, and get a sense of how big the labour market is for them, but also through the foreign credential referral program.

This is something I was very proud to participate in, with the unanimous agreement of all of our premiers and our Prime Minister a few years ago. It consists of two parts. One is establishing national standards for regulated professions so that instead of having a hodgepodge of standards across the country for nursing, let's say, we'd have one standard. So people who are here and trained in New Brunswick, let's say, can work in Alberta if that's where they choose to live, and they can work in their field and have their credentials recognized. It also makes it easier for newcomers who want to work. They have to choose only one standard and they can apply.

The second part is making sure—and we have some 67 agreements in place now—that we meet what's known as the new framework. This is a guarantee to newcomers who apply to professions and have participated in the framework that they will have their credentials evaluated against the Canadian standards and get an answer within one year as to whether they qualify. If they don't, they will be told what they need to do to qualify and perhaps even how to get those credentials.

These are ways in which we can help newcomers get evaluated before they get to the country and help them get to work as soon as they get here. It's in everybody's best interests.

**Mr. Devinder Shory:** Minister, I honestly want to thank you for all your hard work, because I have lived through it. When I came to Canada, I had my law degree. I don't want to go into details, because I want to talk about the economy here, but honestly, thank you very much on behalf of a lot of new Canadians.

The steps you have taken in the last few years have been noticed, not only in Calgary but all across Canada. We can see the results. It took me seven years to get back to my profession and today we are talking about one year. Thank you so much. I congratulate you on that one.

**The Chair:** Thank you, Mr. Shory. With that, you've used up all of your time—

**Voices:** Oh, oh!

**The Chair:** —so we'll move on to the next questioner. You obviously hit an area that the minister was quite keenly interested in and the time went by fairly quickly.

We'll move now to Mr. Patry.

[*Translation*]

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

Good afternoon, ministers.

Since I have been on this committee, I have never missed a single meeting. What troubles me is that Canada will experience a labour shortage in the next few years; we are talking 310,000 workers. I can appreciate that we need lawyers, doctors, dentists and the like, but we also need labourers—welders, mechanics, machinists, lineworkers and so forth. There is much development ahead in northern Quebec and western Canada.

I would like to hear your vision on labour mobility between provinces. For instance, we know that lineworkers or pipefitters wanting to work in Alberta need a seal. Could you intervene to shorten the process for people looking for work?

I have no objection to bringing in workers from outside our borders, but what is being done to help our young people, aboriginals and school dropouts? Assistance could be provided to young people who have dropped out of school. Do you have a plan and the funding it would take to help get them back to school, learn a trade and become productive members of society like everyone else?

Thank you.

• (1605)

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

It is true that some industries and professions are already experiencing a labour and skill shortage. And it will only get worse, of course. That is why it is so important that people here have the skills that employers will need. For that reason, we have undertaken an initiative to help individuals wanting to take courses to develop skills in the occupations you just mentioned, plumbing and so forth. That program has been successful.

We also offer a program to help people complete apprenticeships. I am very proud to say that some 77,000 people have already participated.

In addition, we must not forget about older workers who have lost their jobs. So we have brought forward an initiative tailored specifically to them. We want to give them access to professional training and skill development so they are equipped for the jobs of today and tomorrow.

**Mr. Claude Patry:** I am familiar with work sharing and training. At 45 or 50 years old, I had to learn how to use new technologies. Are you still going to develop programs for people like me? Back home, there may be paper mill closures before the holidays, and that would affect workers who are getting on in years. Will you be bringing back work-sharing or other programs to help these people go back to school to learn another occupation?

Earlier, you mentioned health and safety. Do you have any plans or funding in relation to the preventive withdrawal of pregnant women, for instance? That is something that isn't available at the federal level.

**Hon. Diane Finley:** There are a number of programs designed to help unemployed workers wanting to learn the skills necessary for a new occupation. Almost all of those programs are offered by the provinces and territories. The federal government provides funding under labour market development agreements. There are also skill development agreements targeting people with disabilities. Therefore, if an unemployed worker is eligible for employment insurance, a program provides that person with access to training. Even some people who are not eligible for employment insurance have access to training opportunities. We understand that skill development is key and, for that reason, we enhanced this program under the economic action plan. Some 1.2 million people have benefited.

**Mr. Claude Patry:** Earlier, you talked about health and safety. I want to come back to my question on preventive withdrawal and pregnant women. Do you have any plans to invest in that kind of program? As far as I know, there is no such program at the federal level.

[*English*]

**Hon. Lisa Raitt:** Indeed, both the federal government and the Government of Quebec have similar legislation, in the sense that if a woman who is pregnant or nursing feels that she needs to be reassigned and that there is a risk to her health or that of her fetus, she could be temporarily reassigned. She can make that request, which has to be listened to by the employer. She can have her job modified or she can take a leave of absence.

Now, in Quebec, they do have an income replacement program that's specific to the issue of a woman taking preventative leave with respect to health and safety. Federally what we have is the ability to use employment insurance, either through sickness benefits...before her term is up. So it's very similar in terms of what rights the woman has in terms of preventative leave should she feel that her health and safety or that of the fetus.... But in terms of programming, it's through our employment insurance as opposed to the Quebec program, which has the income replacement. We feel that in both cases women are protected in our sectors.

• (1610)

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

Thank you, Mr. Patry.

We'll move to Mr. Butt.

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

Thank you, Ministers Raitt and Finley, and your senior officials from the ministry, for being here today. As members of this committee, we appreciate the work that is done in the various departments and we appreciate your being here to discuss the supplementary estimates and some of the main goals of the departments.

Probably Minister Finley would be the best to answer my first question. As we all know, the labour force is changing quite a bit. The jobs people had 10 and 20 years ago are certainly not the ones we're seeing today. Recent figures are even suggesting that Canada's labour force growth will probably be at its lowest level over the next 10 years as a result of our aging population.

Many provinces in Canada used to rely heavily on the manufacturing industry, for example, and have more recently been transitioning to a point where an entirely different skill set is required in the next generation of workers, so I'm curious, Minister: can you elaborate on the work the department is doing to prepare Canadians for the jobs of tomorrow, both through investments in youth programs and through some of the other training initiatives?

**Hon. Diane Finley:** Unfortunately, we only have about 20 or 25 minutes left—

**Mr. Brad Butt:** Give us the *Reader's Digest* version—

**Hon. Diane Finley:** —and that's not enough to cover everything our government is doing, because we're actually taking a whole of government approach to this. The Minister of State for Science and Technology has a part to play and the Minister of Industry has a part, as do my department and a few others, because there are so many aspects of our labour market that are affected.

It's true that a lot of the jobs going forward are going to require a level of technological expertise that many workers our age, shall we say, don't have. So we've created opportunities through the provinces and territories for those who are on unemployment, and for those who aren't even eligible, to go back to school, whether it's university or college, and get the skills upgrades that will help them get the jobs with those skills. Recently I hired one of those people myself for my office.

But we're also working on a wide range of programs with young people who face multiple barriers to employment—such as our skills link program—to help them get over the hurdle, to help them get the jobs. We're working with the colleges and the universities in a number of ways. One way is by providing funding for infrastructure so they have the space, the tools, and the facilities to teach these people, because post-secondary education is going to become ever more essential. We are also funding research chairs so they can develop new technologies that will be world leaders, and those are attracting the best brains from around the country so that we can develop their ideas right here at home.



There's such a wide range of programs. We have special programs for young people, whether it's through the summer jobs programs, where they can get jobs related to their university schooling that will help them get jobs afterwards...the list goes on and on. I know that we don't have enough time to talk about all of them, I'm afraid.

**Mr. Brad Butt:** I think it was Madam Morin who mentioned the issue around housing and homelessness. I think you know, Minister, that my background prior to being elected here was that I did a lot of work on those issues in the city of Toronto. I just want to tell you that the homelessness partnership initiative of this government is wildly successful in the city of Toronto.

Did you want to spend a little bit more time talking about the importance of that program and the work it's doing on the ground in alleviating homelessness? The number of people physically sleeping on the street in Toronto now is way down, way down from the time before you brought forward this program. Did you want to just take a moment and talk a little more about how that's such a great partnership between the federal government and, in this case, the City of Toronto, and how it's actually having real results on the ground?

**Hon. Diane Finley:** I'm delighted that this program has worked so well in Toronto. I understand that it's having success elsewhere.

It really goes back to some fundamental principles. One is that as a federal government we can't see what's happening right on the ground. Municipalities are closer to the ground. They can see what their needs are and they can see what causes the problems. That's why we formed the partnerships: because we have the funding, but they have the expertise and the knowledge, so let's work with them.

We're doing just that. As I mentioned a moment ago, we've also recognized that it's not only in, say, 14 cities across Canada that we see homelessness. Unfortunately, it's right across the country. It's in the cold of the far north, and it's even in my own riding, where you think everything looks beautiful, but unfortunately we do have homeless people there and their needs are just as great.

When we worked out the homelessness partnering strategy with the provinces, we said that we had to help everybody in all parts of the country, and that's what we did. We've also made funds available to rural areas for the first time. Secondly, we've put funding aside specifically to deal with the very pervasive mental health issues that are associated with homelessness.

When you start putting all of that together, you get a winning program.

• (1615)

**The Chair:** Thank you.

Your time is up.

We'll move to Mr. Cuzner.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Thanks very much, Ministers, for being here today.

I only have five minutes so I'm going to try to run through.... With sincere respect, could you keep your answers short? I'm cool with yes and no.

**Voices:** Oh, oh!

**Mr. Rodger Cuzner:** Just this past Monday, you wrote a letter to the editor of the P.E.I. *Guardian* newspaper. I'll quote from it:

When it comes to EI, our annual service standard is to process 80 per cent of applications within 28 days. We are currently averaging 23 days for speed of the first payment.

To clarify, you're speaking about the EI speed of payment indicator when you talked about 80% in 28 days, is that right?

**Hon. Diane Finley:** Yes.

**Mr. Rodger Cuzner:** Okay. Also, you're saying that on average it takes 23 days to get the first payment out?

**Hon. Diane Finley:** Right now.

**Mr. Rodger Cuzner:** Okay, because your department, when they appeared in September, said that the speed of payment standard is the percentage of all EI claimants who are either paid their first payment or sent a non-payment notification within 28 days.

**Hon. Diane Finley:** That's correct.

**Mr. Rodger Cuzner:** So that's correct. So I'll ask, do you want to maybe clarify why you said 23 days for speed of the first payment and implied that it was the first payment?

**Hon. Diane Finley:** I'm sorry. I don't understand the question.

**Mr. Rodger Cuzner:** You said 23 days for the first payment, and the indicator is actually a payment or a notice that you're not going to be paid. You've lumped them both into the same...it makes it look pretty good but there is a portion of them.... What would the portion be who are receiving non-payment notices?

**Hon. Diane Finley:** I'm sorry. I don't have that. I would point out, though, that the 23% is on average and that—

**Mr. Rodger Cuzner:** Yes, but it's on average, Madam Minister, if I can continue. It's on average. but factored into that are the non-payment notifications as well. So I would hope that you'll be able to clarify with *The Guardian* that it's not first payments: it's first payments plus non-payment notifications.

**Hon. Diane Finley:** First payments where they're eligible.

**Mr. Rodger Cuzner:** Where they're eligible, but non-payment notifications as well. okay? So the statement that they're payments is misleading.

Second, I know that a big focus has been your reference to paper-based. On September 19, the comment was, "Up until now, it has been mostly done by paper." The next day, you said, "Right now, most of the processing is manual paperwork." On the 21st, you said that "the current EI system is essentially paper based".

When your officials appeared, they said that 1% of EI applications are paper based.

**Hon. Diane Finley:** I don't believe that would have been an accurate statement, simply because—

**Mr. Rodger Cuzner:** Well, here's the presentation: "Received more than 2.9 million EI claims: 99%...[are] now submitted electronically".

**Hon. Diane Finley:** I'm sorry.

Karen, would you like to—

**Mr. Rodger Cuzner:** So there's a disjuncture between the questions and—

**The Chair:** Mr. Cuzner, Ms. Jackson wanted a quick reply.

**Mr. Rodger Cuzner:** A quick reply, yes.

**The Chair:** It has to be a quick reply.

**Ms. Karen Jackson (Senior Associate Deputy Minister, chief operating officer, Service Canada, Department of Human Resources and Skills Development):** I think we have a distinction to be made here between how people are applying for EI, which is highly electronic these days, and how much we are still processing. There is a difference between—

**Mr. Rodger Cuzner:** It's at 50% right now, the processing.

**Ms. Karen Jackson:** About that, yes—

**Mr. Rodger Cuzner:** Okay. Great.

If I can continue, last week I asked a question in QP using statistics related to EI call centres. I said that “only 32% of incoming calls are being answered within required times and 51%” were being hung up on.

Your reply was that with regard to the call centres, they “have a much better record than what the member purports”. Would you like to clarify that now?

• (1620)

**Ms. Karen Jackson:** Sure: yes, I can explain that statistic of 32%.

**Mr. Rodger Cuzner:** Quickly.

**Ms. Karen Jackson:** It applies to calls going through to an agent, to a person.

So to back up, we have well over 16 million calls being dealt with through an interactive voice response system...people who are getting the answers to their questions—

**Mr. Rodger Cuzner:** Okay. Could—

**Ms. Karen Jackson:** —without wanting to get to an agent. Then—

**Mr. Rodger Cuzner:** —you also share...? The 51% who are being hung up on: is that number correct?

**Ms. Karen Jackson:** If I could...the 32% number—

**Mr. Rodger Cuzner:** Yes?

**Ms. Karen Jackson:** —is people who want to get to speak to an agent. They're speaking to an agent, and in this case, 32% of those calls are being answered within three minutes.

**Mr. Rodger Cuzner:** Okay. The 180 seconds is the service standard, okay? But it's only 32% who are being responded to in that time. Fifty-one per cent are being dropped—51%. Those are order paper responses. That's what we got on the order paper that the minister signed off on.

So I guess what I'm asking is this. If 32% are getting through, and if the likelihood when you phone of your call being dropped...if you have a better chance of getting told to phone back at a later time than you do of actually getting someone, is that an improved level of service?

**The Chair:** Go ahead, please.

**Ms. Karen Jackson:** I—

**Mr. Rodger Cuzner:** How much time do I have?

**The Chair:** You're over your time.

**Mr. Rodger Cuzner:** I have one last question, okay?

**The Chair:** Okay. Put it in there and we'll have answers for both.

**Mr. Rodger Cuzner:** Because repeatedly we've talked about going automated and how it's going to be automated.... On the order paper responses we got—and I'd like to present the order paper question to the committee, if I could—on EI service levels, it's the worst performance in the last six years. The percentage of EI calls being hung up on is the highest in the last six years. On the speed of EI payment, it's the worst performance in five years. As well, the average EI processing time is worse now than it was five years ago.

So I guess the question is, if we're getting more automated—we seem to be going downhill—how is it making sense to let 600 people go and close 98 EI processing centres and get better as their numbers continue to go down...?

**The Chair:** Okay. I think we'll get a response to that. Perhaps you want to respond to some of those. We'll give you about equal time to finish off, if you could.

**Ms. Karen Jackson:** Okay. Very quickly, on the question about the average payment in 23 days, it does include both notice of payment or non-payment, so that's the clarification from the article in the Charlottetown paper.

**Mr. Rodger Cuzner:** The article in the Charlottetown—

**The Chair:** Okay. We won't let you put further questions.

Answer the questions that were posed, if you wish, and then we'll close.

**Ms. Karen Jackson:** Right.

The second thing I would say is yes, at this point we are having higher volumes of calls coming into our EI call centres. These vary by week, by month, and by season of the year, but it is quite accurate to say that we are having high volumes at the moment, and there are...on average, about 50% of the calls do not get through to an agent the first time they try.

**The Chair:** Thank you.

Ms. Leitch, your time is going to be really short. I'd like to adjourn about three minutes before 4:30 as we have some business to complete, so try to make it a short question.

And perhaps a short answer...?

Go ahead.

**Ms. Kellie Leitch (Simcoe—Grey, CPC):** In our next turn-around, I'm looking forward to having Mr. Cuzner's time.

**Voices:** Oh, oh!

**Ms. Kellie Leitch:** I'd like to thank the ministers and their officials for coming in today to discuss the supplementary estimates.

Over the course of the last year, there has been a lot of attention on labour disputes. I know that the Minister of Labour has often referred to the Federal Mediation and Conciliation Service and the work they do to try to prevent work stoppages and assist parties in these labour disputes.

The supplementary estimates indicate that there's been an expansion of the mediation services program. Can the minister please tell the committee a little bit about what the supplemental funding will be used for and how it will assist mediation and conciliation to be more efficient?

**Hon. Lisa Raitt:** Thank you very much. I really appreciate the question because I'm very excited about the program.

First of all, in a time of constraint, it's always nice to see that we're investing in something, and we are able to invest in something that's going to really pay off in the long run. It's a million dollars over the next two years and then \$500,000 a year after that. What it allows us to do in the Federal Mediation and Conciliation Service is to develop workshops and programming and to be able to intervene at an early stage, before we get to that point of dispute between the two parties.

I'll give you a few examples. In the case of Nav Canada in the 1990s, labour relations were very confrontational and very unproductive. That caused a lot of difficulties at work and a lack of productivity, but we were able, with them, to have a number of joint union-management preventative mediation workshops delivered as part of their labour relations improvement strategy. Since then, Nav Canada and its union partners have become models—absolute models—of effective labour relations. You can see that the proof is in the pudding.

On what the service is going to do, effectively, they're planning 35 preventative mediation workshops in 2010-11, as compared to 45 workshops in 2009-10. A reduction in the delivery of workshops took place in light of an increased workload and complexity. So far, as of April 1, 2011, FMCS has provided 37 training sessions and also other assistance, including piloting of its new generic workshop in the Atlantic region to help the folks on the east coast as they go into negotiations with the longshoremen's union.

Thank you very much for the question.

•(1625)

**Ms. Kellie Leitch:** Thank you very much, Minister.

**The Chair:** I think this might be a good time for us to break. We have to deal with the estimates themselves.

I'd like to thank both ministers for appearing and answering the questions and the officials for being here as well.

I won't suspend. I'll just give our witnesses an opportunity to leave.

We have a couple of matters of business that we want to take care of today.

First of all, with respect to the estimates themselves.... I'm not sure if Mr. Cuzner has left...? No? He's still here. With respect to the estimates, there are a couple of things. As you will note, we have to vote on the supplementary estimates themselves: votes 1b, 5b, and 7b.

#### HUMAN RESOURCES AND SKILLS DEVELOPMENT

Vote 1b—Operating expenditures....\$9,684,803

Vote 5b—The grants listed in the Estimates and contributions.....\$6,997,705

Vote 7b—Pursuant to subsection 25(2) of the Financial Administration Act, to write-off from the Accounts of Canada 61,791 debts due to Her Majesty in right of Canada amounting to \$149,541,766 related to Canada Student Loans accounts.....\$149,541,766

(Votes 1b, 5b and 7b agreed to)

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

**Some hon. members:** Agreed.

**The Chair:** All those in favour? Opposed? Consider it done.

I have one other matter I want to mention to the committee. The clerk tells me that she's had difficulty in getting the witnesses for the second hour on Thursday next. What I was going to suggest to her is that she move some of the other witnesses further down the road for that second hour so that on December 13, rather than having that particular meeting, we might be able to finish one meeting sooner by giving the instructions then. Does anyone have any objections to that course of action?

Go ahead.

•(1630)

**Ms. Jean Crowder:** We have a number of witnesses that we've submitted. I'm not sure this will work.

**The Chair:** The point of the matter is that we won't have anything. We can adjourn next week on Thursday an hour early or we can ask the clerk to fill it through either—

**Ms. Jean Crowder:** I'm not objecting to having the clerk fill that time and moving witnesses up. I'm just saying that I'm not sure we'll be able to do away with the meeting on the 13th.

**The Chair:** We may not. We'll open it up for the possibility or the eventuality for that to happen.

Is anybody opposed to that?

If not, then I'll adjourn. Thank you.





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