



House of Commons  
CANADA

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

---

HUMA • NUMBER 044 • 2nd SESSION • 40th PARLIAMENT

---

**EVIDENCE**

**Thursday, June 11, 2009**

—

**Chair**

**Mr. Dean Allison**

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

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

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

Thursday, June 11, 2009

•(1115)

[Translation]

**The Vice-Chair (Ms. Raymonde Folco (Laval—Les Îles, Lib.)):** I would like to call to order this 44th meeting of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons With Disabilities. On the agenda today, June 11, 2009, pursuant to Standing Order 108(2), is an update on employment insurance and training pertaining to Budget 2009.

I would like to thank the witnesses who are appearing today: Mr. Paul Thompson, Associate Assistant Deputy Minister, Skills and Employment Branch, Human Resources and Skills Development Canada; Ms. Joanne Lamothe, Assistant Deputy Minister, Programs Operation; Mr. Mike Saucier, Controller, Chief of Financial Officer Branch; and, Ms. Liliane Binette, Assistant Deputy Minister, Operations Branch, Service Canada. Mr. Thompson will have 10 minutes to make his opening remarks and is representing both the Department of Human Resources and Service Canada. You will then have an opportunity to ask questions of both Mr. Thompson and the other witnesses appearing today.

Mr. Thompson, please proceed.

[English]

**Mr. Paul Thompson (Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Skills Development):** *Merci beaucoup*, Madam Chair and members of the standing committee. I'm pleased to have this opportunity to appear before you again today to provide an update on implementation of the economic stimulus package since our last appearance on February 12.

As indicated, my name is Paul Thompson. I'm the associate assistant deputy minister for the skills and employment branch at HRSDC.

Specifically, I've been asked to provide the committee with an update on three items: the progress on the stimulus package as it relates to employment insurance and skills training funding; wait times for the processing of EI claims, including month-by-month processing times from December 1, 2008, to April 30, 2009; as well as the additional \$60 million in funding allocated for the timely processing of EI claims.

As Madam Vice-Chair indicated, I'm joined by colleagues who will be able to speak to various elements of the implementation of the economic action plan: Joanne Lamothe, assistant deputy minister

for program operations, who will be able to speak to programs on work sharing, youth, and the aboriginal programs; Liliane Binette, assistant deputy minister for operations, on service delivery and processing of claims; and Mike Saucier, the acting chief financial officer.

[Translation]

When I last appeared before the Committee in February, I described the measures that make up the Canada Skills and Transition Strategy and how we plan to implement them. Today, I will give you an update on the implementation of these measures.

Over all, significant progress has been made to help workers who are losing their jobs as a result of the current recession or because of structural changes affecting particular Canadian industries. All the necessary policy and financial authorities have been obtained, and Canadians are benefiting from the changes to the Employment Insurance program, as well as increased investments in training and skills development.

[English]

Turning to the employment insurance measures, the government has made changes to EI to provide more benefits and easier access, preserve jobs, and support those hardest hit through training and skills upgrading so that they can find a new job.

Before discussing the impact of the employment insurance measures, I would like to remind the committee and update it on how the EI program is adjusted every month to respond to changes in regional unemployment rates.

As members may know, the EI system is divided into 58 distinct regions to recognize diverse labour market situations across the country. When unemployment goes up in a particular region, the number of hours required to qualify for EI decreases, and it therefore becomes easier to access EI. In addition, the duration of benefit increases. This reflects the current reality that in the hardest-hit regions it is harder to find and to keep jobs.

As a result of this flexibility, since October 2008 more than 85% of Canadian workers now have easier access to EI regular benefits, and for a longer period of time. Since October 2008, all regions in Ontario, B.C., and Alberta have seen the number of hours required to qualify reduce and the duration of benefits increase. In the hardest hit parts of Ontario, B.C., and Alberta, the number of insurable hours to qualify for EI has fallen by up to 175 hours, and the duration of benefits has increased by up to 14 weeks.

I will now turn to some of the enhancements to the employment insurance program.

The government is providing up to five extra weeks of EI benefits to support Canadians who lose their jobs. This new measure, with an estimated cost of \$1.15 billion, came into effect on March 1, 2009. As of the end of May, more than 150,000 Canadians had received additional benefits worth approximately \$196 million, and about 50% of these Canadians had exhausted their benefits prior to March 1.

The government is also making investments in the EI system to ensure that Canadians get timely and good-quality services. By March 31, almost 3.1 million claims had been processed, representing an increase of 17.8% over the previous fiscal year.

• (1120)

Human Resources and Skills Development Canada has received more than \$60 million for the fiscal year 2009-10 to respond to the increasing volume in EI claims across the country and to implement the expansion and the extension of work sharing agreements, as well as the increased duration in EI benefits.

With these additional resources, the department has hired 900 more staff to process claims, hired 110 more call centre agents to answer questions, extended the hours of operation for EI call centres by two hours, increased Saturday service capacity in a number of centres, and updated the Service Canada website to make it more user friendly and to include information on all the new EI measures.

[Translation]

Since January 2009, Canadians have been receiving their first cheques within 24 days on average, even with the dramatic increase in EI claims. In the period from December 2008 to April 2009, the average time for Canadians to receive their benefit cheques ranged from 22 to 25 days.

[English]

Within the next three months, an additional 400 staff will be hired and trained to improve this efficiency even further. The department will continue to monitor intake of claims and our ability to respond and will adjust staffing levels as appropriate going forward.

Turning to another initiative, the career transition assistance initiative is now being launched in partnership with provinces and territories. This initiative is designed to help laid-off workers, particularly those with many years of experience, who need to change occupations or industry to find a new job. It will provide EI income support for up to two years for long-tenured workers with many years of job experience to develop new skills to find a new job. It will also give unemployed long-tenured workers earlier access to EI regular benefits if they use all or part of their separation package

to pay for eligible training. We anticipate that over 40,000 long-tenured workers will benefit from these measures. We are on track for implementation, with letters being sent this month to more than 148,000 potential participants to make them aware of their eligibility.

The government has also frozen EI premium rates for 2010 at \$1.73, the same rate as for 2009. This measure provides a projected combined \$10.5 billion stimulus for the economy over two years.

Extended benefits are now available under the wage earner protection program to all eligible employees whose employer became bankrupt after January 26, 2009, to cover unpaid severance and termination pay up to a maximum of four weeks of maximum insurable earnings as defined in the Employment Insurance Act. As of May 23, in terms of implementation of this measure, 328 Canadians have benefited from this measure at a cost of just over \$600,000.

• (1125)

[Translation]

Government efforts are also focused on protecting...

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Excuse me for interrupting, Madam Chair, but I would like to point out that our Liberal colleagues presented a motion quite some time ago asking that we receive this testimony. Our friends here are giving generously of their time to come here and explain the current situation, but they have not provided a copy of their text. As a result, our interpreters are not able to follow the presentation. I think that is really too bad. Some parts of the presentation will not be interpreted.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you, Mr. Lessard.

I would just like to take this opportunity to remind everyone here today that, on a number of occasions, the Clerk of this Committee asked to be given a copy of the presentation. She tells me that you informed her that you would do so before arriving for the meeting. However, I do not see any text. I think you understand the kind of problems this causes.

Do you have a text, Mr. Thompson?

[English]

**Mr. Paul Thompson:** We do have a document. Unfortunately there were some security challenges at the front desk and our colleagues were detained with the copies down at the front, because of the delegation from Colombia that was in the room previously.

**The Vice-Chair (Ms. Raymonde Folco):** Where are the copies right now?

**Mr. Paul Thompson:** They should be en route; maybe I could check.

**The Vice-Chair (Ms. Raymonde Folco):** Can we send someone down just to make sure?

[Translation]

Could we have a copy of the presentation, so that we can make additional copies here? That way, we could at least provide one to the interpreters.

It is already 11:30, Mr. Thompson.

**Mr. Royal Galipeau (Ottawa—Orléans, CPC):** Madam Chair, could I ask whether the presentation is available in both official languages?

**The Vice-Chair (Ms. Raymonde Folco):** I imagine it is, although I did not actually ask that question; I expect nothing less from government officials.

**Mr. Royal Galipeau:** When the problems begin, sometimes they just keep piling up.

**The Vice-Chair (Ms. Raymonde Folco):** Yes, exactly.

[English]

Mr. Thompson, I'm sorry I had to interrupt you. Please go on.

**Mr. Paul Thompson:** My apologies for the delay in the documentation.

[Translation]

I will continue.

Government efforts are also focused on protecting jobs. The new work sharing program is helping to preserve jobs and is providing support to thousands of businesses and employees. Beginning February 1, 2009, the government extended work sharing agreements by 14 weeks, to a maximum of 52 weeks for the next two years. In addition, access to the program is being improved with greater flexibility in the qualifying criteria and the streamlining of processes for employers. The number of Canadians benefiting from work sharing arrangements is up more than fourfold since January, to almost 120,000 in May.

• (1130)

**The Vice-Chair (Ms. Raymonde Folco):** We are now on page 11 of the French version, ladies and gentlemen.

[English]

**Mr. Paul Thompson:** Turning to skills training measures, as you know, the government is investing in enhancing the availability of training, both to assist workers hit hardest by the economic downturn now and as an investment for the longer term.

We are working with provinces and territories to provide funding for training and program services. The government is investing an additional \$1.5 billion through agreements with provinces and territories. This investment is expected to assist up to 150,000 individuals over the next two years. The negotiation of agreements for both the strategic training and transition fund and the increased funding for the labour market development agreements are progressing well. To date, nine of these agreements have been signed. Agreements in principle exist with Newfoundland and

Labrador and the territories, and we expect the signing of these agreements very soon, later this month.

The government is also working with provinces and territories to implement the announcement of a \$60 million increase over three years to the targeted initiative for older workers, which will support 6,000 or more older workers. To date, six provinces and territories have signed amendments for this budget 2009 funding. Six others are being actively discussed, and only Alberta is indicating it will not be participating in this program.

The Canada summer jobs program for 2009 has also been launched. Nationwide, approximately 22,000 employers have been offered funding to create over 39,000 jobs for students. MPs have been informed of their increased allocations, and agreements are being finalized with employers, and the hiring of students began in May.

To further help unemployed youth develop the necessary skills to get jobs, the government is creating a one-time grant of \$15 million with the YMCA and the YWCA to create internships in the not-for-profit sector and community services organizations, with a focus on environmental projects. Agreements with the YMCA and YWCA have now been finalized.

With the additional funding for the aboriginal skills and employment partnership, five additional projects have been approved, worth a total of \$18.8 million. These will help secure long-term jobs for approximately 1,300 aboriginal people. A second request for proposals closed in mid-May for the next round, in which we would expect to fund up to 20 additional projects.

As well, an application process was launched on May 4 for the aboriginal skills and training strategic investment fund. The deadline for this application process is June 19, and we would expect approximately 3,700 aboriginal people will benefit from projects funded under this program.

The new \$2,000 apprenticeship completion grant, offered to apprentices who successfully complete their training in a Red Seal trade, will begin accepting applications on July 2, with eligibility being retroactive to January 1, 2009. There we expect an estimated 20,000 apprentices will be able to benefit from the apprenticeship completion grant right away.

Finally, HRSDC is also working actively with provinces and territories to develop the pan-Canadian framework on foreign qualification recognition, to be presented to first ministers in September. An interim report will be submitted this month to the first ministers.

[Translation]

As I have outlined, significant progress has been made in implementing the Canada Skills and Transition Strategy and helping Canadians to weather the current economic environment. We will continue to move forward with the few outstanding commitments and monitor our ongoing progress. We have a rigorous process departmentally and will report to Parliament on a regular basis. We will also continue to work to improve our processing times for EI claims and have pledged to come back to Parliament to report on progress.

With the help of my colleagues, I would be very pleased to take any questions Committee members may have on the implementation of these measures.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you, Mr. Thompson.

The first round will be seven minutes. I would just like to remind you that the seven minutes include both the question and the answer.

Mr. Savage, please.

• (1135)

[English]

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

Thank you to the officials for coming.

The nature of Parliament sometimes makes it seem as if we're adversarial. That's never my intent. I know the people of Service Canada are working hard in a difficult time. Although I do have questions about the political direction, I don't doubt the bureaucracy.

I want to talk about the \$60 million that the minister announced as new money for the processing of EI claims. In the supplementary estimates, \$59.7 million is allocated, and it says, "Funding to compensate for the reduction in administrative costs charged to the Employment Insurance Account". Can you explain that \$59.7 million versus the \$60 million to me?

**Mr. Paul Thompson:** I will ask Mike Saucier, our chief financial officer, to respond to that.

**Mr. Mike Saucier (Comptroller, Chief Financial Officer Branch, Department of Human Resources and Skills Development):** Thank you for the question, Mr. Savage.

The amount reflected in the supplementary estimates is a result of an adjustment to the administrative formula in regard to charging the EI account versus funds that come from the consolidated revenue fund. The formula is updated on a three-year basis. Overall the level of funding available for the department has not changed; what has changed is the reflection of those activities that are fully supported by the account versus those that are non-EI in nature. With this latest adjustment, we've seen an increase to the appropriated amounts of roughly \$60 million, with a corresponding decrease of \$60 million on the EI side, but the total amount of money available to the department has not changed.

One way of saying it is that it is more of an accounting or a technical adjustment that is done on the review of the formula.

**Mr. Michael Savage:** Would it be inaccurate to say that \$60 million was added to deal with the administrative costs of the backlogs of complaints?

**Mr. Mike Saucier:** In this case, this is strictly an adjustment of a technical nature, and no additional funds came to the department from this adjustment.

**Mr. Michael Savage:** The minister has advertised this as an additional \$60 million. What you're saying is that it's a reallocation.

**Mr. Mike Saucier:** By coincidence, there is actually another \$60 million that had been made available for the administration of EI, an additional cost...[Inaudible—Editor]...sharing. This is an additional \$60 million that is being charged to the EI account.

**Mr. Michael Savage:** To answer my question again, though, are you saying there isn't an additional \$60 million, and that it's a reallocation of the money that was already in the budget?

**Mr. Mike Saucier:** The first item that you referred to in the supplementary estimates is actually a reallocation within the department. There are no additional funds. The \$60 million that the minister has referred to is in fact additional moneys that the department has received for the administration of EI.

**Mr. Michael Savage:** Does \$60 million come out of the administration of EI?

**Mr. Mike Saucier:** The \$60 million that the minister has referred to does, yes.

**Mr. Michael Savage:** You're saying that it came out of EI originally, and then was put back in.

**Mr. Mike Saucier:** There are two \$60 million amounts, and they're separate entries. The first \$60 million you referred to in the supplementary estimates, as I mentioned, is a technical adjustment to the formula. The second is an adjustment as an increase to the administration of EI, so there has been an additional amount of \$60 million provided for the administration of EI benefits.

**Mr. Paul Thompson:** Can I jump in and attempt to clarify?

On the one hand there were certain activities that continue, that are no longer billed to EI, that are billed for the CRF, so the level of activity on this technical adjustment has not changed. Then there is \$60 million of incremental activity that was funded with this infusion of additional resources. The one is a technical adjustment as to where existing activity was billed—the CRF versus EI—and the other is \$60 million in incremental activity on top of that.

**Mr. Michael Savage:** But is it the case that \$60 million was moved out of administration and into something else in the EI fund?

**Mr. Paul Thompson:** It was simply a technical adjustment as to which account paid for ongoing activity in the department, based on an updating of a technical formula, as was indicated.

**Mr. Michael Savage:** It was administration.

**Mr. Paul Thompson:** It was administrative activities. Some get billed to CRF and some to EI, but the level of activity was not affected by the technical adjustment, whereas there was incremental activity with the infusion of resources.

**Mr. Michael Savage:** When did the department first identify that they were going to need some more resources to deal with the increasing unemployment?

**Ms. Liliane Binette (Assistant Deputy Minister, Operations Branch, Service Canada):** Thank you for your question.

In fact, Mr. Savage, you know that there are two important peaks in the EI period, year after year. One has to do with the winter, which is usually in December, and the other one deals with the summer peak, which starts in June. In early October, we started seeing an important increase in the number of EI applications. Overall, for the year, we are talking about a 19.3% increase, but when we looked at when the increase really kicked in, it was in the last six months of the year. So it started in early October.

Between October and the end of March, we saw an increase of 30%, which was significant. So already, in October, we engaged in more activities to deal with the peak in the season. We took people from other lines of business that are not linked to direct public services. We seconded them to EI processing activities. That was the national workload strategy across the country.

● (1140)

**Mr. Michael Savage:** But it was in the last....

**Ms. Liliane Binette:** Then we saw that it would not be sufficient and that we would need to hire additional staff.

**Mr. Michael Savage:** And that was late last year.

**Ms. Liliane Binette:** Yes.

**Mr. Michael Savage:** Because on December 19, in a newspaper article, the minister denied that there were any “delays in getting money to the swelling ranks of Canadians whose jobs have been lost in the economic downturn”. That doesn't seem to fit with that.

**Ms. Liliane Binette:** We undertook to put as many people as possible on the processing activities so that it would not create important delays in relation to the key performance indicators we have. We have kept an average of 23 to 24 days for processing applications. But given the important increase in the number of applications, we knew that what we were doing would not be sufficient, and if we could not have additional resources, it would result in additional delays. But we did get additional resources, which we applied to EI processing activities.

**Mr. Michael Savage:** That was in February or March—

**Ms. Liliane Binette:** Yes, it was in February.

**Mr. Michael Savage:** —long after the issue was raised.

**Ms. Liliane Binette:** As I said, we kept realigning people within the organization to focus on EI processing as a priority.

**The Vice-Chair (Ms. Raymonde Folco):** You will probably get a chance to come back to this.

*Monsieur Ouellet, à vous la parole.*

[Translation]

**Mr. Christian Ouellet (Brome—Missisquoi, BQ):** Thank you, Madam Chair.

Mr. Thompson, you said in your opening statement that more than 85% of Canadian workers now have easier access to benefits. What do you mean by that? Do you mean that it was difficult for the people who came before them? What are you basing yourself on in referring to 85% of Canadian workers?

**Mr. Paul Thompson:** As I explained, the Employment Insurance program is based on 58 separate regions, and, in 41 of those regions, the unemployment rate is on the rise. So, in those regions, we have reduced the number of hours required to access EI, and extended the benefit period. Furthermore, 85% of Canadians reside in those 41 regions.

**Mr. Christian Ouellet:** So, you are not basing yourself on the number of people who have lost of their jobs.

**Mr. Paul Thompson:** No, we are talking about the number of workers.

**Mr. Christian Ouellet:** You are referring to the population as a whole. Some people are not even in a position where they can take advantage of Employment Insurance. So, those are inaccurate statistics you are giving us.

**Mr. Paul Thompson:** No, they refer to workers.

[English]

the labour force, the percentage of the Canadian labour force that lives in these regions where these rules would apply.

[Translation]

**Mr. Christian Ouellet:** Why don't you base your statistics on the number of people losing their jobs in Canada?

**Mr. Paul Thompson:** Because these people are the ones paying EI premiums. The clients are the people losing their jobs. The base is therefore made up of people who work and who run the risk of losing their jobs.

**Mr. Christian Ouellet:** I consider your use of the term “Canadian workers” to be improper, because you are not including in that group people who are unable to contribute to the EI program. So, as I understand it, your statistics actually distort our understanding of the situation.

● (1145)

**Mr. Paul Thompson:** It is the percentage of—

Perhaps I could give you a technical explanation in English.

**Mr. Christian Ouellet:** Yes, please do.

[English]

**Mr. Paul Thompson:** It's the percentage of the Canadian labour force, which includes the employed and the unemployed, who reside in EI regions across the country who have seen the rules change.

[Translation]

**Mr. Christian Ouellet:** I think you should clearly state what your numbers are based on, because they give rise to all kinds of errors.

In Europe, statistics on the number of unemployed refer to people who are losing their jobs. But here, that is not what is referred to. You say that 85% of workers could receive employment insurance benefits. So, that distorts our understanding.

Now, I would like to come back to the 24 day timeframe, on average, to process claims. Are they 24 working days or calendar days?

**Mr. Paul Thompson:** I would like to ask my colleague, Liliane, to answer that question.

**Ms. Liliane Binette:** We are talking about 24 calendar days.

**Mr. Christian Ouellet:** So, about three and a half weeks. Could you explain to me why?

Nowadays, thanks to computers and the general development of access to information, people can be given credit in the space of a few minutes or a passport in three hours, and a travel agency can organize a trip to China in just a couple of hours. Why do you need 24 days?

If we take the example of a small town of 20,000 in my riding, near Magog, you would need 24 days to know whether an individual living there is entitled to EI benefits. Explain to me why.

**Ms. Liliane Binette:** Most of the examples you have given reflect situations where the documentation required to verify eligibility is provided in advance.

As regards employment insurance benefits, two documents are extremely important in order to verify benefit eligibility. First of all, there is the actual application made by the individual, and then there is the record of employment provided by the employer, which allows us to determine two important things. First, the accumulated number of hours worked, which determines the benefit period. We have to know the amount of money earned in wages in order to set the rate. The second piece of information is the reason for the separation. As you know, in situations that are complex and contentious, when an individual voluntarily quits his or her job, we have to determine whether the reason for the separation was valid.

Often people do not file their application the day that they lose their job. However, for us, calculation of the benefit period begins on the day they submit their application. Also, we must receive the record of employment from the employer in order to collate the data and pay the benefits. In addition to that, there is the two-week waiting period, during which no benefits are payable, because this is an insurance plan. So, because we pay the individual starting from the time we acknowledge that a person is eligible, because there is a two-week waiting period and because we ask the individual to report one week later, there are necessarily certain delays.

The number I gave you is a national average. Cases that are not contentious are obviously processed more quickly. However, in recent years, the national average has ranged from 23 to 25 days and, specifically, 23 days last year. This year, it is 24 days, month over month.

**Mr. Christian Ouellet:** Thank you.

I would like to turn it over to my colleague now.

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Thank you very much.

I would like to address a completely different topic: reforms affecting the Bankruptcy and Insolvency Act. As you know, the human resources sector is affected by Bill C-12, which proposed a program to assist workers who lose their jobs.

**The Vice-Chair (Ms. Raymonde Folco):** Excuse me, but I must interrupt. We have already gone beyond the seven minutes. You will have an opportunity later to ask your question.

Ms. Chow, please.

[English]

**Ms. Olivia Chow (Trinity—Spadina, NDP):** How many workers who are unemployed, in your estimate, have to wait a substantial amount of time because of their pension and severance pay? Would you have a ballpark figure of that nature?

• (1150)

**Mr. Paul Thompson:** Is this as a result of the allocation of severance before you can receive the benefits?

**Ms. Olivia Chow:** That's right.

**Mr. Paul Thompson:** I don't have numbers at my fingertips, but one of the measures that are being introduced relates to this requirement. As I was indicating in my remarks, of any individuals who choose to invest a portion of their severance pay, a significant portion will be eligible to get onto EI benefits much earlier; they won't have to wait for the period of weeks over which their severance is allocated. Anybody who opts to make that investment is eligible to get onto EI immediately.

**Ms. Olivia Chow:** That's for the severance, but not for the pensions?

**Mr. Paul Thompson:** This is in relation to separation payments of any kind, including vacation and....

**Ms. Olivia Chow:** If I'm laid off and I have severance pay, normally I'd have to spend all of it before I could go into.... With this, may I invest 100% of it?

**Mr. Paul Thompson:** Are you required...?

**Ms. Olivia Chow:** Yes, could I invest 100% of it and then qualify for EI?

**Mr. Paul Thompson:** Yes. In fact, if you're registering for a course that's more than 10 weeks in duration, you would be able to get—

**Ms. Olivia Chow:** Oh, you mean invest in apprenticeship and training.

**Mr. Paul Thompson:** It's any kind of training, yes.



**Ms. Olivia Chow:** But if my dollar amount is higher... Let's say the training costs only 10% of what I got back. I would have to use up the other 90% before I would qualify for EI, isn't that right?

**Mr. Paul Thompson:** No, if you're registering for a program that's longer than 10 weeks in duration, you would be put into payment upon confirmation of that training.

**Ms. Olivia Chow:** But the same doesn't apply if I don't need any training, or would that not matter?

**Mr. Paul Thompson:** For a long-tenured worker who doesn't opt for retraining, the allocation period would still apply. The separation payment would be allocated over a number of weeks. And then the EI entitlement would not diminish; it would just be delayed.

**Ms. Olivia Chow:** Yes, but you don't have a ballpark figure of how many people would be....

**Mr. Paul Thompson:** I may be able to get back to you before the end of the session.

**Ms. Olivia Chow:** Sure, and also on how the pension part...?

**Mr. Paul Thompson:** I'm afraid I don't understand the question of how pension relates.

**Ms. Olivia Chow:** If I get early pension or if the company provides me with pension, will I still qualify? Would I have to wait for a period of time?

**Ms. Liliane Binette:** I guess there are two issues we would need to clarify related to a person getting a pension plan. One is that we would consider the earnings from that pension plan. If it's on a monthly basis, we would allocate it on a weekly—

**Ms. Olivia Chow:** But I wouldn't qualify; I would have to wait?

**Ms. Liliane Binette:** You wouldn't have to wait, because it's not part of moneys on separation that we allocate. You would get that money on a regular basis for as long as you live; however—

**Ms. Olivia Chow:** But if I get it as a lump sum, it would be a problem.

**Ms. Liliane Binette:** Oh, as a lump sum. If it is as a lump sum and is considered as moneys on separation, yes, we would allocate the money. However, when we allocate the money, we also extend the EI benefit period.

**Ms. Olivia Chow:** I understand that. If you can give me the number, that would be perfect.

I have another area. I see the various youth employment projects here. Have you considered a youth employment project that would be year-round, which would extend the summer youth program that is creating 39,000 jobs right now for students, and in which some of those jobs could be extended year-round so that some of the students can work part-time as they go back to school? Is that possible under the mandate of HRSDC? Would it violate any provincial norms because these are youth who may still be in school or returning to school?

• (1155)

**Mr. Paul Thompson:** I'm going to ask my colleague Joanne to speak to that in more detail, but the Canada summer jobs program is obviously a program focused on the summer.

**Ms. Olivia Chow:** I'm talking about year-round, after the summer.

**Mr. Paul Thompson:** Right. There's a broader suite of programming, the youth employment strategy, which does support—

**Ms. Olivia Chow:** But they are only for young people who are out of school or out of work. Right now there's no program for young people who are in school or at work, right?

**Mr. Paul Thompson:** Correct.

**Ms. Olivia Chow:** Under your mandate, are you able to provide such positions—not that there is a program. There's no reason not to, right?

**Ms. Joanne Lamothe (Assistant Deputy Minister, Program Operations Branch, Department of Human Resources and Skills Development):** I think the issue for us would be that we would have to respect the provincial legislation. Students who are in school are a provincial jurisdiction, so we would have to do this in cooperation with the provinces. We have had some success in with other programs, where we've had internships, but we've moved away from that into more active labour market programs. Again, we would have to do it in cooperation with the provinces.

**Ms. Olivia Chow:** So if the province, let's say Ontario, has no problem and they sign off on this, you could go ahead and do the investment. You could extend some of these jobs to students who are in university or high school, so they could continue working two days a week, or whatever, and there'd be no jurisdictional problem if the province allowed you to do so, right?

**Ms. Joanne Lamothe:** No, but again, I guess it becomes more of a policy issue and what we're trying to redress in looking at the labour market to see if that's something that would be of benefit to youth. Again, it would become more of a policy rationale and policy framework, so we would have to do some analysis, etc.

**Ms. Olivia Chow:** Thank you.

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** Mr. Komarnicki.

[English]

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

I noticed from your discussion of the work sharing agreement that it's fairly popular. It looks like the uptake has been fairly good. I've been watching the numbers, and they've been increasing from 80,000 or 90,000 to as high as 135,000, I think you mentioned.

What's your reaction to the uptake of that program, and what has the department done to streamline the process to make it easier for people to access it? If you'd like to comment on that, then I have a few more questions as well.

**Ms. Joanne Lamothe:** I would be happy to talk about the work sharing program.

The work sharing program was announced. What we did was provide more flexibility. We did two things. We allowed the employers to basically have work sharing for a longer period of time, by providing them with an additional 14 weeks. So instead of 38 weeks, they would now be allowed to go to 52 weeks. We've also allowed them more flexibility in terms of the recovery plan, therefore allowing them more latitude to be able to qualify, so to speak.

We're very happy. As you've said, the uptake has been tremendous. It's a sign, I guess, of what's going on. What I would say is that the work sharing program is doing what it's supposed to do in this economy. It's basically helping employers who are facing temporary issues within their companies to be able to keep their skilled and trained workers while they're going through these tough economic times.

The uptake has been tremendous. Over the last four months, applications have been coming in. It has been very popular from that perspective. We presently have about 120,000 workers participating and approximately 3,500 agreements across the country.

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

I was relieved to hear that through a process of reasoning, we established that the \$60 million was additional money. I know that in the adjournment proceedings another time, there was some suggestion that there wasn't new money for processing. We were brought to the place where I think even my learned colleague from Dartmouth—Cole Harbour accepts that there are additional funds put in there.

But that said, what I find remarkable is that your department has been on top of this. I see from the report that in January, February, and March you saw an increase of almost 50% in the number of applications. But given that, I see that for the corresponding months of January, February, and March, you were within the range of 22, 23, or 24 days of processing time, notwithstanding what I would call a very substantial increase in applications. I take it you would attribute that to a number of factors.

Could you maybe tell us how you were able to level out the processing, or what methods you used in terms of regional distribution and electronic processing that allowed you to stay on top of this, notwithstanding the increase in claims?

• (1200)

**Ms. Liliane Binette:** Thank you for your question.

First of all, the bulk of the money from the \$60 million went to regional processing. Out of the \$60 million, there was \$50 million directly related to regional processing. We covered a number of

fronts. For regional processing we first hired over 900 staff to help with the processing of the applications and over 100 staff in the call centres and in the in-person environment to support the people who are applying for EI benefits or who have questions on their EI benefits.

We've also developed what we call a joint response team, which involves a number of specialized people in processing who proactively meet with employers when they hear about possible layoffs to ensure that we inform the employers and the employees about the programs and services, including work sharing. If we can avoid layoffs and keep people active, we do, but when there is a mass layoff and the employer cannot do otherwise, we support employees by providing them with a simplified process for applying and we help employers with the records of employment so that we can pay clients faster.

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

I note the comment made by Mr. Thompson. He said that you will continue to work to improve processing times for EI claims and will come back to report, and in the next three months there is the intention of hiring an additional 400 staff.

What is the plan with respect to additional staff? Where will they be allocated and what will they be doing? You say an additional 400 staff will be hired and trained within the next three months. Do you want to comment on that?

**Ms. Liliane Binette:** We continue monitoring the situation very closely. We cover at least three fronts in that area. First, wherever we can simplify and automate processes so that we can pay clients faster, we do, so there is a continuous improvement exercise going on. We review our processes and simplify, and we report on a biweekly basis.

We also train staff in different ways so that they can process claims faster and with a high level of quality. We train them by using modules. For example, we know the bulk of the type of applications we get, so we train them so they can process these faster.

The third element is linked to monitoring nationally and adjusting nationally. It's a national workload process. One region can do work for another region to ensure that a Canadian is paid with similar excellence in service anywhere across the country.

**Mr. Ed Komarnicki:** Finally, I note that you've mentioned that all regions in British—

**The Vice-Chair (Ms. Raymonde Folco):** You only have two seconds. Perhaps you can continue on another round.

**Mr. Ed Komarnicki:** As I think about it, the two seconds have gone.

**The Vice-Chair (Ms. Raymonde Folco):** Well, thinking is important; it's not just asking questions.

We're now into the second round, and the second round is five minutes.

Go ahead, Mr. Dhaliwal.

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Thank you, Madam Chair, and thank you, panel members.

First of all, I would like to give credit to the local Service Canada staff in Surrey, who were very helpful for the summer employment youth program.

My concern is that you mentioned an increase in dollars for the summer jobs program, but when we look at inflation and the base increases, don't you believe that this amount has gone towards that, and that there is no new money to create new jobs in the summer employment program?

• (1205)

**Ms. Joanne Lamothe:** For the summer program, you are right. Through the economic action plan, the government did allocate an extra \$20 million for the Canada summer jobs initiative. There is \$10 million for this year and an additional \$10 million for next year.

It is a fact that the minimum wage does increase, but minimum wage is the prerogative of a province. If they increase the minimum wage, it's good for the students; however, our dollars are going towards creating as many jobs as we can, so we will be creating additional jobs with the \$10 million. There will be approximately 3,700; that's about 10%, because it's 10% more of the \$97.5 million base that we have.

**Mr. Sukh Dhaliwal:** But you said that the increase has also gone towards the increase in wages. So that will not result in 10% more jobs.

Coming back to the other topic you were mentioning, you're hiring new staff and you are building capacity. Now, what is the point of beefing up staffing and building this capacity when thousands of Canadians are still ineligible? What is the logic behind this? Isn't this investment just a band-aid solution, when there is the real problem people are facing when they're denied claims when it comes to EI?

**Mr. Paul Thompson:** I can start on that, and Liliane can jump in as well.

As Liliane noted, and as I noted in my remarks, we've seen a very significant increase in the volume of claims being received in Service Canada offices. In response to this trend line of claims, we've made these additional investments. So there's a very real increase towards which those investments have been made.

With respect to access, as I outlined in the last committee appearance, there are various reasons why individuals don't have access to EI. The latest employment insurance coverage survey indicated that approximately 30% of the unemployed didn't pay premiums. Therefore, they weren't eligible, because they weren't part of the program. Another 16% didn't have the type of job separation

that qualified. They either quit voluntarily or chose to go back to school. So a large portion of the unemployed don't access EI because of those two fairly significant reasons.

With respect to those who are eligible, we've seen, as I say, very significant increases in volume, which has been the basis for the additional investment.

**Mr. Sukh Dhaliwal:** The labour market development agreements have been a very long and slow process. We cannot get any status report on what's going on, particularly in British Columbia. I can tell you that B.C. has lost tens of thousands of jobs. There is no information. People don't have the luxury of moving around and finding out.

Can you tell me what steps you are taking to make sure that those people who need it the most have the information?

**Mr. Paul Thompson:** With respect to the training programs, the first step was to conclude agreements as the basis for flowing these incremental funds to provinces. British Columbia was actually the very first province to sign on to a new agreement, on April 9, for the receipt of these additional employment insurance funds through the labour market development agreements and for the non-EI funds through the Strategic Training and Transition Fund. So both those agreements with British Columbia have been signed, and it has been factored into the work plans by the province, or any other province. Their planning is proceeding on the basis of this enhanced funding.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

We'll go to Mr. Vellacott.

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

My first question is pretty quick and to the point. I think it can be answered quickly.

My question is in respect of the matter of employers now being able to submit records electronically when they were previously required to print a paper copy for their employees, therefore cutting red tape for businesses and getting the benefits to Canadians sooner. Patrick Culhane, the president of the Canadian Payroll Association, says that "The Government of Canada has taken a major step in supporting both employers and employees" and that "submitting electronic ROEs...reduces the administrative and compliance burden on employers, while enhancing accuracy and response time for employees who are applying for Employment Insurance benefits".

As well, the Canadian Centre for Policy Alternatives is commending you because “the government has recently taken welcome steps to increase the speed with which the jobless who are entitled to benefits start receiving their cheques, by investing \$60 million to increasing the number of workers processing the claims”.

My question is about what the electronic submissions have now made possible. Why was that not done some years ago? Certainly we've had computer technology around for a while. Is there a reason that was not done sooner?

• (1210)

**Ms. Liliane Binette:** We had regulations that were clear about the need for employers to provide a copy of the electronic record of employment to the employee. This meant that employers were sending the records of employment, the information, electronically to the department, but they also needed to provide a paper copy to the employee. So what we did as part of the paper burden initiative is change the regulations to—

**Mr. Maurice Vellacott:** Oh, the regulations changed?

**Ms. Liliane Binette:** —allow employers to not have to give a paper copy to the employee when they submit electronically to the department.

**Mr. Maurice Vellacott:** When was that regulation changed? Just in the last months?

**Ms. Liliane Binette:** Yes. It was done in March 2009.

**Mr. Maurice Vellacott:** Thanks very much. I appreciate that. That's good sense to make a change in the regulation, which obviously helps a great deal at this in time.

On the work sharing, there were some questions before. I'm quite interested in the WS program. You say, Paul, on page 8 in the English version, “In addition, access to the program is being improved with greater flexibility in the qualifying criteria and the streamlining of processes for employers.” In the time remaining here, I'd be interested in hearing what those are.

Can you tell us, Joanne, what those qualifying criteria are, and what is the streamlining?

**Ms. Joanne Lamothe:** I can talk about the program. I'll leave the streamlining on the EI side to my colleague.

**Mr. Maurice Vellacott:** So you're going to tell me the qualifying criteria?

**Ms. Joanne Lamothe:** Yes.

**Mr. Maurice Vellacott:** Could you try to limit it so I can get an answer to the other part?

**Ms. Joanne Lamothe:** Yes, absolutely. On the qualifying, as I said before, it was the 14 weeks, definitely the additional 14 weeks, but on the qualifying, there was also the streamlining. We've lessened the requirements in terms of the recovery plan.

When an employer comes to us, they usually have to provide us with a very detailed recovery plan as to exact dates and so on. We lessened the burden in terms of some of those requirements on the recovery plan to make it easier for people to apply in this economic downturn, because we all know it's because of the economy. That was something we did.

**Mr. Maurice Vellacott:** So they still have to convince you that they have a recovery plan in place.

**Ms. Joanne Lamothe:** Absolutely. They have to demonstrate for us exactly what they are doing within the company to cut the costs.

**Mr. Maurice Vellacott:** Yes.

**Ms. Joanne Lamothe:** They have to demonstrate that and they also have to talk about what they're doing in terms of marketing, such as trying to expand their markets abroad and that type of thing.

But I think what we've lessened is probably the recovery date, because usually we had to have a very specific date. In this economy, we recognize that it's harder for an employer to provide us right now with exactly when they're going to bounce back. They're providing some timeframes, but it's not as strict as it was before.

**Mr. Maurice Vellacott:** In particular, it's not as strict in terms of the timeframe.

**Ms. Joanne Lamothe:** That's correct.

**Mr. Maurice Vellacott:** They need to have a good process through this whole thing.

**Ms. Joanne Lamothe:** That's correct. They still have to present a very detailed business case.

**Mr. Maurice Vellacott:** Right—a convincing case.

On streamlining, who's responding?

**Ms. Liliane Binette:** For work sharing, yes, absolutely. Again, before we were allowed the changes in the regulations in the spring for work sharing, each and every client receiving employment insurance benefits had to report on the small report card for the questions, and they needed the signature of the employer as well.

With the changes in the regulations, we were allowed what we call an exception report, which means that the employer submits the information to us, we pay the clients, and they only have to report if there are exceptions—if they work elsewhere, for example, or if they were not available on certain days when they were unemployed. This means that we can pay our clients who are on work sharing in a simpler way, a faster way, and still with high quality.

• (1215)

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** Ms. Lavallée, please.

**Mrs. Carole Lavallée:** I would like to come back to the Bankruptcy Act, and specifically the reforms providing for a program to assist workers who have lost their jobs because their employer declared bankruptcy. Are you familiar with this legislation? Do you require additional information?

Just for the benefit of my colleagues, this program provides for a refund of up to \$3,000, if memory serves me, to be provided to a worker. This is compensation for wages that were not paid for unused vacation. It allows the worker to immediately receive the money his employer lost when declaring bankruptcy, rather than having to wait or try to collect it himself.

Last year, I wrote to the Minister of Labour. I asked when the program would be implemented and when workers who had lost their job because of a bankruptcy could go to an EI office to avail themselves of this program.

So, I would like to know whether this program is up and running and how it works exactly.

**Ms. Liliane Binette:** Yes, the program is up and running. It is called the Wage Earner Protection Program. A centre of excellence processes all the applications under this program. When someone applies, we work with the bankruptcy trustee to have access to all the information. That enables us, in accordance with the program criteria, to refund the kinds of things you have referred to.

**Mrs. Carole Lavallée:** When a worker comes to one of your offices, what does he have to do to participate in the program? I am sure you know that all workers may not necessarily be aware of this program.

**Ms. Liliane Binette:** In terms of finding out about the program, we have been working very closely on this with bankruptcy trustees and worker protection groups. Bankruptcy trustee representatives, in particular, are now able to provide information to our clients as to how to access the program and let them know where they can obtain an application form. And, of course, that information is available on the Internet. The people responsible for implementing the Bankruptcy Act, as well as the working group, also have access to information through the Internet. We are trying to reach out to workers in many different ways, to ensure that they understand that they have to apply.

**Mrs. Carole Lavallée:** How long has the program been in effect?

**Ms. Liliane Binette:** On March 20 of this year, we enhanced the program by including amounts for job separation. The refunded amount can cover up to four weeks. The centre of excellence has been in operation for at least a year, but I do not remember the exact date when the program started up. I will have to send you that information.

**Mrs. Carole Lavallée:** Yes, I would like to know the date, as well as the number of workers who have benefited from the program and the amount—

**Ms. Liliane Binette:** The amount provided, on average?

**Mrs. Carole Lavallée:** The average, as well as the total amount. I will do the arithmetic.

**Ms. Liliane Binette:** Yes, of course. Can I forward that information to you?

**Mrs. Carole Lavallée:** Yes, but it normally goes through the Chair.

**The Vice-Chair (Ms. Raymonde Folco):** You can send the information to the Clerk, who will then pass it on to the members.

**Ms. Liliane Binette:** Certainly.

**Mrs. Carole Lavallée:** If you could provide the data by province, that would be even better. I have another question for you.

In response to a question from my colleague, Christian Ouellet, you said that the time needed to process an employment insurance application is now 24 days. Is that not a result of the basic attitude or principle that seems to guide your organization? The impression out there is that when unemployed workers come to your office, they are assumed to be frauds and have to prove that they are not. In other organizations, however, particularly the Revenue Agency, people submit their tax return and then receive their refund. Audits are carried out after the fact. If problems arise during the process, corrective measures are taken. The attitude is completely different.

Perhaps you could explain why that is.

• (1220)

**Ms. Liliane Binette:** Rather than looking at it in terms of fraud, I prefer to view it from the perspective that, in order to abide by the framework of the Employment Insurance program, we must ensure that individuals have worked the required number of hours and have received a certain amount in wages. I sincerely believe that, all across the country, our employees at Service Canada centres do their utmost to support people when they are having problems—for example, when they are trying to get their Record of Employment from the employer. Our employees help them prepare their application for benefits. They let them know how to obtain information more easily. If individuals are having trouble receiving their ROE, they help them secure it. After a certain amount of time has elapsed, they themselves will send a letter to the employer.

**The Vice-Chair (Ms. Raymonde Folco):** I am sorry to have to interrupt you in the middle of a sentence, but I must ask you to conclude your answer.

**Ms. Liliane Binette:** Certainly.

It is a whole framework of operation, but in terms of attitudes, we receive comment cards from our clients that reflect a very high level of satisfaction among our clients, in terms of services provided to assist them make their application or help them understand the Employment Insurance program.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

I would like to interrupt the proceedings for a couple of seconds to say something to the members. We have now had two complete rounds, even more. I still have Mr. Lobb, from the Conservative Party, and Mr. Savage, from the Liberal Party, on my list of speakers. Since I have to leave at 12:30 p.m., this is what I would like to suggest. It is now 12:20 p.m. We could finish off with Mr. Lobb and Mr. Savage or, if Committee members prefer, we could continue the questioning. In that case, an Acting Chair would have to be designated to chair the meeting from 12:30 to 1:00 p.m. Those are the two options available. I would like you to tell me what you want to do.

Mr. Savage.

[English]

**Mr. Michael Savage:** Thank you, Madam Chair.

To have such distinguished guests is not something that happens every day. I'd like to see us go as long as we can. They've booked the time, and we've booked the time.

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** Is there unanimous consent to continue until 1:00 p.m.? In that case, I would ask you to elect an Acting Chair.

Is there any objection to that? If there is no objection, I will continue to chair the meeting until 12:30, after which the Clerk will ask you to vote on an Acting Chair.

Mr. Lobb, please.

[English]

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

Thank you for your time, and again, thank you for attending today. On behalf of the constituency of Huron—Bruce, I would like to say thanks for your work, which serves Canada and is done to help those who most need the help.

I just have an observation. I know we've talked a lot about the number of days to process claims and how that's obviously very important, and the percentage, and the argument over it. I just sometimes wonder, when I hear that coming from members, if all honourable members return responses and fix problems within 24 days; I'm not so sure it would be at the 80% level. That's just an observation.

I can go back to my own working career and the companies I've worked for. At one of the companies I worked for, they'd really never had any layoffs before. In 2007, I believe, or 2006, they had to start to lay people off. I know there were some issues, a lot of them surrounding the human resources department, because they'd actually never had to do that with the record of employment.

I wonder if you could give us a little bit more information on how your department and your agencies work with companies to help them along with the record of employment. I know from our casework in our riding that a lot of the issues are about the records of employment.

• (1225)

**Ms. Liliane Binette:** Certainly, and thank you for your question.

We do that through a different set of actions. One is that we do have agents across the country who know their employer populations, and they do undertake to meet with employers and provide them with information. They also organize information sessions to inform them about how this works.

We have another set of actions that is linked to a specialist position, a citizen services specialist position, in our offices across the country. One of their main responsibilities is to be proactive with employers: to reach out to employers and to provide them with information about the employment insurance program but also other programs that can help them, including, these days, work sharing.

We also offer to support employers in providing them access to the record of employment on the web. We train them in terms of how to do that. We offer them support in terms accessing the information

from our specialized call centre on the record of employment on the web.

For employers, we also work with the Canadian Payroll Association as well as the Canadian Federation of Independent Business. We have regular discussions and seminars with them. In turn, they can help their members.

We also share best practices across the country. If we have a specialist who has come up with proactive ways to reach out to employers, ways that we have not experienced before, we share that with our other specialists so that we reach out not only in a proactive way but also on a very regular basis to help with the regular business, with changes, and with simplification activities.

**Mr. Ben Lobb:** Thank you. I just want to cut you off because I want to ask one more question before my time is up.

Again, that's my experience as well. We have a company that will be shutting its doors at the end of the month. Service Canada provided excellent service to them to get them transitioning.

I have one last quick question. As someone who's new to government and new to the layers of bureaucracy, which I had heard about only from afar in my private life, I am, as a former business person, impressed with what I have seen, not only with being able to reallocate work according to region and according to capacity and bandwidth, but also with the steps that were taken in October to which Mr. Savage alluded. It seems rational and reasonable to me to bring those resources within Service Canada first, to make sure they're fully utilized before bringing on more new employees. As a taxpayer, I'd like to thank you and your department for operating your bureaucracy in an effective manner.

**The Vice-Chair (Ms. Raymonde Folco):** You have good timing, Mr. Lobb. I'll give the floor to Mr. Savage for five minutes, and Mr. Lessard will now take over the chair.

*Monsieur Lessard, s'il vous plaît me remplacer la présidence.*

**Mr. Michael Savage:** Thank you very much.

First of all, I want to provide some comfort to Mr. Komarnicki that I'm not satisfied with the answer on the \$60 million. A simple reading of the estimates indicates that this \$59.7 million—and these are the government's words—is funding “to compensate for the reduction in administration costs charged to the Employment Insurance Account”.

Last week at the Senate—and I believe Madame Binette was there and perhaps others—in response to a question from Senator Ringuette, which was “with regard to the \$59.7 million for EI...” and then it goes on to say “to add the \$60 million to human resources for processing purposes”. The answer that came back from Su Dazé said, among other things, “This is not additional money to HRSDC. We have one pot of money and it is a matter of allocation, so it is a zero-sum gain.”

I still need a little reassurance that it wasn't a cut in administration and then an additional \$60 million that made up for that cut.

• (1230)

**Mr. Paul Thompson:** I will jump in and then maybe turn it over to Mike.

I was indeed at the Senate committee meeting that you referred to. The issue here, as I said, was that there was a base level of activity, and with the updating of the technical formula that Mike referred to, that same level of activity was just billed differently to the consolidated revenue fund as opposed to the employment insurance account. There was a decision to invest an incremental \$60 million in EI operations. There was no change in—

**Mr. Michael Savage:** Mr. Thompson, did that \$60 million have to go to Treasury Board?

**Mr. Paul Thompson:** Which one do you mean—the \$60 million incremental investment? That was approved through the Treasury Board.

**Mr. Michael Savage:** When was that approved by Treasury Board?

**Mr. Paul Thompson:** I don't know. That's something that we'd have to—

**Mr. Michael Savage:** Would somebody know or have a guess?

**Mr. Mike Saucier:** The date was March 2009, and it was reflected in the supplementary estimates (A) for 2009-10.

**Mr. Michael Savage:** Has the \$1.15 billion, which I think was allocated as the cost for increasing the five weeks, changed in light of the economic circumstances?

**Mr. Paul Thompson:** There has been no reassessment of the cost associated with that measure at this point.

**Mr. Michael Savage:** It's your feeling, then, that the budget anticipated the increased costs of EI when they allocated the cost of \$1.15 billion to adding five weeks?

**Mr. Paul Thompson:** That was based on the unemployment projections at the time of the budget. There has been no reassessment. There is ongoing monitoring of the overall spending on EI and some of those figures.

**Mr. Michael Savage:** That was based on a projection that the economy was getting worse at that point in time?

**Mr. Paul Thompson:** Yes, it was.

**Mr. Michael Savage:** Yet at that point in time there wasn't any consideration of the \$60 million addition until it went...six weeks later?

**Mr. Paul Thompson:** I'm sorry, I'm trying to make a connection. One is about EI operations and the workload, for which our first step was to reallocate internally—

**Mr. Michael Savage:** Was the \$60 million for the increased ability to process EI a result of increased unemployment in the country? You didn't anticipate that in January, but you did anticipate increased unemployment, adding a \$1.15 billion cost to the five-week extension?

**Mr. Paul Thompson:** There were certainly forecasts of unemployment available in January that we were using for budget measures and for operational planning.

**Mr. Michael Savage:** I understand. It just seems unusual that you would anticipate the increased unemployment, identifying the cost of adding five weeks, but that the minister wouldn't have thought in January that we would need more people to process EI.

**Mr. Paul Thompson:** It was anticipated—it was secured through the Treasury Board in March, a month after the budget.

**Mr. Michael Savage:** The announcement from the minister was in late February. Up until then, she was insisting that everything was manageable.

**Mr. Paul Thompson:** The timing of the funding decision vis-à-vis the budget might have lagged by a few weeks, I suppose.

**Mr. Michael Savage:** I wouldn't say a few weeks. On November 27, I pointed out to the minister that people weren't getting their cheques on time. On December 19, I sent a letter to the minister. The next day, there was an article in the paper in which the minister said there wasn't a problem. So it seems to me that there's some disconnect here. Somebody seems to have underestimated the problem.

The \$60 million that you referred to was a technical transfer within the department. Is that what the terminology was?

**Mr. Paul Thompson:** Yes, it was a reattribution of where the costs occurred.

**Mr. Michael Savage:** The Minister of Finance referred to the recession as a technicality not that long ago, so that's consistent.

[Translation]

**The Vice-Chair (Mr. Yves Lessard):** Thank you, Mr. Savage.

I would like to apologize for my absence. I had to give a 20-minute speech in the House, which was followed by a 10-minute question period.

I am now going to recognize Ms. Chow. After that, I would like to ask a couple of questions, which will complete this round.

•(1235)

[English]

**Ms. Olivia Chow:** Thank you.

By the way, do you have the answer about the number of severances and pensions?

**Mr. Paul Thompson:** According to the latest available figures on the proportion of regular claimants who receive separation, it's just over 17%.

**Ms. Olivia Chow:** How many people would that be, ballpark?

**Mr. Paul Thompson:** In that year, it was around 225,000.

**Ms. Olivia Chow:** That's for severance. What about pensions?

**Mr. Paul Thompson:** I don't have information available on pensions, unfortunately. Just to remind you, 2007 had a very different set of circumstances.

**Ms. Olivia Chow:** Yes, there would probably be a lot more now.

**Mr. Paul Thompson:** It would be a different number, for sure.

**Ms. Olivia Chow:** How long would they have waited for it, do you know?

**Mr. Paul Thompson:** We'd need to do some more detailed analysis on the average allocation period for severance.

**Ms. Olivia Chow:** With respect to foreign credentials recognition, on page 11 of your report, can you tell us what some of the content would be—not that you would give away the entire program. I've been interested in this issue for a long time. Is it a framework that would provide a general standard for, say, engineers and doctors, so that they could receive recognition of their foreign credentials within a certain period of time? Can you expand on this?

**Mr. Paul Thompson:** Yes, the framework has four objectives.

The first is to come to an agreement with the provinces and territories, which have significant responsibilities in this area, on a common set of principles that will serve to guide collaborative work on recognition of credentials.

The second objective is to create standards that will ensure timeliness in the process of assessing credentials.

The third is to come to an agreement on the priority occupations for common recognition, taking into account labour market demand and volumes in each occupational group.

The last objective is to increase the part of the process that takes place overseas. The application for licensure could begin before the immigrant arrives in Canada, rather than having a process that begins only after their arrival.

The framework is expected by first ministers in September. Based on these priority occupations, the work would unfold in the following year.

**Ms. Olivia Chow:** Let me see if I understand how the process works. These are good principles. Let's assume the best and that at the meeting of the first ministers in September they agree, they say this is a good framework, and they sign on. What happens afterwards?

**Mr. Paul Thompson:** Well, one of the most significant issues would be the identification of these priority occupations. That would be the focal point for—

**Ms. Olivia Chow:** Doctors, let's say, and what have you.

**Mr. Paul Thompson:** Sure. There would be collaborative work amongst the federal, provincial, and territorial governments on those core occupations, again with a view to expediting the recognition process, doing it in a common fashion, and increasingly, having it start before the immigrant arrives. That would guide the work plan for all the qualification recognition processes going forward.

**Ms. Olivia Chow:** When would there be a work plan that could become public?

**Mr. Paul Thompson:** Well, the framework to ministers is intended to identify the priority occupations, so that's what would guide the work after the fall. In September, coming out of this first ministers report, those would be the marching orders, if you will, for our officials to—

**Ms. Olivia Chow:** To have a work plan.

**Mr. Paul Thompson:** Yes.

**Ms. Olivia Chow:** Is there a reporting-back mechanism and evaluation process?

**Mr. Paul Thompson:** There probably will be one developed at the time. There will be commitments made in terms of the timelines around the work plan. I think that would have to await the nature of the framework before hard commitments could be made with respect to the individual steps.

•(1240)

**Ms. Olivia Chow:** And the evaluation?

**Mr. Paul Thompson:** Like any initiative, foreign credentials recognition as a federal program is subject to regular evaluations. I don't have at my fingertips when the next evaluation is scheduled for this program.

**Ms. Olivia Chow:** Thank you.

[Translation]

**The Vice-Chair (Mr. Yves Lessard):** Thank you, Ms. Chow.

Mr. Dhaliwal.

[English]

Okay, we'll have two small questions *avec* small responses.

**Mr. Sukh Dhaliwal:** I have two small questions.

One, when do you expect all the LMDAs and LMAs to be in place across the country?



Second, Ms. Chow was talking about foreign-trained doctors. It is not only an issue for the immigrants; it's also an issue for the thousands of Canadian-born students who are studying medicine across the globe. When they come back, they are not given an opportunity to have residency spots, so they have to move to the States. What are you doing to create those additional residency spots in your work plan?

Thank you.

**Mr. Paul Thompson:** There is no plan at the federal level to create residencies; it would be up to individual provinces in terms of decisions like that. But I would indicate that this is a framework based on the recognition of foreign credentials. It's not limited to immigrants per se. Even though a large portion of the people with foreign credentials are indeed recent immigrants, I would agree with you that it's not limited to that, and the framework, we would hope, would serve both groups.

**Mr. Sukh Dhaliwal:** How about the LMDAs and the LMAs?

**Mr. Paul Thompson:** Oh yes, I'm sorry.

On the LMDA question, as I indicated, we have confirmed agreements with nine provinces at this point. The only outstanding province—and we have an agreement in principle—is Newfoundland and Labrador; we expect that imminently. Then the three territories are expected to be signed during the month of June. That will complete all 13 jurisdictions with respect to both the labour market development agreements and the Strategic Training and Transition Fund, the LMA-based funding.

**Mr. Sukh Dhaliwal:** Thank you.

Thank you, Mr. Chair.

[Translation]

**The Vice-Chair (Mr. Yves Lessard):** Mr. Vellacott.

[English]

**Mr. Maurice Vellacott:** I have a quick question in respect to the targeted initiative for older workers, which is to support some 6,000 older workers.

Can you give us a little bit of detail and, for the Hansard record here, explain the good stuff—maybe Paul or whoever would be doing that—in respect of the nature of those agreements that are helping our older workers, with some of the details, and how we are taking the initiative that way? I'm wanting to know how much they vary from province to province, but I also want to know about the nature of those and the details in respect to those agreements.

**Mr. Paul Thompson:** Sure, I'd be happy to speak to this.

This program has been in place for a couple of years now. It's one that has involved nine provinces, nine of thirteen provinces and territories. The additional budget funding of \$60 million over three years meant we had to go out and update our agreements. Six provinces have now signed on, so we're making fairly rapid progress in implementing this infusion of additional dollars.

The program recognizes the important role that provinces play in the delivery of training. They develop the proposed projects in conjunction with stakeholders. Unlike the labour market development agreement training, which is more individual-based, these are

usually group-based projects designed to assist a collectivity of older workers. Normally a project would be proposed by a province, subject to final approval by our minister. There's a base level of activity under the existing program, and in the coming months more projects are being enabled through this additional investment.

**Mr. Maurice Vellacott:** Give me an example of that. Would you be targeting older people from a sphere of work that's all of a sudden closing down? Could you paint me a scene of what it would be like?

● (1245)

**Mr. Paul Thompson:** There's an important community element to this. In fact, one of the changes made in the budget was to expand the eligibility to a broader number of cities. It is focused on communities that are experiencing particular challenges. Single-industry towns are the most common setting in which a large number of older workers have to make a career change. In these cases, a project would be funded to help them with job search activities, to facilitate the reorientating of their careers, and to position them to re-enter the labour market. These are the sorts of skill sets and activities that a group-based project would pursue.

**Mr. Maurice Vellacott:** Thank you.

[Translation]

**The Vice-Chair (Mr. Yves Lessard):** Thank you, Mr. Vellacott.

If you don't mind, I would like to ask two questions. The first one has to do with pilot project no. 14. For those who are able to participate in the pilot project, you are introducing the concept of long-tenured workers. In order to identify such workers, you have set a number of criteria, including the amount of time worked, the period of time on Employment Insurance, and contributions to EI, all of which has allowed us to realize that there are constraints here that exclude a great many people and that seem, at first glance—you tell me if I am mistaken—to be highly discriminatory towards people who do not have regular jobs. In fact, even people who do have regular jobs might have trouble qualifying before working for five years. In addition, this is a temporary measure.

I would be interested in hearing your comments. Why did you introduce a measure that excludes a large proportion of laid-off workers who could otherwise access it? That is the first part of my question.

In another connection, I am told that, as regards cost-shared work—usually called work sharing—the federal contribution to benefits is not being received in many cases. That means that there are work sharing programs where people are not being paid. I imagine they will at some point, but why all this delay? Is there a problem?

Those are my two questions.

**Mr. Paul Thompson:** I can answer your first question about measures aimed at long-tenured workers. We have basically done two things. When we analyzed the impact of the economic slowdown, it was clear to us that there was one category of workers who had lost their jobs and needed a considerable amount of training. That is also something we realized through our discussions with the provinces and territories. Before the budget was tabled, there were consultations held at a Ministers' forum on the labour market. During those discussions, it became clear that this type of worker needs help. After an individual has worked in the same industry for many years, he requires a highly intensive period of training. That is why we determined that, in order to be eligible for the program, a worker would have to have contributed to EI for seven years and have received benefits for no more than 35 weeks in a five-year period. Those are the two eligibility criteria for the program.

As I mentioned in my opening comments, we are currently sending letters to about 150,000 individuals who are potentially eligible for this program, which allows people to receive benefits for no more than two years. It is a very significant investment in their training. That is why we decided to target that particular category of workers.

• (1250)

**The Vice-Chair (Mr. Yves Lessard):** Can you also answer the second question?

**Ms. Liliane Binette:** With respect to the cost-shared work program, perhaps we should remind you of how the process works. When the employer and the union, in cases where employees are protected by a union, agree to submit an application, program officers have 30 days to assess the work-sharing agreement application and authorize it. Once a work-sharing agreement is in place, workers apply for Employment Insurance—it is a streamlined application process. I was explaining earlier that we looked at ways of streamlining the work-sharing program. So, workers now submit a streamlined application, the employer forwards the information to us

**The Vice-Chair (Mr. Yves Lessard):** I am sorry to interrupt you, but I would just like to clarify my question. I am well aware of the process whereby the parties agree to a work-sharing arrangement which you then authorize. However, once that has been done and it is acknowledged that the government will defray part of the cost, it has happened, in a number of cases I have in mind and that concern specific regions, that the amounts the federal government was expected to pay were not paid, even in places where the program had been completed.

So, what happened? Has this been drawn to your attention? Is there a problem or a particular reason why it has taken so long for people to be paid?

**Ms. Liliane Binette:** If I understand the question, Joanne, this has to do with cases where the agreement has been rejected.

**Ms. Joanne Lamothe:** Just to clarify your question, could you tell us whether you are talking about an agreement that has been refused or that was not responded to in time, Mr. Lessard?

**The Vice-Chair (Mr. Yves Lessard):** I am talking about a project that has been accepted.

**Ms. Joanne Lamothe:** That has been accepted?

**The Vice-Chair (Mr. Yves Lessard):** Yes. It has been accepted, there has been an agreement, it has gone ahead, and as that was happening, the federal share never arrived. In one case, the program was even been completed, and yet the money has still not arrived. Is that the way you operate? I am just trying to understand.

**Ms. Joanne Lamothe:** I must admit I am surprised to hear about this and would like to review it further. Once the agreement has been approved, employment insurance applications are made which are processed in accordance with EI program criteria. So, once an agreement has been accepted, these applications are processed exactly the same way as the other ones are. If you are referring to a particular case, I would like to review it myself, if you don't mind, because these applications are processed the same way as other employment insurance applications.

**The Vice-Chair (Mr. Yves Lessard):** In terms of EI paying its share, is the timeframe the same—in other words, 28 days?

**Ms. Liliane Binette:** The average processing time for applications is 24 days, as is the case for all other applications. Once the agreement has been signed, the usual process for processing applications kicks in.

**The Vice-Chair (Mr. Yves Lessard):** Thank you very much.

**Ms. Liliane Binette:** Does that answer your question?

**The Vice-Chair (Mr. Yves Lessard):** Yes. I simply wanted to make you aware of this case.

My colleagues have reminded me that I was entitled to two questions, but I was aware that you had not really understood one of them.

Can we wrap up now? Do you wish to add anything, Mr. Savage?  
[English]

**Mr. Michael Savage:** On a point of clarification, if I could, it's not about the \$60 million—and I thank you all for coming here, as I know you're busy—it's about the \$1.15 million for the five weeks, the pilot project in place that provided five weeks and that was rolled into the extended five weeks across the country.

Is the \$1.15 million the incremental cost over what was already in place for the five-week pilot project? Am I making myself at all clear?

• (1255)

**Mr. Paul Thompson:** Yes. The cost for the five weeks was that upon termination of the pilot project and its replacement by the legislative measure, the entire cost of the five-week project—

**Mr. Michael Savage:** Do you know what the cost was of the five weeks just in the pilot project area? Is that something you might be able to get back to me on?

**Mr. Paul Thompson:** If my memory serves me correctly, I think I provided that in writing in response to a question from Mr. Lessard at the last meeting. But if not, we can certainly provide it again.

**Mr. Michael Savage:** Thank you very much.

[*Translation*]

**The Vice-Chair (Mr. Yves Lessard):** Just to be fair to everyone, I am going to let Mr. Komarnicki ask a final question. No? Would you like to adjourn now? I thought you wanted to speak.

Okay, then; we are closing the books.

Thank you very much, Mr. Thompson, Ms. Lamothe, Ms. Binette and Mr. Saucier. Your appearance this morning was very much appreciated. I would have liked to be here for the entire meeting, but I will read the minutes of proceedings carefully.

Thank you very much and enjoy the rest of your day.

The meeting is adjourned.

---





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

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

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

---

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

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