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Chair

Ms. Yasmin Ratansi

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• (1535)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Members of the committee, I'd like to bring the committee to order.

As we are continuing our study on the economic security of women, we have witnesses from the Department of Finance and HRSD. They will not be making any presentations, but we will be asking them questions.

So we will go through our normal rounds. The first round will be seven minutes, the second round will be five minutes, and the third round will be five minutes, and then we will continue until you've exhausted your questions.

If the department doesn't have the information you ask for, I will blame the committee members, because the department did say, please present your questions if you have any specific stuff—But you will supply it later; we won't let you get away with it. Basically, we cannot blame you if you do not have the material here.

With that, I would like to start with Mr. Pearson for seven minutes. You can ask anyone a question here.

Mr. Glen Pearson (London North Centre, Lib.): Thank you for coming.

I'm not sure of the best person to direct these to, but I do have a couple of questions. For example, we had some people from the Canadian Teachers' Federation visiting us last week who talked about how a woman who goes on maternity leave and comes back to work actually falls behind in her ability to upgrade; as a result of that year off, other people have moved ahead. So even though she's able to come back to work and has had that year off, she's actually somewhat further behind.

I was wondering if you folks have looked into that and if you have any opinions on it.

Mrs. Barbara Glover (Director General, Labour Market Policy, Department of Human Resources and Social Development): Thank you for your question.

What I think I will say is that there is some academic literature supporting the thesis that one of the reasons there's a pay gap, even when you compare hourly wages, is that during the time off to raise kids, other people in the workforce will be doing either the work or training. That does seem to be a plausible hypothesis; I think that's fair.

Mr. Glen Pearson: That's one of the things we keep hearing.

As far as EI or employment insurance goes, and after looking at it here, we've been hearing that it is beneficial to the women who are working full-time.

To those who are in seasonal employment, or who actually aren't getting any of that at all, I wonder how much you have taken this into account—because trends are obviously changing there. We've had a lot of discussion about that with various groups before this committee. I'm just wondering if you could throw any further light on that and if you have any plans for addressing it. How would you see that moving ahead?

Ms. Brenda Lundman (Director, Social Policy Division, Federal-Provincial Relations and Social Policy Branch, Department of Finance): We don't have anybody specifically from EI here, but I will try to answer your question generally.

Currently, EI benefits provide a year off in terms of maternity and parental leave for women and their husbands with children. That's been going on for a few years now. Right now, the question of whether or not the government intends to expand that, or otherwise, would have to be addressed to the minister. Certainly with respect to, for example, protection of jobs, and so on, all of the provinces have taken on and made sure that when a woman does come back to a federally and provincially regulated job, the job is held for them.

With respect to the issue of movement in the ranks and seniority claims during maternity leave, that's up to the individual employer, and in most cases the province.

There's been a lot of change in this area, and we do find that people are taking up maternity and parental leave at fairly significant rates. If there is some idea of changing it in the future—this issue does come up in the EI monitoring and assessment report that is done every year. So they may start looking at it—but not right now.

• (1540)

Mr. Glen Pearson: I realize what you're saying about EI not necessarily being your field, but the parental leave thing is definitely an issue for us as a committee.

Could you maybe describe in a nutshell how you feel about the parental leave issue in Canada and how we're handling it? How does it compare with, say, countries in Europe? Can somebody give us a comparison here?

Mrs. Barbara Glover: I don't have a comparison. I can commit to bring something back to you on that.

I know there is a study by the IMF, the International Monetary Fund, saying there has been a range of policy and program changes in Canada supporting women's participation in the labour market. So maybe that study is one of the things I'll put in the package we send to you.

I guess the argument is that policies and programs like parental leave are supporting women's participation in the labour market.

It's not a complete answer, I know.

Mr. Glen Pearson: I understand.

Thank you, Madam Chair.

The Chair: While you have some time, I'd like to ask a couple of questions. The chair has never taken the privilege of asking questions.

When we had witnesses before us on the problem with economic security for women, one of their recommendations was to increase the guaranteed income supplement. There's the old age security and the GIS. If you were to increase the GIS, has the Department of Finance any idea what that would do to the kitty? I'm an accountant by trade, so that's why I'm asking. I'm trying to figure out if anybody has done any analysis, because that is one of the recommendations that has come to us.

The other recommendation that came to us was on CPP and survivor benefits. At the moment, if a widow were to receive the benefits, it's 50%. If it were to go up to 75%, what would the impact be?

Ms. Virginia Poter (Director General, Economic Security and Policy, Department of Human Resources and Social Development): With regard to the guaranteed income supplement, as you know, it has made a good contribution to reducing the low-income rate of seniors, many of whom are women. Recently—I believe it was in 1995—there was an increase of \$18 a month for single seniors and \$29 a month for couples. I believe the amount it was going to cost was in excess of \$4 billion over five years. So those very modest increases would contribute to that.

With regard to the survivor benefits moving from 50% to 70%, I don't know what the fiscal impact of that is, but I do think it needs to be taken into the context of increasing labour market participation of women and whether or not in the future, when more women have contributed to the CPP and would be eligible themselves for actual benefits, the need would still be present, given the change of composition of the senior women population, many of whom in the future will be less likely to have been married moms who stayed home and looked after the family, and so on. But we could certainly endeavour to find out.

The Chair: I have a last comment.

Would you consider allowing stay-at-home moms to contribute to CPP? Is that a potential that somebody could think through from a finance perspective?

My time is up. You can answer it if you want.

Ms. Brenda Lundman: Sure. I'll answer just quickly.

In terms of the GIS, whenever you extend the GIS, as Virginia just said, by \$18 or \$29 a month, what happens is that you bring in a lot

more people, and that's why it's very costly. You have a tail moving out there, and the population is actually distributed more like this, so the more you move the tail out, the more people you pick up. That's why those are very costly. It's not just adding \$18 for each person already in the system; it brings a lot of people into the system.

In terms of the CPP survivor benefits, it's currently 60%. That is also integrated with your own benefits, so the maximum you can receive is your full retirement benefit.

In terms of stay-at-home moms and CPP, there has been a lot of work done on that. At various times we've asked the actuary to look at that, and the actuary tends to come back to us and say, "How would you define who was eligible and what they would pay? What is the rate of income that you would charge the mom? Would they have to pay single premiums or double, the full premium?" There are a lot of technical questions associated with that—differences in the cost, the effectiveness—and then there's the question of whether or not people would actually want to apply for that.

• (1545)

The Chair: Thank you.

We will now go to Madame Deschamps.

Vous avez sept minutes.

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Thank you, Madam Chair.

Welcome. We have decided to devote part of this sitting to the study of the economic security of women. We have heard from many witnesses who described the type of situation women face in today's society. The effects of poverty are often greater for women than for men. Senior women who live alone are more likely to have a lower income: 17% of them earn less than the low income cut-off. Thirty-six per cent of the heads of single parent household, most of them women, are low-wage earners. As single parents, they are in a more precarious situation than are most senior women. Women must often take part-time, unstable employment in order to reconcile work and family life.

That is just a general outline. Do you not think that we should develop some type of a national strategy that would take into account the roots of poverty as well as family responsibilities? Such a strategy would also address the choices that women must face when they have to decide whether or not to seek paid employment because they are likely to outlive their husband and could find themselves alone and possibly poor. Then there are the informal caregivers. They are often women who must take care of a parent. At least that is what most of the witnesses who appeared before this committee have told us.

Perhaps the government already realizes that a broader strategy would be preferable to having small ad hoc policies which are not terribly effective.

[English]

Mrs. Barbara Glover: I think this takes more than one person to answer the question. I was going to start by saying there are programs, federally and provincially, that deal with some aspects of the broad issues you're raising. We were just talking about employment insurance and parental benefits, for example, which is a part of the answer insofar as when parents take time off to look after the kids. That's one program.

There is a range of other policies and programs that deal with different elements of the programs. I mentioned that last time. There are programs directly related to aboriginal peoples, for example, both at Indian and Northern Affairs and at my department, Human Resources. There are also programs targeted towards immigrant women and immigrants in general.

I guess part of my answer is there is a range of policies and programs, and part of what that's doing is parsing out different issues. I think it's worth saying that there were a number of things in the last budget, in 2007, that tried to get at some of the issues that were raised in the testimony. For example, women who are re-entering the labour market or are entering the labour market but not eligible for employment insurance would be eligible for the new program that was announced in Budget 2007. It's just called the labour market program, but \$500 million was set out, aimed at women and men who were not eligible for employment insurance programs. So that's a specific improvement I think that addresses very directly the issue of women who are not eligible for employment insurance.

There were additional improvements, additional increases in programs for aboriginal peoples in the budget, for our department—for Human Resources—and there were improvements set out for immigrants to Canada around foreign credential recognition and improvements to the temporary foreign worker program.

So those are all changes that are incremental, I would say. Maybe you wanted to—

• (1550)

[Translation]

Ms. Johanne Deschamps: Could you tell me more about the program for people who are not eligible for employment insurance? How would women who are not eligible for employment insurance apply for this program?

[English]

Mrs. Barbara Glover: What was announced in Budget 2007 was \$500 million, starting in 2008-09. It's \$500 million a year of funding for programs that are to be delivered by the provinces and territories.

The budget made it clear the intent is for the eligibility to be very broadly determined. There's really one eligibility criterion, which is that you are not eligible for employment insurance.

This implies that a series of steps need to be taken to get from the budget announcement to programs that are up and running.

The Chair: *Madame, c'est fini.* I'm sorry.

We'll now go to Ms. Smith, for seven minutes.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Thank you very much.

Thank you for coming today. Your insightful comments are very beneficial to our committee.

We have studied a range of things. I would like to talk about the working income tax benefit.

We've talked a lot at committee about low-income Canadians who, despite their hard work and efforts, haven't been able to scale the welfare wall. When individuals receive social assistance, the tax system often discourages them from joining the workforce, by clawing back nearly 80% of their income. Our new benefit represents the difference between being better off or worse off as a result of taking a job. The working income tax benefit is very new and is a first step on which to build.

To whomever on the panel would like to answer this question, could you perhaps explain to this committee what the benefit is and what it does for low-income Canadians?

Ms. Virginia Poter: I'll start, but perhaps my colleagues from Finance can jump in and help as well.

There are two real objectives the WITB serves to address. First of all, as you mentioned, it helps encourage people to enter the labour market. But it also has a second benefit, which is to reward those people who are already in the labour market and are not earning a lot. They'll be topped up, which is very helpful for folks in those kinds of situations.

It's been designed so that you already have to be earning an income, and it tops up earned income. You can't just have a low income. You have to earn at least \$3,000, at which point, for every dollar earned, you are given additional money, until you get to a point of \$5,500. Single individuals would continue to get the maximum benefit of \$500. When you earn over \$9,500, it's reduced at a rate of 15%. It slowly reduces the amount so that by the time you earn over \$12,800, you receive no more benefits. This is for singles.

It's a little different for families, including lone-parent types of families. There's also a top-up for those who have a disability.

• (1555)

Mrs. Joy Smith: Quite clearly, this would encourage people to get jobs. People who are on social assistance often say it's easier to be on social assistance than it is to get a job. Would you agree? Could I have some comments on that from the department?

Mrs. Barbara Glover: There are similar arrangements in the United States and in the U.K. If there's interest, we could pull something together on those. But both of those examples were seen to increase participation in the labour market.

Mrs. Joy Smith: I'll go on to another question. I don't want to belabour it. You've answered it very thoroughly. I just don't want to run out of time.

Support for low-income Canadians is something that is of paramount importance to our government. In actual fact, we have removed 885,000 low-income Canadians completely from the tax rolls in our first two budgets. There are some very tangible measures for Canadians. We've just talked about the working income tax benefit, but there's also a working family tax plan and a registered disability savings plan.

Could you elaborate on these two plans for low-income Canadians?

Ms. Alexandra MacLean (Chief, Personal Income Tax Division, Tax Policy Branch, Department of Finance): I can speak to the registered disability savings plan, certainly. It's a new measure that was developed on the basis of recommendations of an expert panel that was appointed by Minister Flaherty. The plan design is based on the registered education savings plan model; that is to say it's a savings plan with the same tax attributes as the registered education savings plan. There's no up-front deduction, but income grows within the plan tax free. It's recognized in the hands of the beneficiary when it's withdrawn.

Also, like the RESP program, it has grants associated with it—two types of grants. One is a matching grant, called the Canada disability savings grant, which will be similar to the Canada education savings grant. The matching occurs at different rates based on income and is quite generous for lower income levels. It's a three-to-one match for saving.

Also, I think the plan recognizes that some families don't have any capacity to save for a child with a severe disability. So there's an outright grant component that doesn't depend on contributions from the family or from other supporters of the individual. That's called the Canada disability savings bond, the final component.

Mrs. Joy Smith: Great.

Could I have some comments on the working families tax plan, because that has been brought up as well?

Ms. Alexandra MacLean: I think the working families tax plan includes WITB, the working income tax benefit. The other elements, I may have to get back to you on. I'm sorry, we had a number of tax measures this budget, only some of which are included in the working families tax plan. So I wouldn't want to—

Mrs. Joy Smith: No, that's okay.

Ms. Alexandra MacLean: I'll come back.

Mrs. Joy Smith: If you could come back to that, that would be great.

The Chair: You have 10 seconds now.

Mrs. Joy Smith: Well, in 10 seconds I just want to thank you for coming today. There are so many things that we need to cover. It's very gratifying to see these things that are being put in place for low-income Canadians.

• (1600)

The Chair: Thank you.

Ms. Mathysen, for seven minutes.

Mrs. Irene Mathysen (London—Fanshawe, NDP): Thank you very much, Madam Chair.

I wanted to go back to the working income tax benefit. I'm not really sure, but my understanding is it's a tax credit. Is that correct?

All right. So you were talking about a variety of figures, and you talked about \$12,800. Would that be the maximum income? Could you explain what that means exactly?

Ms. Virginia Poter: I'll give it a go, but experts here may be able to do it more clearly.

The way the benefit has been constructed is that it is phased in over a period of time. So for every dollar that you earn over \$3,000, you would earn an additional, I think, 20 cents on the dollar. So instead of earning \$1, you would earn \$1.20, until you get up to \$5,500 of earned income, at which point you would be earning \$500 extra through the WITB. You would earn that maximum amount of the benefit over an income range of \$5,500 to \$9,500. That would be your plateau.

After that, because it's a targeted income benefit trying to get to lower-income Canadians, it would be phased out as individuals are earning more. It's phased out at a rate of 15%. So for every dollar you earn, your benefit is reduced by 15 cents. Eventually, because it's being phased out at 15%, when you get to \$12,800 of earned income, there's no more benefit being received by the recipient.

Mrs. Irene Mathysen: Okay. It's a tax credit, though. When is it received by the recipient? If it's a tax credit, is it in April, when you file your taxes?

Ms. Virginia Poter: I believe it's going to be a monthly payment.

Is that correct?

Ms. Alexandra MacLean: I'm not sure if it's monthly, but it will be a payment that's more than annual, certainly, beginning in 2008. And there will be a possibility to get an advanced payment to prevent people from having to wait too long, as they normally would with tax relief measures, which are after the end of the year.

Mrs. Irene Mathysen: Who benefits most—what income group—and who's left out? I am very concerned that people at the very bottom, who are earning less than \$3,000, may be overlooked. Is that correct?

Mrs. Barbara Glover: Just factually, if they don't make that income, they are not included.

Ms. Alexandra MacLean: That's right. It's intended as a work incentive measure. So there is a phase-in that's related to having earnings from employment. So yes, there is that phase-in range that Ms. Poter mentioned, beginning at \$3,000. I would add that this is for a single individual. There's a different phase-in and phase-out regime, again, for families and couples. It again commences at \$3,000 of family income, but the phase-out is actually at \$21,167 for single parents and couples.

Mrs. Irene Mathysen: Is there any consideration given to someone who simply doesn't have the opportunity or ability, someone who is challenged or disadvantaged, who cannot possibly hope to make \$3,000? Is there any consideration given to that individual?

Mrs. Barbara Glover: I'm just going to make one comment, which is that the intent of this is to support individuals who are working without a lot of income or who are making the decision to work or not for the various reasons that were put on the table. So the short answer is that it's not intended to serve other purposes.

I just wanted to make one other comment about labour market participation and the encouragement of individuals to join the labour market. There were some calculations done to try to translate the history of what happened in the United States and the U.K. to Canada, and that came up with an estimate of 60,000 people. So the model that was used estimates that 60,000 people would be encouraged to join the labour market who had not previously. That's not a total answer. But it is a partial answer, because some people who are currently earning, through work, zero dollars, would be encouraged to enter the labour market.

• (1605)

Mrs. Irene Mathysen: Thank you.

The reason I ask is I have a constituent who is mentally ill. He desperately tries to manage and finds little bits of work. But he can't possibly meet that kind of cut-off, because very often the illness kicks in and he's just sort of left out in the cold. I was asking with him in mind.

Ms. Alexandra MacLean: Sorry, could I just address that? There is a special consideration given for persons who are eligible for the disability tax credit. Their earnings threshold for this benefit to apply is \$1,750 instead of \$3,000. Perhaps that might be of assistance.

Mrs. Irene Mathysen: Perhaps. Thank you.

We heard from a number of groups in the process of looking at the economic security of women. One of them was the National Association of Women and the Law. They've done a great deal of research, although I suppose that is coming to an end.

They had a number of recommendations in terms of EI and how we could make EI really work for women, particularly with regard to maternity and parental benefits. I'll just give you a sense of the kinds of things they were looking for. And I wonder if any of these recommendations have been considered or might be considered.

They wanted to see the federal government abolish the two-week waiting period, increase the benefit level to 70% of regular earnings, raise the maximum yearly insurable earnings, calculate benefits on the basis of the best 12 weeks of income in the last year—

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

Mrs. Irene Mathysen: I'll just be very quick.

They also wanted to reduce the eligibility to 360 hours and allow for a three- to five-year reach-back. Are any of those on the radar?

The Chair: We will leave it with them to think through. Don't forget what she has asked, and we'll come back.

Ms. Minna, for five minutes.

Hon. Maria Minna (Beaches—East York, Lib.): My preamble is a bit long, so I'll try to get to it.

The Chair: Be careful, though, you'll run out at five minutes.

Hon. Maria Minna: This is very important to what we're discussing, Madam Chair. It's very important.

This is a document that I've received just recently, and it has to do with the base underlying our whole tax system, where it says our tax system was based on idealizing the images of the heterosexual nuclear family. Some of it I'll read because it's faster that way. It goes on to say:

—cohabiting couples have always existed in Canada, the original income tax rules in Canada were deliberately constructed around the assumption that people either do or ought to form male-female pairs raising children, preferably with one income-earner and a stay-at-home domestic worker.

Then it goes on to say:

—by continuing to enact tax provisions that directly and unambiguously reinforce the economic dependency of women on higher-income partners (usually men); and (c) by continuing to withhold the real social and employment benefits from women that they need to escape from the 'female economy'.

Then it goes on to say—these are some of the excerpts—“The income tax rates on people with low incomes are quite high.” It then notes that in 1988 the “lowest federal tax rate was raised from 6% to 17%—which if you look goes as low as \$10,000, \$20,000 and the bulk of the people working at that wage are women.”

It says that the tax structure is in such a way that it actually discriminates against women and only reinforces the nuclear family with the woman staying home. The latest policy from the current government, which is the \$1,200, for instance, “further enhances the many tax benefits that flow from a woman's 'choice' to withdraw from waged work but it is woefully inadequate”.

Then the very last budget, which deals with the income splitting:

—produces open-ended tax benefits that grow larger as the incomes of supporting spouses increase. The tax benefits of income splitting are highest for single-income couples and disappear completely when spousal incomes are equal.

In other words, it still benefits the stay-at-home single income. Then the strongest tax rewards the traditional family.

So the tax system is set up to basically—I hate to use these words—screw the women. Sorry I have to use it that way, but it's the only way I can read this—or to undermine women. I'm sorry. I was reading this from the beginning. And I apologize for the language, for those people who are upset with it, but I was somewhat worked up and I had never thought of it this way.

My question to all of you, because this policy continues to be the case, is this. Has there been any study by Finance and HRDC to do a thorough evaluation of our whole tax structure and how it impacts on women in this country, from the underlying premise, from the beginning to the end and the continuing policies that we continue to implement, which continue to disfavour women in our society?

• (1610)

Ms. Alexandra MacLean: I have a couple of comments.

First, the basic structure of the Canadian income tax system goes back to the 1972 tax reform, which was in response to the Carter commission of the 1960s. Carter recommended family-based taxation, but in response to pressure from women's groups or representations from women's groups, the government adopted the individual as the basic unit of taxation. That was intended to encourage women to participate in the workforce, as I understand it.

In terms of the basic underpinnings of the Canadian tax system, the individual is the unit of taxation. So I'm not sure that it's correct to say that it's based on a one-earner model with a domestic worker in the home. I'm not sure that's entirely representative.

The bottom bracket—the figures you presented were from 1988. Currently, that rate is 15.5%, so it's come down since that time, and there has been quite significant tax relief directed at lower-income earners, both through increasing the basic personal exemption and through attention to tax rates.

With regard to pension income splitting, I would just say that it could be viewed as recognition of the way many seniors did choose to live their lives, and it provides benefits for what was quite a typical family pattern from that day.

The Chair: Ms. Minna, for the purposes of this committee, could you tell us what the source is?

Hon. Maria Minna: I'm sorry. There was a conference, actually, from NAWL that we saw the other day. It is *Tax Policy and the Traditional Family Model...*, by Kathleen Lahey, Faculty of Law, Queen's University.

The Chair: Thank you.

Mr. Bruce Stanton (Simcoe North, CPC): Is it a magazine article?

Hon. Maria Minna: No, it's a paper from a professor of law.

The Chair: Ms. Minna, your five minutes are up.

Hon. Maria Minna: I understand that. I'm simply answering your question.

The Chair: Thank you.

I want a clarification, because you responded to a question. If I am not mistaken, in 2005 the lowest income tax rate was 15%. In 2006 it went up 1% to 16%.

I do tax returns, and when I was doing it for the lower income, 2005 was 15%, and 2006, because we were mid-year, was 15.5%. But it wasn't 15.5%; it was 16%. The personal exemption in 2005 was \$500 more than it was in 2006. So that is not correct. For the record, I'd like to have totally correct information.

We accountants don't like information that does not sit well, because I could bring tax forms here.

Therefore, that put 200,000 seniors, because I do tax returns, back onto the tax rolls. So for clarification purposes, perhaps you could respond to that.

Thank you.

• (1615)

Ms. Alexandra MacLean: Well, 2006 was a complicated year, for sure. I believe you're correct regarding 2005. The rate for 2006, I believe, averaged out to 15.25%.

The Chair: It was 15.5%.

Ms. Alexandra MacLean: But the current rate is 15.5%, not—

The Chair: Yes. It was 16%, but because it was half a year, they gave it 15.5%. And now it has gone down to—

Ms. Alexandra MacLean: Perhaps I could undertake to provide —

Mrs. Joy Smith: A point of order.

The Chair: There is no point of order.

Mrs. Joy Smith: Yes, there is.

The Chair: It's the truth, and we can now go on to the next round of questions.

Mr. Stanton.

Mrs. Joy Smith: Madam Chair, excuse me, I do have a point of order.

I understand where you're coming from. I hear daily that you're an accountant, and that's all very well.

We have invited the department to come. They've tried to clarify your questions. I would remind you, Madam Chair, that we need to be very respectful of the department.

The Chair: Your point of order is out of order. I am respectful to everyone.

We had a very terrible time last week, or the week before, with members of the Conservative government accusing—accusing—the witnesses of not having the—

Mrs. Joy Smith: Madam Chair, this is totally—

The Chair: I am sorry, but you have—

Mrs. Joy Smith: No, this is out of order. Excuse me.

The Chair: We'll go on to the next question.

Mr. Stanton.

Mrs. Joy Smith: You can dissolve today, but you can't carry on like this.

The Chair: I'm not dissolving; we're not dissolving. If you wish to leave, that's your prerogative.

Mrs. Joy Smith: I'm staying.

Mr. Bruce Stanton: Do I have the floor now?

The Chair: Yes, Mr. Stanton.

Mr. Bruce Stanton: Thank you, Madam Chair.

I'm mindful of the fact that in 2005 the tax rate at the very end of the year, through a process in the House, was put down to 15%; however, at the eleventh hour it was legislated at 16%. So it does in fact represent a legislative change from 16% to 15.5% in 2006.

My question is to Ms. Glover and Ms. Poter.

This has to do with the CPP survivor benefit. I ask this question principally because some of my own constituents have brought this question to me, and I've indicated that we're delighted to be able to study this field. What it comes down to is the CPP survivor benefit.

The question is, considering that the CPP is essentially contributions from employers and employees, in the end those moneys flow directly from individuals, not from the public sector, per se. If the survivor benefits were expanded, for example, to allow a survivor to realize the full benefit of what the deceased person had gained in his or her CPP account, if you will, to the degree to which those benefits could be completely realized by the survivor, have you ever done any studies to see how much premiums would have to be increased to accommodate that larger survivor benefit?

This has been a topic of considerable interest. Perhaps you can consider that.

Ms. Virginia Poter: I'm not familiar with any studies that have been done with regard to the cost of expanding the survivors benefit. It's not an area directly within my responsibility, but certainly I would endeavour to go back and confirm whether or not there has been any work done on that. I'll provide it back to you if that is the case.

Mr. Bruce Stanton: Great. I appreciate that.

Just on another point, through the course of this study that we've been conducting on the economic security of women, we have had representations and presentations that have given us insight into a suite of programs, including your presentations around the labour market partnerships, around core social benefit programs like CPP, GIS, OAS, EI, now WITB, and various targeted tax credits.

Could you comment generally—I would ask this to both departments represented here today—on how this suite of social benefits has in fact addressed the incidence of poverty in Canada in, say, the last ten years?

Ms. Virginia Poter: I'll have a bit of a go at it.

Mr. Bruce Stanton: Just a general comment.

Ms. Virginia Poter: Okay.

If we start with seniors, the low-income rate for seniors has come down considerably. The low-income rate for seniors is currently at 6.1%. That's acknowledging that it's higher for women. The rate has dropped since 1996, when it was at 9.8%. It was at 16.3%, I believe, in 1989. That's a considerable drop for a vulnerable part of our population.

If you look at the investments in old age security, guaranteed income supplement, as well as CPP, certainly those investments would contribute to that reduction. As well, in the case of women, their increased labour market participation prior to having gone into retirement meant that they were able to contribute to registered

pension plans, to the Canada Pension Plan and so on. That would have contributed as well to women's reduction in low income. As we know, women make up the majority of seniors.

If we look at child poverty rates, or low-income rates for families with children, in 1996 the rate was 18.6%; now, the most recent figure we have is 11.7%. That's a significant drop. It compares with 1989, which was a comparable point in the business cycle.

Again, you can look at some of the investments on the Canada child tax benefit and the national child benefit. I'm just trying to think of other programs that would relate to children. There have certainly been good investments.

The CCTB and the NCB together, I believe, are projected to be \$9.5 billion of investment this year. It goes to low-income as well as modest- and middle-income earners for this child tax benefit.

• (1620)

Mr. Bruce Stanton: Sorry, we should have gotten the finance department into the picture; perhaps in another round.

Thank you, Madam Chair.

The Chair: Ms. Barbot, *cinq minutes*.

[*Translation*]

Mrs. Vivian Barbot (Papineau, BQ): Thank you.

Good afternoon, ladies. Thank you for joining us today.

When we discuss the economic security of women, we always start at the lowest level, because that is where we still find these women, despite their many years of hard work and determination. However, when we met on February 15, we were told that the wage gap in traditional sectors like teaching had begun to close. However, other witnesses, including representatives from the Canadian Teachers' Federation, told us that professional women were lagging behind since, in order to earn more money, they were expected to continue their studies while holding down a full-time job.

In Quebec, in the 1980s, when we were striving for equality, it became obvious that women teachers were always paid less because they had to upgrade their education while they were working. That is why the requirement to teach in a CEGEP is now a B.A. rather than a Ph.D or a master's degree.

The same situation applies to many professions. In medicine, for example, women never go beyond the first level. During their entire professional life, even they are at a higher wage level, they are paid less than men. And, of course, that continues right into retirement.

Since this situation obviously has a bearing on policies, I would like to know if you have taken a close look at the problem and if you have considered any possible solution. How do you think we can finally solve this problem by reconciling work and family life or by bringing in pay equity?

[*English*]

Mrs. Barbara Glover: Thank you.

We did talk about this on February 15.

I generally agree with your comments and with some of the witnesses' comments that an explanatory factor for the continued wage gap can be related to the level of education and ongoing training, which was the question that was raised earlier.

Part of the answer is related to trends in education. We did talk about that a little last time. Currently, I think approximately 60% of graduates with undergraduate degrees are women. That's expected to change the master's and doctorate level attainment rates in women's favour. Some people are predicting that if you take the 60% trend in undergraduate degrees and project it out to the master's and doctorate levels, over time it could well be that women will have more master's and doctorates than men. That will start to deal with the part of the wage gap that is due to different educational attainments. That's one part of the answer, I think.

A second part is probably related to the fact that women are taking time out of the labour force. When they come back from raising kids or taking a leave to have a child, they may not have taken the upgrading while they were off looking after their kids, and when they get back, they may not be inclined to spend additional time in school.

So there are probably two things. Currently, if you compare the hourly wages of full-time workers who are just out of school, there is not a wage gap. So I would observe that you can expect the educational part of the equation to start to take care of itself, which is to say that as women are entering the labour force with higher and higher levels of education, the part of the wage gap due to initial educational difference has disappeared for kids just getting out of school.

The question then is what happens as people live their lives? Will that wage gap stay at zero? It remains to be seen as part of the answer. But I think part of it is what you are saying, which is that as people make choices about entering the labour force and taking time off to raise kids, that will have an impact. I'm not a researcher, but I wouldn't predict now that the wage gap will stay at zero. That's true for Canada, and as you know, that's true for OECD countries in general.

I had said that we were doing a study with the OECD to compare what's happening on the educational attainment side and on the wage gap side, because obviously we want to see what's going on in these other countries.

● (1625)

The Chair: *C'est fini, Madame Barbot.*

Ms. Mathysen for five minutes, please.

Mrs. Irene Mathysen: Thank you.

If you could answer my question from the last round, I would appreciate that very much.

Ms. Virginia Poter: If I recall your question, it had to do with what work had been done looking into various proposed changes to the EI program.

I think I've got them down here. One was to eliminate the two-week waiting period. I'm not sure if there has been work done in this area or not. Nobody is here from the employment insurance—

Ms. Brenda Lundman: I can help a little bit there in the sense that a number of these proposals have been made, both in private members' bills and in committee reports, particularly from the HUMA committee. And in a number of cases the government has made and tabled responses that have dealt with the cost of some of these, which can be fairly significant, and whether or not these are consistent with the sorts of behaviour effects we wish to have from the employment insurance program and so on. So while they may not be exactly in those words, raising the replacement rate for employment insurance has been suggested and studied and responded to on a number of occasions.

The 360 hours as well, the 12 weeks...and I will mention that this year, for the first year after many years of the maximum insurable earnings being frozen, it has risen, because the index it was associated with has now risen to the point where maximum insurable earnings will go up and hence maximum employment insurance payments go up as well.

● (1630)

Mrs. Barbara Glover: I just wanted to add one little point. The very last suggestion that was recommended was around reach-back, and I was a little unclear what that is. If reach-back means eligibility to get EI, part II, or the active labour market measure benefits, that's in place. So if people are off for parental or separated from the labour market for a certain number of years, they still are eligible for EI, part II, which is to say the active labour market measures, job training, skills upgrading.

I didn't have the recommendation in front of me, but I'm curious if it's about the active labour market measures side of the access-to-skills upgrading.

Mrs. Irene Mathysen: Actually, it was the situation where a woman has been working over a period of time but hasn't managed to accumulate the number of hours on an annual basis, so that in the year of the birth of her child she just doesn't have enough hours. The recommendation was to be able to reach back three to five years to manage to get that number of hours so that she wouldn't de-qualify.

It's interesting. The business of cost keeps coming up, but we have a remarkable surplus in the EI account, and I would hope that would be taken into consideration.

I have another question here, and it pertains to women living in rural and remote areas. Some of the witnesses told us that government services should be allocated on a needs basis rather than a population basis, simply because when you base it on population, remote communities and rural communities are very disadvantaged. I wondered whether there has been any thought given to making that shift and looking at the needs of a community and meeting those needs.

Mrs. Barbara Glover: Are you asking about a specific program or in general?

Mrs. Irene Mathysen: I'm asking about services in general.

Mrs. Barbara Glover: When the targeted initiative for older workers was announced in the fall, \$70 million was intended to help older workers who had been displaced. The money was in fact intended to be for areas of higher unemployment or where factories had closed down. For example, Toronto and Montreal were not eligible communities. I'd have to say it was probably an extreme way to do it. I don't recall that people were 100% happy with it. That's on the one hand.

Another example is employment insurance, which isn't really done on a population basis at all. It is very much driven by employment insurance claims. That's a second way to divide the money.

The labour market program that I talked about in Budget 2007 is \$5 million for people who are not eligible for employment insurance programming, and it was divided up per capita. The idea was that employment insurance would be directed to areas of higher unemployment, but this would be directed to a broad set of needs. For example, a province could choose to support people who are in northern, rural, or urban areas. I think the intent was to be deliberately broad in terms of clientele and coverage.

It's a very general answer to say I don't think there is a perfect way to divide anything up. Whenever you talk about a program, it depends on its purpose and it depends on its reach.

The Chair: Thank you, Ms. Glover.

We'll now go to Ms. Grewal, for five minutes.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Madam Chair.

Thank you for coming here today.

Some witnesses in the past have told us about the experiences of other countries, such as the United Kingdom and Ireland, in reducing poverty. It could be very helpful when drafting anti-poverty policies in Canada. These countries have developed plans that include targets, timetables, and funding.

Could you please describe how such an approach could be applied here in Canada? What role could the federal government play in that?

• (1635)

Ms. Virginia Poter: The Government of Canada has a number of programs and initiatives currently in place that target low-income Canadians. They also have a number of policies and approaches in place that lead to a vibrant economy. As we all know, a good economy is a good source of economic security for all, including women.

There are various programs and initiatives, such as the national child benefit, the working income tax benefit, as was discussed earlier, and the guaranteed income supplement. Those would certainly be the key elements of an approach to address poverty overall.

That said, we always have lots to learn and progress to make. It's why we look at the strategies that countries such as the U.K. have taken on.

Most recently, we've been looking at it internally. As you said, they have set targets, a focus, and indicators on how to measure

progress and whatnot. They have new deals and various elements that would be similar to the types of initiatives and benefits mentioned.

I see a lot of similarity in what we're doing in Canada, as well as interesting pieces that we haven't pursued as of yet.

Ms. Brenda Lundman: If I could add one thing to keep in mind, in all of these things, we must keep in mind the fact that we live in Canada. Provinces have significant responsibilities with respect to income security for their populations, as well as many of the programs that are closest to people in need of assistance and support from government. This is complicated by the fact that we do a lot of federal-provincial work. But one should not underestimate how the national child benefit and the whole system worked, because the provinces and the federal government were able to work together.

When you talk about an overall strategy, from our perspective, we would have to take into consideration that it has to be a national strategy and not necessarily a federal strategy.

Mrs. Nina Grewal: Do you have any suggestions on how the government could remove disincentives to work and allow low-income senior women to better subsidize their small earnings?

Ms. Brenda Lundman: Specifically for senior women?

Mrs. Nina Grewal: Yes, senior women.

Ms. Brenda Lundman: Well, I guess the WITB will be available for those people. That does mean there is a bit more if you do return to work. Other than that, there has been work as reported, for example, in the CPP committee, which is a joint federal-provincial stewardship committee overseeing the CPP. It has looked at whether there are, in our programs, disincentives to keep working and whether or not there should be some changes. So there has been some work in that area.

Ms. Alexandra MacLean: I guess there's another small example of that from Budget 2007. The change to the RRSP/RIF conversion age from 69 to 71 at least facilitates the ability to continue working for older workers, and there was a related pension change so you can keep contributing to a pension for a longer period.

Mrs. Barbara Glover: I'm going to put one fact on the table just in terms of women who are over 65, in terms of engagement in the labour force. It's about 5%. It's quite low, but if you go back to 55- to 64-year-olds, it's about 50%. So there's quite a huge difference.

• (1640)

The Chair: Thank you.

We now go to Ms. Neville for five minutes.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you very much, Madam Chair.

And thank you very much, and I apologize for coming in late yet again.

I have a whole bunch of questions, and I'm going to put some of them out and see what kind of time we have to answer them.

My first question is around rural women. This week we had two very compelling presentations from rural groups. We've previously heard from the National Farmers Union on issues related to family and women. I'm wondering whether you do any analysis in your departments as it relates to government programs, support programs, policies, or regulation changes, and how that impacts on rural families. That's my first question.

My second question is in a totally different area. The study that Ms. Minna was referring to was the study by Kathleen Lahey. It's called *Women and Employment: Removing Fiscal Barriers to Women's Labour Force Participation*, and it was actually a research study funded by the Status of Women. The interesting piece here is a schedule that shows the gender gap in incomes.

I'm not going to go through it, but in 2004 it says the income for a 25-year-old woman was \$21,000, approximately; a man, \$30,000. By age 50, which was 70%, the peak earning age for women, women's earnings actually fell to 67% of men's earnings by the age of 51. It began to fall further, and it concludes by saying that on only two points on the income age scale did women's incomes exceed men's in 2004: at ages 16 and 17 and again at ages 92 and 94.

I'm curious to know whether you have done any analysis on this kind of issue. We can perhaps table this report or pass it on to you for your consideration, because it's really quite an interesting report.

My other question is in the area of a working income tax benefit, but I think I'll let you answer the first two, and then if I have time I'll come back to this.

Mrs. Barbara Glover: I could have more of an answer to the second question than the first. If people have more of the first than the second, they should jump.

Ms. Brenda Lundman: I think I can do the first one quite quickly, which is basically to say that when we do our work as analysts in the government, as good bureaucrats, we take into account a wide range of impacts whenever we're looking at a program or policy, whether it's a change, or a new program, or otherwise, and there are all sorts of dimensions to that.

As the committee knows, gender-based analysis is a critical element of that, but so also are a number of other dimensions or implications to the program, and one of those is urban-rural. And you do look. When you are looking at a program and analysing it, you do ask whether this program is going to have disincentives or significant problems for one group or, the other way around, whether it is fair for all Canadians. So that is taken into account.

Hon. Anita Neville: I asked you specifically, though, when you're looking at farm programs, farm support programs, and changes in regulations with the Wheat Board, because the farmers' union that was here some weeks ago specifically mentioned that one having a negative effect...those are the programs I'm particularly interested in knowing what kind of analysis you do as it relates to rural families.

Ms. Brenda Lundman: The point I'm making is that when our people, particularly at the Department of Finance, look at these from a broad perspective, they ask the department whether or not they have done the analysis that would enable us to answer that question should it come up. Is this fair to rural? Does it have unintended side effects that are not understood or fully described?

But there isn't always a study per se or something written down that says this is it, but it is part of the policy development process to look at all these dimensions of issues like that. I know that's a bit fuzzy.

The Chair: You have 20 seconds to ask the next question.

Hon. Anita Neville: I want an answer.

No, go ahead.

Mrs. Barbara Glover: I'll talk quickly. I haven't read the report from Kathleen Lahey, although someone has found it, and I will take a look at it. I did a description about the gender wage gap on February 15, and we did this using methodology from Stats Canada—which I think gets to numbers that were different from Kathleen's—from the notes I took when you were speaking.

What we did—and Stats Canada advises to think about gender wage gap—is to try to compare hourly wages. I can't tell, because I haven't read the report, whether she has done that or not. So we do analysis in this area. We look at different cohorts: younger women, different groups, different types of work, so that we have a sense of the gender wage gap.

• (1645)

Hon. Anita Neville: Can I follow up with you on this? Great. Thank you.

The Chair: Thank you. We now go to Ms. Davidson for five minutes.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Thank you, Madam Chair, and thanks again to our presenters for being here today. We have heard a lot of people talk about economic security and we have heard it discussed, issues from young women to senior women. One of the things that we've heard is that women do a disproportionate amount of caregiving regardless of whether it's in the younger years with child care or whether it's in the more senior years with compassionate care for elderly parents or family members. When they do that, in most cases they have to exit from the workforce because of the numbers of hours and the energy required to do that.

That's one of the things we've been told over and over again. In the younger years, there is a maternity benefit. In the older years, is there anything? Have we put anything in place or are we looking at anything that can give them some type of a wage or an income through the compassionate care years, the more senior years?

Ms. Virginia Poter: I'm not aware of any allowance per se, but a provision within the Canada Pension Plan allows for a dropout from contributions without losing the ability to continue to build your pension through the CPP. So you can withdraw from the labour force and not contribute to the CPP, but you are able to offset that...I'm not explaining this particularly well. Let me try one more time.

You are able to draw—I think I might be saying this incorrectly, but you're able to—

Ms. Brenda Lundman: It doesn't reduce your pension—

Ms. Virginia Poter: Your pension benefit. That's correct.

Ms. Brenda Lundman: —because you were out of the workforce for caregiving purposes.

That being said, the other program is the EI compassionate care benefits, which provide up to six weeks of benefits in situations where you have a terminally ill patient who requires some close family attention. That is available across Canada and has been for a couple of years. The take-up is not high.

Mrs. Patricia Davidson: Do people really know about that?

Ms. Brenda Lundman: I think people know about it.

Mrs. Patricia Davidson: Has there been any discussion in EI of expanding it further than the six weeks?

Ms. Brenda Lundman: That has also been one of the recommendations that has been reviewed and looked at. At my last count, we were still seeing how this was going to work—as it is now—before seeing whether or not any sort of expansion will be considered.

Mrs. Patricia Davidson: If it hasn't been well used, is it because six weeks isn't a long enough period, or do we know why it's not being well used? There are certainly enough women who are doing that care.

Ms. Brenda Lundman: To begin with, we do know, and the monitoring and assessment reports have told us, there are some issues associated with the fact that this has to be for someone who is—I will use the wrong word—certified as likely to die within a year. That in and of itself is a tricky decision point.

Your job is protected during that six weeks; there are no issues there. But it is mostly a family decision about whether or not to pursue this.

• (1650)

Mrs. Patricia Davidson: So it's mainly for palliative care then; it's not for someone who has to stop work for six weeks, or three or four months, to look after a sick family member who may get better?

Ms. Brenda Lundman: No. It's officially for someone who's terminally ill.

Mrs. Patricia Davidson: Okay.

The Chair: You have 30 seconds if you want to ask another question.

Mrs. Patricia Davidson: What about senior women accessing old age security? Is there any way it can be made easier or more accessible for them?

Ms. Brenda Lundman: We're not aware that's an issue. You only have to apply once in your lifetime, and it comes; there's no big issue in terms of actual access.

Mrs. Patricia Davidson: Has it remained the same over the years or have there been changes to it?

Mrs. Barbara Glover: We'll get back to you on whether there have been changes.

Mrs. Patricia Davidson: Thank you.

The Chair: Madame Deschamps, for five minutes.

[*Translation*]

Ms. Johanne Deschamps: Thank you, Madam Chair.

I'd like to come back to employment insurance. Ms. Mathysen spoke earlier about improving the program. I am referring to Bill C-269, which is being studied by this Parliament, and which I introduced on behalf of my party.

This bill comes after a widespread consultation undertaken throughout Canada by the Standing Committee on Human Resources, beginning in 2004. The committee heard from a number of organizations representing the rights of the unemployed, unions, workers and employers in order to better understand what workers are experiencing. The nature of work has changed, which is why Bill C-269 was brought forward.

The bill also addresses seasonal work. According to statistics, 40% of working women have part-time jobs. We also spoke about farm women. That is what life is like for some of the women in my riding: they can only find seasonal work in tourism, agriculture or forestry.

In 1980, 70% of women received employment insurance benefits. In 1996, the government changed the rules and withdrew from the program. Now, only employees and employers contribute to the employment insurance fund.

Should we improve the current plan to reflect the type of labour market that women are currently facing?

[*English*]

Mrs. Barbara Glover: I'm just going to make one comment. We can't give recommendations or even accept recommendations. I know you know that. You may know that my minister, Minister Solberg, is in front of HUMA right now, as we speak. I'm pretty sure that someone may well be asking that very question, and someone will be looking with interest to see what he puts in the transcript. It's a hard question for us to give you a meaningful answer to, as officials.

I heard your question, but it's hard to answer a question about a private member's bill that's going through the House right now. Our minister will be addressing that, I'm sure.

• (1655)

The Chair: You have one more minute.

[*Translation*]

Mrs. Vivian Barbot: How many minutes do I have left?

[*English*]

The Chair: *Oui.*

[*Translation*]

Mrs. Vivian Barbot: I have one minute remaining.

I would like to know if you have solved the problems that immigrant women were having with old age pension. Is something being done about that?

[*English*]

Mrs. Barbara Glover: I don't know the answer to the question.

Ms. Brenda Lundman: My understanding is that one must have 10 years of residency in Canada to be eligible for the old age security pension. Once you have attained that, you may be eligible for what's known as the super-GIS, in the sense that if you are in that low-income area, you may have your OAS topped up with a large GIS to the maximum of the two. My understanding is that there's no consideration being given right now to reducing that 10-year period of qualification. I think there has been some testimony here about the fact that if you come from another country and you have a social security plan there, for which we have an agreement, there may be meshing of the two schemes.

The Chair: We'll have Ms. Mathysen for five minutes.

Mrs. Irene Mathysen: Thank you, Madam Chair.

The Chair: We won't start your time. Yours will be the last question.

Mrs. Irene Mathysen: In 2003, the CEDAW committee made 23 recommendations to the Government of Canada. Some of the recommendations included the following: introduce employment-related measures to bring women into more standard employment opportunities; accelerate the implementation efforts of equal pay for work of equal value; ensure income-generating activities for aboriginal woman; expand affordable child care facilities; raise the benefit levels for parental leave; redesign efforts towards socially assisted housing, after a gender-based analysis has taken place, for vulnerable women; assess the gender impact of anti-poverty measures; and increase efforts to combat poverty among women.

It's been a long time since we had that recommendation, and I guess admonishment, from the United Nations. I wonder, in the four years since, has HRSD been working on any of these issues in order to address the CEDAW concerns? If so, has any progress been made in that regard?

Mrs. Barbara Glover: I'll start, and then maybe Virginia wants to add.

I was taking notes and may have missed some, but the first point was on employment-related measures. I would say that the proposal in Budget 2007 to put in place \$500 million a year to address labour market issues for individuals who are not covered by employment insurance or who are in the labour market but have low levels of education or literacy is pretty directly responding to the recommendation you set out. It's meant to have a broad degree of eligibility. That's one action.

I know that the program in support of homelessness that was coming to a sunset has been extended. That's the second area. And I believe we shared some questions and answers around homelessness and the impact on women and what the department was doing in support of that, following February 15.

I think it's worth saying that over the past few years women have continued to enter the labour market in ever-increasing numbers, and that has had an impact not only on wages but also in capacity to prepare for and save for events, including retirement.

I think it's worth saying that educational attainment has increased steadily over past decades, supported in part by Government of Canada programs—for example, Canada student loans, but also the

RESP program, as well as the bond that was introduced, making it easier for people to save for education.

We've expanded our support for aboriginal programs, also announced in Budget 2007. We have two main programs that do that, AHRDS and ASEP.

Did you want to add to that, on some measures?

• (1700)

Ms. Virginia Poter: The national child benefit has continued. There has been continued investment in the national child benefit. In both 2005 and 2006 there were increased investments in that regard.

I think it's worth noting a couple of statistics, one of which is that I believe the employment rate overall, for all Canadians but also for women, is the highest it has been in 30 years. So that, of course, is certainly a good contribution to improving economic security for women.

The last point I would make is that the low-income rates for all types of women, be they children, working age, or seniors, have decreased over the last decade. So that's good news.

The Chair: Thank you.

We will now go to Mr. Stanton, who will be sharing his time with Ms. Grewal.

Mr. Bruce Stanton: Correct. Thank you, Madam Chair.

Just before I put my question—my brief question, Madam Chair—one member had a document here today that she read from for the committee, and I wonder if we could have that document tabled for the committee's benefit.

I'll get on with my question, and this is to Finance—I get a chance to come back to a Finance question.

We had a number of witnesses who talked about, in all fairness, programs that were effectively within the jurisdiction of provincial and territorial governments. I wonder if you could shed some light on the degree to which, particularly with Budget 2007, the government has in fact tried to put more money in play for the types of social benefit programs that speak right to economic security issues, such as housing, child care benefits, employment training, as in the case of the LMPA that we talked about earlier, to just give us some idea of the scope of those transfers to the provincial and territorial governments to support that kind of good work.

And then we'll go to Ms. Grewal.

Thank you.

Ms. Brenda Lundman: In Budget 2007 we started out by strengthening and renewing the equalization and territorial formula financing programs to ensure that all Canadians across Canada could have, with the assistance of these programs, a reasonable possibility of getting a reasonable, comparable level of services from their provinces. So we're working on the fiscal capacity of the provinces there. That's significantly more money—\$2.1 billion more over the next two years.

There was also a commitment to shift the support cash component of the Canada social transfer, which is a program that really provides the support for the provinces when it comes to welfare and social services. That has been shifted to an equal per capita basis, meaning that some provinces will receive more, but it will be an equal amount in terms of cash.

There was also an \$800 million increase in the support for post-secondary education provided through the Canada social transfer. A \$250 million increase in support for child care spaces was to be provided to the provinces through the Canada social transfer as well. You can add to that the \$500 million for labour market training and infrastructure money, which is also significant.

Mr. Bruce Stanton: That's \$33 billion, if I'm not mistaken.

Ms. Brenda Lundman: It just depends on how you add it up. That's not quite my area.

Mrs. Nina Grewal: I want to continue with Ms. Barbot's question. She was talking about old age security, and your answer was that after people have lived in the country for about 10 years they can get it. I was under the impression that people from certain countries get it after 10 years, but people coming from European countries get it as soon as they land in this country. Is that true?

• (1705)

Ms. Brenda Lundman: That is only if they are eligible under their previous country's program and we have an arrangement with them that makes the benefits from one program recognized in the other—a reciprocal agreement. It's called a social security agreement. It is not in place with all countries in the world. It also requires that the country have that sort of programming and security system in place.

Mrs. Nina Grewal: Which countries do people have to come from to get the benefits as soon as they land?

Ms. Brenda Lundman: I don't have that list, but I could provide it to you.

Mrs. Nina Grewal: People who come from third world countries get it after 10 years.

Ms. Virginia Poter: I believe we have agreements in place with around 50 countries right now. We can give you that list if it would be helpful.

Mrs. Nina Grewal: As soon as people land from those 50 countries they start getting old age security, right?

Ms. Virginia Poter: No. I think we have to look at each agreement in detail and the actual provisions within it. I would assume it has to do with their residency requirements as well as ours, and a matching of them. I haven't read any of them, but I expect there's a fair bit of detail around that. We could endeavour to provide

you with the list of the countries and perhaps some of the relevant provisions, if that would be helpful.

Mrs. Nina Grewal: Sure. Thank you.

The Chair: Would those be tax figures we have with different countries and therefore—? They're just special agreements.

Ms. Virginia Poter: I think they're called social security agreements.

The Chair: Okay.

Thank you very much for being here.

As we study the economic security of women, you are the key departments that help us. We have heard so many witnesses, and witness after witness has talked about how women face the impact of going out of the workforce due to maternity, due to giving care, etc. We rely on the two departments to do some gender-lensing. Through that gender-lensing, we are hoping that you can help us in alleviating the impact.

When the deputy minister of finance was here—we asked them to give us some feedback on the working income tax benefit and its threshold, and why somebody who earns \$22,000, or a lower income than the poverty threshold—I was just going through this book here that asks what is the threshold for poverty. If the threshold for poverty is \$25,000 to \$30,000 for a single person, then why is an income of \$22,000 too high for the working income tax benefit and too low for the child tax benefit? Those are issues that we have to grapple with, and I think we are all working in tandem trying to see how we can alleviate poverty.

I didn't mean any offence, but just so that you would know what I was talking about, I had the two forms brought in showing the actual rates for 2005 and 2006. We were not debating it, but we were just trying to clarify it.

There is so much information that you have given us, and there are certain things that have been put in place, and we have asked Finance for information on them as well. As it goes through its gender lens—how do all these credits that have come through help women?

There is some mechanism on which I think you were questioned by Madame Deschamps. How does a person who does not qualify for EI access that fund you were talking about? We do not have information on the mechanism and we don't understand the mechanism. So there are a lot of things we do not know, perhaps because this mechanism has come through this budget and has probably not been mechanized. That's our frustration. If we could just find out how the mechanism works, and the information that Madame Barbot and Madame Grewal have asked for, that is, the treaties we have with different countries on social security—

With that, do you want to have any last words?

You had a question, Ms. Mathysen, and I did not let them answer. Do you remember what your question was, because I can give them the last minute or so to finish off any closing remarks they want to make?

I know you didn't make any opening remarks, but if you had some final words to say, we would appreciate them.

• (1710)

Mrs. Irene Mathysen: Madame Chair, if I might, I have some concerns.

I want to begin by saying I appreciate the efforts to answer the questions, but there are some things from my last question that disturbed me profoundly—the notion, first of all, that somehow or other we've created this regime of child care, when we have created no spaces; and that this new employment is a miracle, when we know that a lot of women are working two or three jobs, because the reality is they are working low service jobs.

But what is most upsetting I think to me is the issue of housing and the efforts made to house homeless people, particularly vulnerable women. I must tell you that in my riding there are 10 programs, and they received half the money this year that they received last year, and as of February and March, they've begun to close, and will all be closed by September 30. This is not the support I was looking for.

I wanted to put this on the record, because I think it's important that people, and this committee, know what is happening.

The Chair: Thank you, Ms. Mathysen.

Does anybody have any last words before we suspend?

Ms. Brenda Lundman: We didn't quite get through our response on poverty and how the poverty rates have come down and the causes of that, and so on, where we did describe some of the programs that have an impact on this.

I don't think we should underestimate the impact of other factors on this, the fact that the economy has grown a lot. When we are looking at the impact of these programs, that's the real challenge. Okay, poverty rates have come down—even if we may disagree about the definition of poverty and LICOs, and those sorts of things, and by the LICO measure, poverty rates have come down—but the real challenge is, what is the root cause of it? You can see that some of these programs do contribute to increasing the incomes of families, particularly low-income families with children. But we then have a lot of difficulty separating that out from the overall impact of the growth in the economy, the fact that some people have higher levels of education, and that there have been, generally or fundamentally, some fairly reasonable economic times.

The Chair: We haven't found the solution yet, so I guess we will just have to work hard at it.

As there is no further committee business, the meeting is adjourned.

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