



Ottawa Canada K1A 0J9

June 5, 2023

Mr. Robert J. Morrissey, MP
Chair
Standing Committee on Human Resources, Skills and Social Development
and the Status of Persons with Disabilities
House of Commons
Ottawa ON K1A 0A6

Dear Mr. Morrissey,

Pursuant to the House of Commons *Standing Order 109*, I am pleased to provide you with a copy, in both official languages, of the Government Response to the recommendations of the seventh Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the Committee) entitled *Labour Shortages, Working Conditions and the Care Economy* (the Report) tabled in the House of Commons on February 6, 2023.

The Government of Canada extends its gratitude to the members of the Committee for their work in examining the challenges and opportunities facing the Canadian labour market and preparing the Report. The Government also expresses its appreciation to the witnesses who appeared before the Committee to provide evidence and share their advice.

Ensuring Canada has a skilled, agile, and inclusive workforce that can thrive in a rapidly evolving labour market is fundamental to driving economic growth. Our rapidly aging population, global shifts toward greener, digital economies, and evolving skills requirements are long-term trends transforming the labour market and causing downward pressure on workforce growth, and skills gaps and mismatches. Recognizing the challenges of labour market shifts, the Government is leveraging and realigning foundational programs and initiatives and working with all governments and partners, including provinces and territories (P/Ts), employers, unions, and Indigenous communities. This will ensure that job seekers and workers have access to the training and supports required to thrive in today's and tomorrow's labour markets, and businesses have access to the talent they need to grow.

With these considerations in mind, please find below the Government Response to the Committee's recommendations. The response is a collaborative effort of all implicated departments, including Employment and Social Development Canada (ESDC), Health Canada (HC), Immigration, Refugees and Citizenship Canada (IRCC), the Department of Finance, Indigenous Services Canada, and Innovation, Science and Economic Development Canada.

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Recommendation 1: That the Government of Canada coordinate with the provinces and territories with a pan-Canadian approach to enhance the collection, quality and comparability of labour market information for key sectors of the care economy, including health care; and that it conduct and disseminate analysis of this information for use in workforce planning.

The Government supports this recommendation. In fact, the federal government has recently committed \$505 million over 5 years to the Canadian Institute for Health Information (CIHI), Canada Health Infoway and other federal data partners to work with P/Ts to develop new health data indicators; to support the creation of a Centre of Excellence on health worker data, and to advance digital health tools and an interoperability roadmap.

Further strengthening this work, at the forefront of the Government of Canada's efforts to enhance the collection, quality, and comparability of labour market information (LMI) for Canadians, ESDC produces and provides expertise on data, methods and analysis for products and frameworks used across the country. With respect to LMI for key sectors of the care economy, ESDC, in collaboration with Statistics Canada, is actively facilitating dialogue with health experts to identify opportunities to improve the collection and standardization of national health data.

Recommendation 2: That the Government of Canada explore options to make skills training, especially in high-demand sectors, more accessible to Canadians—including through clear, navigable information about local skills needs and training opportunities, and through modifications to existing federal programs such as the Workforce Development Agreements, the Labour Market Development Agreements, and the Canada Training Benefit.

The Government supports this recommendation and action is ongoing to make skills training, especially in high-demand sectors, more accessible to Canadians. For example, the 2022 Fall Economic Statement provided \$250 million over five years, starting in the 2023-24, to establish a Sustainable Jobs Training Centre, a new sustainable jobs stream under the Union Training Innovation Program, and a Sustainable Jobs Secretariat to help workers across key sectors and occupations improve or gain new skills in order to be on the leading edge of the zero-carbon industry. Moreover, as announced in Budget 2022, the Government's Union-led Advisory Table will provide expert advice and recommendations to support the skills and future of work agenda by informing priorities that will help workers upgrade their current skillsets for jobs and sectors that will need them in the future.

In addition, to enhance awareness of skills training more generally, Canada's National Employment Service informs Canadians about training and job opportunities to support an

efficient labour market. The Job Bank platform (website and mobile app) provides information on career planning and labour market trends, as well as an inventory of job opportunities and job searching tools to help connect job seekers with employers. Going forward, the Government will continue exploring options to improve the navigability of information on Job Bank to help Canadians connect with training opportunities.

Through the bilateral Labour Market Development Agreements and Workforce Development Agreements, the Government of Canada provides funding to P/Ts to help people prepare for and return to work. Together, these agreements constitute the Government's largest investment in training representing just under \$3 billion a year in base funding. With these agreements in place, P/Ts have the flexibility to provide better targeted supports to Canadians, including individuals, employers, and underrepresented groups such as persons with disabilities, women, and Indigenous peoples to meet the various needs of their local labour markets. Budget 2023 proposes to invest an additional \$625 million in 2023-24 in these agreements to ensure Canadians continue to have access to the supports they need to get their next job.

ESDC is also exploring options to redesign and implement the Canada Training Benefit (CTB) further to the Ministers' mandate letter commitment. The CTB will make skills training more accessible by encouraging a culture of lifelong learning and facilitating upskilling among Canadians. To this end, ESDC has led engagement sessions with representatives of employers, industry, labour, education and training providers, Indigenous and not-for-profit organizations, and with P/Ts to inform a redesigned approach.

Recommendation 3: That the Government of Canada work with the provinces, territories, and other stakeholders to promote the alignment of educational and training opportunities in health care and other care economy sectors with future skills and labour needs; and further, that it consider supporting a wide range of strategies to make training in care-related fields more accessible, including through online learning, flexible training options such as micro credentials, and upskilling options for workers already in the care economy.

The Government supports this recommendation in principle. Jurisdiction is a key factor as education is a provincial/territorial responsibility and training is a shared responsibility between federal/provincial/territorial (F-P/T) governments. While respecting P/T jurisdiction over education, the Government of Canada works with P/Ts to ensure that Canadians have access to the training they need to thrive in a rapidly evolving labour market. To this end, each year the Government provides approximately \$3 billion to P/Ts, with more than one million services and supports offered to individuals and employers annually. Further, the Government has recently placed a priority on helping address health human resources issues through its skills and training programs, such as a proposed investment of \$117 million over five years in Budget 2023, including for the training of bilingual nurses and personal support workers (PSW).

To help align training opportunities with labour market needs and prepare Canadians for the jobs of the future, including in the care economy, the federal government also launched the Future Skills Initiative, committing \$225 million over four years, starting in 2018-19 and \$75 million

per year thereafter. As part of this initiative, the Future Skills Centre was established to identify emerging in-demand skills, as well as prototype, test, and evaluate innovative approaches to skills assessment and development. Work is currently underway on 240 innovation and research projects in over 20 sectors, including the care economy with a focus on supporting health care and PSWs. Moreover, the Government's Job Bank is enhancing its career planning web page to help Canadians connect with training opportunities to obtain certifications such as micro credentials in various sectors including the care economy.

Continued cooperation with P/Ts is critical to respond to ongoing and future labour market pressures, including in the care economy. Through the Forum of Labour Market Ministers (FLMM), F-P/T governments work collaboratively on shared labour market issues to ensure Canada has a skilled and adaptable workforce as well as efficient and inclusive labour markets that drive economic recovery and growth across Canada.

Recommendation 4: That the Government of Canada, in collaboration with the provinces and territories, expand training and upskilling capacity for high demand industries, skilled workers, the care economy and health care workers, and first responders.

The Government supports this recommendation. Budget 2023 proposes to invest an additional \$625 million in 2023-24 in the Labour Market Transfer Agreements with P/Ts. With these agreements in place, P/Ts have the flexibility to support Canadians access to training aligned with the various needs of their local labour markets, including for high demand industries, skilled workers, the care economy and health care workers, and first responders.

Further, the Sectoral Workforce Solutions Program is helping key sectors of the economy implement solutions to address their current and emerging workforce requirements, as well as expand their training and upskilling capacity. As a result of recent Calls for Proposals, a series of projects will focus on the following three priorities: building talent for the clean economy; investing in the health sector; and supporting demand-driven solutions for sectors hardest hit by the pandemic and those key to recovery.

With respect to the care economy, the federal government is exploring how it can sustainably help to increase the supply of health care workers and create healthier workplaces to support retention and the mental health of workers in the care economy. For instance, the 2020 Fall Economic Statement committed \$38.5 million for the Long-Term and Home Care pilot project to address acute labour shortages. By June 30, 2024, the pilot will recruit and train up to 2,600 new

PSW interns through an accelerated online training and hands-on work placement and support up to 1,300 of these interns to pursue full PSW certification. The pilot also included the development of a National Occupational Standard (NOS), which was released in November 2022. The NOS is a set of voluntary guidelines for the occupation in order to create workplace standards, performance expectations, and a basis for developing training curriculum, in order to address skills gaps and inconsistencies across jurisdictions.

Recommendation 5: That the Government of Canada review federal skills and employment programs that target groups that are underrepresented in the labour market, such as Indigenous peoples, persons with disabilities, youth, and women, with a view to ensuring they align with current and future skills needs; and further, that it examine additional ways to support the labour market participation of these groups.

The Government supports this recommendation in principle. Numerous federal skills and employment programs are in place that support the labour market participation of underrepresented groups, including women, persons with disabilities, Indigenous People, members of official language minority communities, newcomers, visible minorities, and racialized Canadians.

Further to Budget 2023, the federal government will be examining skills training and youth programming to determine whether improvements can be made to help more Canadians develop the skills and receive the work experience they need to have successful careers. The scope of this review is to be determined; however, the Government of Canada will continue advancing its efforts and explore new ways to support the participation of underrepresented groups in the labour market by monitoring and reviewing its programs throughout their life cycles to ensure they remain flexible, accessible in both official languages, and responsive to current and future needs.

Recommendation 6: That the Government of Canada look at ways to amend the tax regime which is favourable for retirees who wish to return to work.

The Government supports the recommendation in principle. The Government agrees that the tax system should not create undue barriers for seniors who wish to return to or remain in the workforce, and efforts have been undertaken to support retirees.

Thanks to existing tax relief measures provided to seniors and pensioners, including the Age Credit, the Pension Income Credit, and pension income splitting, a single senior can have at least \$25,396 in taxable income before paying any federal income tax in 2023, and a senior couple can have at least \$50,792. As a result, about half of all Canadian seniors do not pay any federal income tax.

Recommendation 7: That the Government of Canada undertake further efforts, in collaboration with the provinces and territories, to remove unnecessary barriers to labour mobility.

The Government supports this recommendation. While licensure and certification are primarily a P/T responsibility, for its part, the Government plays an important role in advancing labour mobility through multilateral collaboration under the FLMM comprised of F-P/T governments. The FLMM is responsible for promoting the implementation of, and the ongoing adherence to, the labour mobility chapter (Chapter Seven) of the Canadian Free Trade Agreement and for reporting annually on the effectiveness of Chapter Seven to the Committee on International Trade.

Budget 2023 also underlined the federal government's commitment to improve labour mobility and strengthen internal trade. It announced a new commitment to lead and advance F-P/T efforts to explore mutual recognition of regulatory standards, to ensure services (and goods) can move more freely. This includes the development of a Federal Framework on Mutual Recognition, which will set out the federal government's coordinated policy approach towards mutual recognition.

Recommendation 8: That the Government of Canada work with the provinces and territories to remove barriers to labour mobility in the health care sector, including through the interprovincial/territorial coordination of regulation and licensing requirements.

The Government supports this recommendation. Credential recognition and licensure for regulated health care professions is a provincial/territorial responsibility which is often delegated through legislation to regulatory authorities. However, the federal government recognizes the benefits of an agile and flexible health care workforce and supports regulatory authorities and P/Ts to reduce barriers to labour mobility through key funding initiatives. For example, the Government of Canada recently announced \$25 billion over 10 years to advance shared health priorities through tailored bilateral agreements, as part of the new federal health funding of \$46.2 billion. Through these agreements P/Ts are asked to advance labour mobility, starting with multi-jurisdictional credential recognition for key health professionals. In addition, the Sectoral Workforce Solutions Program is providing \$28.2 million to the Medical Council of Canada to, amongst other activities, develop a national physician registry and database to provide time critical and acceptable information on physicians' credentials to support licensing and redeployment.

The Government will continue working with P/Ts to improve the labour mobility of health professionals and will engage key stakeholders and health system leaders across the country, including regulatory bodies, to galvanize action in this area.

Recommendation 9: That the Government of Canada support access to care in rural and remote communities by providing further incentives for in-demand health care professionals to work in these communities, including through tuition assistance, loan forgiveness, or tax benefits; that it support talent pipelines in these communities by supporting online learning in key care economy sectors and continuing efforts to improve broadband access in rural and remote regions; and further, that it explore further strategies to address labour shortages in these communities through temporary and permanent immigration.

The Government supports this recommendation. As a part of its efforts to enhance access to care and address the shortage of family doctors and nurses in rural and remote communities, through Budget 2023 the federal government has proposed \$45.9 million to expand the reach of the Canada Student Loan (CSL) Forgiveness program for eligible doctors and nurses who choose to practice in these communities. This is further to Budget 2022 that invested \$26.2 million over four years, starting in 2023-24, and \$7 million ongoing, to increase the maximum amount of CSL forgiveness by 50 per cent. This will mean up to \$30,000 in loan forgiveness over five years for nurses and up to \$60,000 in loan forgiveness over five years for doctors working in underserved rural or remote communities. In 2020-21, almost 4,400 doctors and nurses received \$19.7 million (or an average of \$4,494) in CSL forgiveness. The Government of Canada also committed to expanding the current list of eligible occupations under the benefit to help bring more health workers to the communities who need them most (details to be announced later in 2023), and is reviewing the definition of rural communities under the program to ensure that those in need are not left out.

The federal government also recognizes that rural and remote communities face unique and diverse pressures in terms of access to care. One critical gap is high-speed Internet, which can facilitate access to critical services such as education and health care. As such, the Government is working to increase connectivity through Canada's Connectivity Strategy, including through the \$3.225 billion Universal Broadband Fund to help ensure that 98% of Canadians can obtain high-speed Internet by 2026, and 100% by 2030. Improving broadband access will help residents of these communities gain access to online learning, as well as online consultations with medical professionals. The availability of virtual care, particularly in rural and remote communities, will provide Canadians with new ways to access the family health services on which they rely, while reducing pressure on in-person health services.

Likewise, the Government agrees that further strategies to address labour shortages in rural and remote communities through immigration should be explored. To this end, IRCC is reviewing the performance of the Rural and Northern Immigration Pilot, a five-year pilot concluding in August 2024 that uses a community-based economic development approach. Results will help to inform future decisions on programs and policies.

Taken together, the aforementioned measures support access to care and can help address labour shortages in rural and remote communities by providing additional incentives for a range of health care professionals to work in these communities and ensure that all Canadians have timely access to the healthcare services they require.

Recommendation 10: That the Government of Canada proceed with the implementation of a Trusted Employer Model to fast-track Labour Market Impact Assessment (LMIA) applications from eligible employers; and further, that it review LMIA application processing practices and resource allocations to eliminate red tape and to ensure LMIA's can be processed in a timely, predictable and efficient manner.

The Government supports this recommendation. ESDC recognizes the importance of supporting Canadian employers looking to fill acute labour gaps and is proceeding with the implementation of a Trusted Employer Model (known today as the Recognized Employer Pilot, or REP) to reduce red tape for repeat employers who meet the highest standards for working and living conditions, as well as protections in high-demand fields. The REP will test streamlined processes, be more responsive to labour market shortages and reduce the administrative burden for repeat employers who demonstrate a history of TFW Program compliance. Once accepted into the REP, eligible employers can benefit from a simplified Labour Market Impact Assessment (LMIA) application and extended LMIA periods for designated occupations with demonstrated workforce shortages based on the Canadian Occupational Projection System's assessment of recent conditions (2019-21).

With respect to LMIA application practices, Budget 2022 provided \$64.6 million over three years to increase capacity to process LMIA's. The Department has taken a number of proactive measures to enhance client experience and boost capacity through modernization efforts such as streamlining processes; transitioning to a paperless application model thus increasing the uptake of the LMIA Online portal; and introducing public service standards in the coming months to improve predictability for employers. Thus far, these measures have enabled the TFW Program to process more files, reduce processing times, and improve client services despite unprecedented demand. LMIA processing times, for instance, have been reduced by over 10 business days in fiscal year 2022-23, despite having processed almost 50% more applications (over 101,817) this year, than the full year last year (63,379).

In addition, since the onset of the COVID-19 pandemic, the TFW Program has prioritized the processing of LMIAs for occupations in health care, where there are insufficient numbers of Canadian workers. ESDC will continue to implement its modernization initiative and evolve the program to meet the needs of employers, while ensuring workers protection.

Recommendation 11: That the Government of Canada consider temporary, emergency measures to enhance the accessibility of the Temporary Foreign Worker Program in sectors with the most acute labour shortages, such as extending the validity of Labour Market Impact Assessments and increasing the cap on the proportion of temporary foreign workers an employer can hire.

The Government supports this recommendation. The TFW Program is a demand-driven program, meant to be responsive to changing labour market conditions. As such, program policies are continuously reviewed to ensure that they reflect the latest economic conditions. Since 2020, a number of measures have been taken to improve the TFW Program's flexibility and reduce administrative burden for employers. This includes the April 2022 announcement of the TFW Program Workforce Solutions Roadmap which marks the most significant reforms to the Program since 2014, and includes the following policy changes:

- Ending the current policy that automatically refuses LMIA applications for low-wage occupations in the Accommodation and Food Services and Retail Trade sectors in regions with an unemployment rate of 6% or higher;
- Increasing the validity of LMIAs from 6 to 18 months;
- Extending the maximum duration of employment for High-Wage and Global Talent Stream workers from two years to three years;
- Temporarily allowing employers from seven sectors with demonstrated labour shortages to hire up to 30% of their workforce through the TFW Program for low-wage positions;
- Permitting employers from other sectors hiring low-wage positions to hire up to 20% of their workforce through the TFW Program;
- To address seasonal peaks, the limit to the number of low-wage positions that employers in seasonal industries, such as fish and seafood processing, can fill through the TFW Program has been removed making permanent the Seasonal Cap Exemption that has been in place since 2015; and,
- Permanently increasing the maximum employment duration from 180 days up to 270 days, per year, for seasonal positions that are already exempt from caps on TFWs in their workforce.

These policy changes have had significant and immediate benefits to employers during a time of high demand which saw a year-over-year increase of about 50% (approximately 41,000

positions) in TFWs requested. Given continuing pressures on Canada's labour market, these measures were further extended for an additional six months on March 27 2023, and will remain in place until October 20, 2023.

Recommendation 12: That the Government of Canada consider offering additional permanent residency pathways to temporary foreign workers with in-demand skills or experience, including in the care economy and in skilled trades.

The Government supports this recommendation in principle. Helping temporary residents with in-demand skills or experience transition to permanent residency is already an important feature of the Canadian immigration system. Rather than offering additional pathways, efforts are underway to increase the number of TFWs (and international student graduates) across various sectors and skill levels who transition to permanent residence through existing programs and pathways.

For example, the Government of Canada recently committed to creating enhanced opportunities for TFWs to meet critical labour shortages, regional needs, and other immigration goals. As part of these efforts, increased immigration level targets in the annual Immigration Levels Plan will support Canada's labour supply by augmenting the number of permanent residents which will enhance the opportunities for more temporary workers to transition to permanent residency, including those working in the care economy and in skilled trades. Moreover, improvements to permanent economic immigration programs will help the transition, from temporary to permanent residence, of essential workers in high-demand occupations, such as nurse aides, orderlies, patient service associates, in-home caregivers, and foreign national physicians.

The Government also continues to work with P/Ts and employers on innovative pathways to permanent residence, including through the Provincial Nominee Program, which allows P/Ts the flexibility to adapt and evolve their immigration streams to meet their individual labour market needs.

Recommendation 13: That the Government of Canada investigate ways, where appropriate, to connect employers with qualified newcomers, including but not limited to skilled refugees and temporary foreign workers.

The Government supports this recommendation. Recognizing the important role of immigration in building Canada's workforce and driving economic growth, the Government agrees that it should examine additional ways to connect employers with qualified newcomers, including but not limited to skilled refugees and TFWs.

Through IRCC's Economic Mobility Pathways Pilot (EMPP) the Government helps skilled refugees immigrate to Canada via existing economic immigration programs, including the Provincial Nominee Program, Atlantic Immigration Program, and Rural and Northern Immigration Pilot to support labour market needs. EMPP candidates are connected with employers and secure job offers and receive Permanent Residence status through this pilot. Most recently, Canadian employers have leveraged the EMPP to address critical labour shortages, including in the trades and healthcare sectors.

To grow the pool of qualified candidates abroad that employers can access to fill their job openings, the Government of Canada continues to streamline EMPP's program design, work closely with P/Ts to support regional needs, and is funding non-governmental organization partners. Moreover, a major revision to Canada's National Occupational Classification in 2021 resulted in the introduction of a new *Training, Education, Experience and Responsibilities* category, designed to better reflect entry-level requirements for Canadian occupations. This change resulted in a review of IRCC's immigration programming and eligibility criteria for higher-skilled, and in-demand occupations. As of 2022, an additional 16 occupations were deemed eligible for the permanent resident economic programs managed by Express Entry, including key health occupations such as nurse aides, orderlies, and patient service associates (i.e., PSWs). IRCC has also extended a number of facilitative measures to ease administrative processes for both employers and workers. This includes allowing foreign nationals to start working with a new employer more quickly once they have found a job and permitting visitors to apply for a work permit from within Canada.

Recommendation 14: That the Government of Canada review the Foreign Credential Recognition Program with a view to determining how it can better support efficient foreign credential recognition for internationally trained health care professionals.

The Government supports this recommendation in principle. Efficient foreign credential recognition for internationally trained health care professionals is a Government of Canada priority. Currently, the Government is investing \$22 million in 20 projects in the health care sector through the Foreign Credential Recognition Program (FCRP). Budget 2022 also provided an additional \$115 million over five years, with \$30 million ongoing, to expand the FCRP with an initial focus on the health care sector, seeking to help up to 11,000 internationally trained health professionals per year get their credentials recognized and find work in their field. To this end, the Program launched an open Call for Proposals that closed on January 30, 2023, inviting eligible organizations to submit proposals for projects that support the labour market integration of internationally educated health care professionals. Approximately \$90 million over 48 months is expected to support new projects from this call in 2023.

Moreover, the Government of Canada recently announced that it will increase health funding by almost \$200 billion over 10 years. This includes \$25 billion to support bilateral agreements on shared health priorities, in which P/Ts are asked to streamline FCR for internationally educated health professionals. The Government will be working with P/Ts to advance this important work.

Further, a formal departmental evaluation of the FCRP is underway and will be completed by June 2024, which will help assess the effectiveness of the Program. In addition, Budget 2023 announced a cross-department review of skills training programs. It is anticipated that the FCRP will be included in this analysis.

That said, the scope of these reviews is not specific to better supporting efficient foreign credential recognition for internationally trained health care professionals.

Recommendation 15: That the Government of Canada review compensation and benefits for care economy workers under its jurisdiction with a view to ensuring decent work and a regionally competitive wage; and further, that it work with the provinces and territories to improve working conditions for other workers in the care economy (including but not limited to migrant workers, and those in non-standard employment) and provide adequate compensation, basic health benefits, paid sick days, and workload management.

The Government supports this recommendation in principle. No federal review of compensation and benefits for care economy workers is planned given that P/Ts governments have exclusive authority to legislate employment standards for these workers. However, P/Ts can look to recent amendments made to Part III of the *Canada Labour Code* that helped improve employment standards in the federally regulated private sector (e.g., banking, telecommunications, inter-provincial and international transportation). These amendments include increasing the minimum wage to \$15, introducing 10 days of paid medical leave and prohibiting differences in rates of wages based on the employment status of employees (not yet in force).

With respect to working with P/Ts, on February 7, 2023, the Government of Canada announced an investment of \$198.6 billion over 10 years, including \$46.2 billion in new funding to improve health care services for Canadians. This investment will accelerate efforts already underway with P/Ts to support the retention of health workers within the public health care system, as well as focus on increasing the supply of health workers through recruitment by increasing training, residency and practicum spots for health professionals, and training professionals in rural and remote communities where they live. It will also support regulatory bodies and associations in streamlining their processes to get more trained and qualified professionals working in the health care system faster, which in turn will help increase Canadians' access to health service providers.

This funding also includes \$1.7 billion over five years to support hourly wage increases for PSWs and related professions, as F-P/T governments work together on how best to support recruitment and retention. Furthermore, Budget 2023 proposes to provide up to \$50 million over five years, starting in 2023-24, to develop and test innovative solutions to strengthen the retirement savings of PSWs without workplace retirement security coverage.

Lastly, to help drive significant change in the care economy sector, the Government established a Coalition for Action for Health Workers in November 2022. The Coalition will provide a forum for discussion on complex issues related to health workforce planning and management, which could include compensation and benefits, and advice from members (i.e., experts and representatives from key groups, including nurses, doctors, PSWs, unions, academia, patients, and equity deserving communities) will inform immediate and longer-term solutions to address health workforce challenges, so that all Canadians can access the quality care they need and deserve.

Recommendation 16: Further, that the Government of Canada consider establishing a national Care Economy Commission to develop, implement and monitor any workforce planning strategies for the care economy, including a centralized health care human resources strategy; and, develop and monitor national standards for care.

The Government supports the pan-Canadian aims of this recommendation in principle. However, given the breadth of the care economy and the primacy of provincial and territorial responsibility, the federal government is best placed to provide leadership and financial support to P/Ts and care sectors to develop and implement standards and workforce strategies.

Canada's current health worker crisis underscores the importance of workforce planning. As the Report notes, the care economy encompasses a wide range of care professionals including personal support work, healthcare, childcare and education. For its part, the Government of Canada provides funding and leadership support. Recently, the Government announced \$198.6 billion over 10 years, including \$46.2 billion in new health funding to the P/Ts. Of this funding, the federal government committed \$505 million over 5 years to the CIHI, Canada Health Infoway and federal data partners to work with P/Ts to develop new health data indicators, support the creation of a Centre of Excellence on health worker data, and advance digital health tools and an interoperability roadmap. Improved health worker data, collection and standardization will build the foundation that supports long term workforce planning.

Further, in January 2023, the Standards Council of Canada, Health Standards Organization (HSO) and the CSA Group developed and released new national standards for long-term care (LTC). These standards complement the Government's ongoing work with P/Ts to help support improvements in LTC. Furthermore, Budget 2021 provided \$3 billion over five years to support

P/Ts in their efforts to improve LTC in their jurisdictions. This is in addition to the \$1 billion provided through the 2020 Fall Economic Statement for the creation of the Safe LTC Fund, to protect people living and working in LTC.

Conclusion

In conclusion, ensuring that Canada has a skilled, agile, and diverse workforce that can flourish in a rapidly evolving labour market is fundamental to the country's prosperity. The federal government is well positioned with a suite of tools and partnerships to support the labour market in times of economic growth or downturn, and according to the diverse socio-economic needs across the country. Moving forward, the Government will continue to work collaboratively with all governments, partners, and key stakeholders to alleviate labour market pressures in high demand sectors, including the care economy, and drive continued economic growth for years to come.

Yours sincerely,



The Honourable Carla Qualtrough, P.C., M.P.
Minister of Employment, Workforce Development and Disability Inclusion