

Human Resources Development Canada

**1998-99
Estimates**

A Report on Plans and Priorities



1998-99 Estimates

A Report on Plans and Priorities

Approved by:

The Honourable Pierre S. Pettigrew
Minister of Human Resources Development

The Honourable Lawrence MacAulay
Minister of Labour



Section I — Messages

Ministers' Message	1-3
Management Representation Statement.....	1-4

Section II — Departmental Overview

Mandate, Roles, Responsibilities and Objectives	2-2
Financial Summary	2-3

Section III — Plans, Priorities and Strategies

Summary of Key Plans, Priorities and Strategies.....	3-2
---	------------

Details by Business Line

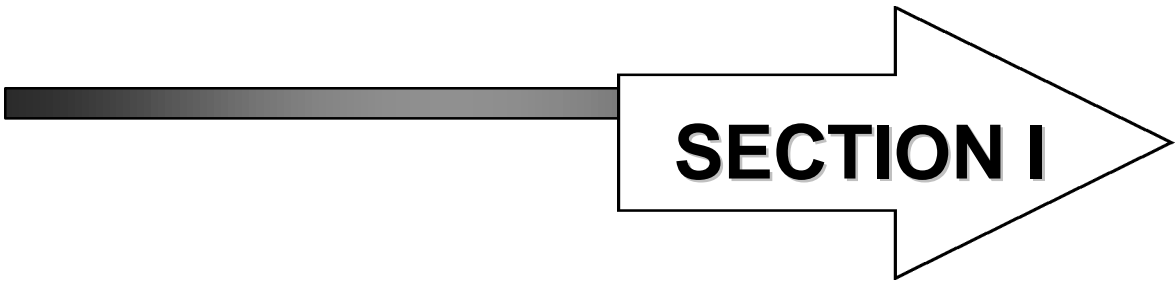
1. Human Resources Investment.....	3-4
2. EI Income Benefits.....	3-15
3. HRCC Management & Joint Services	3-20
4. Labour	3-21
5. Income Security	3-26
6. Corporate Services	3-30

Specified Purpose Accounts

1. Employment Insurance Account	3-34
2. Canada Pension Plan Account	3-41

Section IV — Supplementary Information..... 4-1

Index.....	4-15
-------------------	-------------



Messages





As Minister of Human Resources Development, I am pleased to present the Report on Plans and Priorities for 1998-1999.

Our government is committed to working with its partners to enable all Canadians to live fulfilling lives as full participants in Canada's society and economy. That is true for children, students, workers, persons with disabilities and seniors. As this report indicates, we are finding new strategies and vehicles to achieve our goal.

The best possible service to Canadians is at the heart of our agenda. We will continue to work with the provinces to build a stronger Social Union and address the human development needs of our communities. We will support Aboriginal peoples, business, labour and the voluntary sector as they identify and deal with social and labour market priorities.

During the coming year, HRDC will continue to use innovative thinking and cooperation to help achieve results.

The Honourable Pierre S. Pettigrew,
P.C., M.P.
Minister of Human Resources Development

The Labour Program of Human Resources Development Canada strives to meet the essential needs of workers and employers in our society. This Program helps Canada achieve its goals for safe, healthy, productive workplaces across Canada and for an effective industrial relations environment.

As Minister of Labour, I know that the needs and priorities of employers and workers are changing. This Report on Plans and Priorities for 1998-1999 shows how we intend to respond.

We are continuing to review and modernize our legislation, policies and services. We want to encourage workers and employers to create the kinds of innovative and effective workplaces that will benefit everyone.

Our agenda is based on partnerships - in the workplace, with the provinces and internationally. Our outcomes will be a positive force in workplaces across Canada.

The Honourable Lawrence MacAulay,
P.C., M.P.
Minister of Labour



Management Representation Statement

Report on Plans and Priorities 1998-99

We submit, for tabling in Parliament, the 1998-99 Report on Plans and Priorities (RPP) for Human Resources Development Canada.

To the best of our knowledge the information:

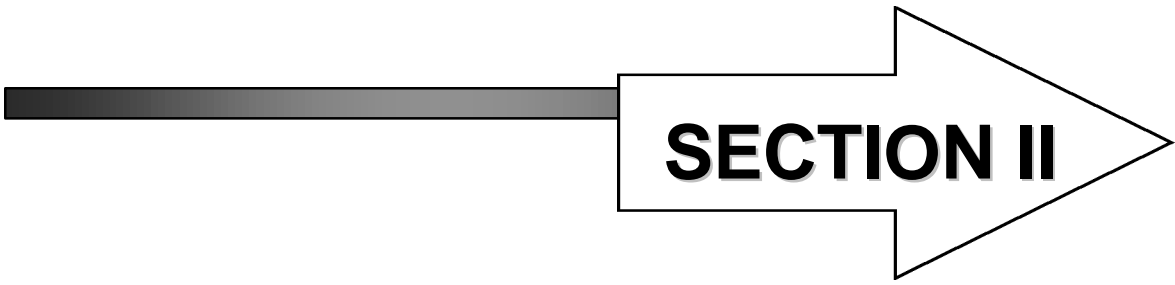
- Accurately portrays the department's mandate, plans, priorities, strategies and expected key results of the organization.
- Is consistent with Treasury Board policy and instructions and the disclosure principles contained in the Guidelines for Preparing a Report on Plans and Priorities.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.

We are satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Serge Rainville
Assistant Deputy Minister,
Financial and Administrative Services

Date: _____



Departmental Overview





A. Mandate, Roles, Responsibilities and Objectives

Human Resources Development Canada (HRDC) takes an integrated approach to human development goals by bringing programs supporting the income of Canadians together with human resource programs that are linked to the requirements of the national economy. The mission of HRDC is to assist all Canadians in their efforts to live contributing and rewarding lives; and to promote a fair and safe workplace, a competitive labour market with equitable access to work, and a strong learning culture.

HRDC represents the social face of government. We connect with millions of Canadians at all stages of their lives, often when they face difficult transitions. This year, our department will serve almost 9 million Canadians in every region of the country, will receive almost 30 million inquiries about Employment Insurance alone, and will send about 100 million items of correspondence to Canadians.

HRDC is one of the largest government departments in terms of its scope and mandate. Our objectives are to:

- help Canadians prepare for, find, and keep work, thereby promoting economic growth and adjustment;
- assist Canadians in their efforts to provide security for themselves and their families, thereby preventing or reducing poverty among Canadians; and
- promote a fair, safe, healthy, stable, cooperative, and productive work environment that contributes to the social and economic well-being of all Canadians.

Meeting these objectives often involves work by our staff directly with clients. Increasingly, it also involves cooperation with provincial governments, Aboriginal organizations, community groups, business, labour, and other partners.

About 20,000 HRDC employees are at work in communities across the country. More than 80% of them are in our local Human Resource Centres of Canada (HRCCs) and our 10 regional offices. Those people are the front line presence that helps us meet our departmental objectives through the Service Delivery Network that we are building now. It will include 308 Human Resource Centres of Canada, 21 telecentres, 10 mail service centres for Income Security Program processing, approximately 5,100 self-service electronic kiosks, 6 Information Technology Centres, plus administrative offices, and an increasing array of services through the Internet.

The people of HRDC are responsible for the wise use of close to \$58 billion in 1998-99.

At HRDC, we have grouped our programs and services into business lines consistent with the government's improvements to the Expenditure Management System. Our definitions of objectives, key results, and performance measurement strategies are included in the "HRDC Planning Reporting and Accountability Structure".



We have six business lines:

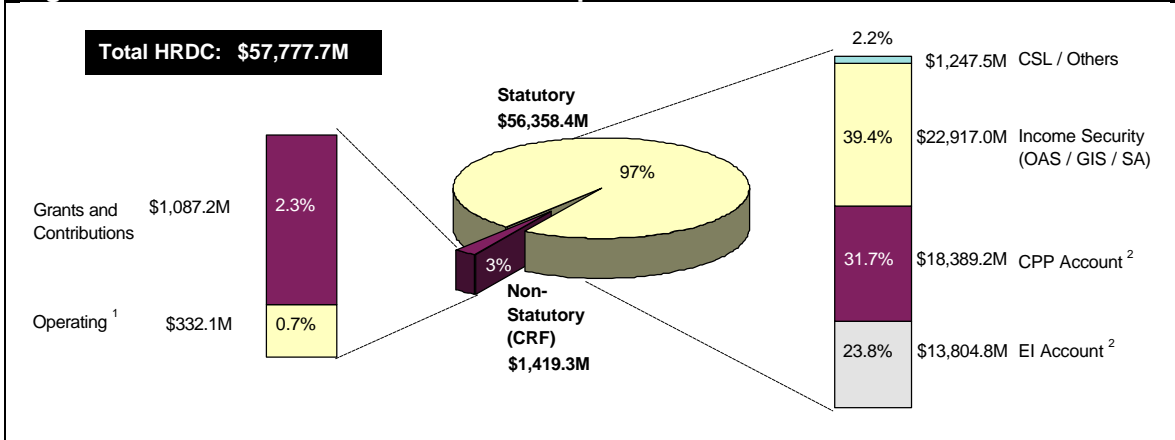
	<u>For details</u>
• Human Resources Investment	3-4
• EI Income Benefits	3-15
• Human Resource Centres of Canada (HRCC) Management and Joint Services	3-20
• Labour	3-21
• Income Security	3-26
• Corporate Services	3-30

We are also responsible for two major Specified Purpose Accounts: the Employment Insurance Account and the Canada Pension Plan.

Our reporting structure is the same as in the Part III Estimates for 1997-98.

B. Financial Summary

Figure 1: Overview of HRDC's 1998-99 Expenditure Profile



1. Excludes \$130.2 million in Employee Benefits Plan partially recoverable from the EI (\$112.2 million) and the CPP (\$18.0 million) Accounts.
2. Includes administrative costs charged to these accounts by HRDC and other government departments (see Section III: Specified Purpose Accounts)

Note: For additional information with regard to the allocation of the 1998-99 Expenditures by vote, please refer to Figure 1 in Section IV - Supplementary Information

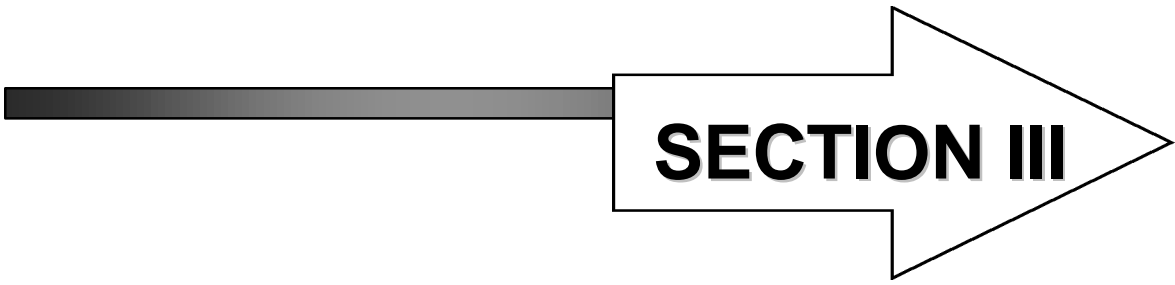


Figure 2: HRDC Consolidated Planned Spending

(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Business Lines / Programs			
Human Resources Investment	2,515.5	2,557.7	2,292.4
Employment Insurance Income Benefits	523.5	459.1	454.1
HRCC Management and Joint Services	204.4	192.9	186.9
Human Resources Investment and Insurance	3,243.5	3,209.7	2,933.3
Labour	142.8	143.0	141.2
Income Security	22,515.3	23,171.7	23,838.9
Corporate Services	410.5	375.9	360.6
Total gross expenditures	26,312.0	26,900.3	27,274.0
Revenue credited to the Vote	(1,370.5)	(1,186.3)	(1,153.8)
Total net expenditures	24,941.5	25,714.0	26,120.3
Other Revenues and Expenditures			
Revenue credited to the Consolidated Revenue Fund	(307.6)	(326.5)	(318.9)
Estimated cost of services provided by other departments	15.2	17.3	15.5
Net Cost of the Department	24,649.1	25,404.8	25,816.9
Specified Purpose Accounts			
Employment Insurance			
Expenditures	13,265.2	13,804.8	
Revenues	(19,476.0)	(19,846.0)	
Current Year Surplus (Deficit)	6,210.8	6,041.2	
Canada Pension Plan			
Expenditures	17,725.3	18,389.2	19,189.5
Revenues	(16,589.0)	(18,592.0)	(20,782.0)
Current Year Surplus (Deficit)	(1,136.3)	202.8	1,592.5

Note: All financial tables within this report were expressed in millions and may not add-up due to rounding.

This report includes the new initiatives announced in the Budget 1998. For additional information on budget items see page 4-8.



Plans, Priorities and Strategies





Summary of Key Plans, Priorities and Strategies

This Report on Plans and Priorities reflects a department in transition. For 1998-1999 and beyond, Human Resources Development Canada will be implementing a new vision. This will be based on enabling Canadians to participate fully in the workplace and the community.

At the heart of the new vision is a commitment to promote human development. This approach goes beyond labour market issues to link the economic and social dimensions of the lives of individual Canadians and their communities, workplaces and country. It emphasizes helping people manage the transitions in their lives. It involves helping people with special needs overcome barriers to full participation.

This could include support for the family literacy or child poverty initiatives that help more children reach school age, ready to learn well. It can include support for life-long learning, access to jobs and a reasonable standard of living after retirement. It is a flexible model.

At the centre of our work will be our core activities. These are well-known programs such as Canada Pension Plan benefits, Employment Insurance income benefits, Canada Student Loans and federal labour regulations. We will continue to modernize them and improve our quality of service to Canadians. We will often use new partnerships and find new ways of delivering them including advanced technologies.

We will complement our programs and services with a greater emphasis on preventative measures. By doing more to provide advice and information to people, communities and workplaces, we can reduce the chance of more serious needs and higher costs in the future.

One aspect of our emerging approach will be to help communities build their own capacity to identify needs and solutions. HRDC will often work with its partners as a catalyst and a link to the information and other resources that they need to take action. That partnership orientation will grow as the Labour Market Development Agreements with provinces and territories come into force. Communities will increasingly see HRDC as one partner in a single location, shared with provincial, municipal and community organizations, all working together to meet local priorities, each drawing on unique strengths.

Implementing this vision will take time but it will produce results. HRDC will become more aligned with the communities it serves, more committed to partnerships, and more attuned to the important social and economic contributions it can make to help people make the best possible choices in life.



To provide Canadians with:	To be demonstrated by:
Effective and efficient labour market	<ul style="list-style-type: none"> ➤ Access to employment by all Canadians 🗡️ 3-6 <ul style="list-style-type: none"> – Number or proportion of clients obtaining employment or self-employment as a result of Human Resource Investment Fund (HRIF) interventions Reduced dependency on EI benefits 🗡️ 3-7 <ul style="list-style-type: none"> – Savings to the EI Account (Part I) resulting from E I clients returning to work earlier than expected through HRIF Interventions
Temporary income support to eligible unemployed workers	<ul style="list-style-type: none"> ➤ Effective claims management 🗡️ 3-16 <ul style="list-style-type: none"> – Number or proportion of claims for Employment Insurance (EI) benefits and claimant appeals processed within service delivery standards Maintain the financial stability and integrity of the EI Account 🗡️ 3-16 <ul style="list-style-type: none"> – Level of incidence of EI fraud and abuse - Direct and indirect savings to the EI Account as a result of investigation and control activities – Level of incidence of incorrect payments - Quality of claims decisions as measured through the Comprehensive Tracking System
Safe, fair, and productive workplaces	<ul style="list-style-type: none"> ➤ Safe, healthy, and equitable environment 🗡️ 3-22 <ul style="list-style-type: none"> – Part I of the <i>Canada Labour Code</i> - Percentage of collective bargaining disputes settled without work stoppage – Part II of the <i>Canada Labour Code</i> - Percentage of non-compliance situations (excluding situations of danger) voluntarily resolved through the acceptance of assurances of voluntary compliance (AVCs) – Part III of the <i>Canada Labour Code</i> - Percentage of unjust dismissal complaints settled by inspectors
Secure Income Security Programs for seniors, persons with disabilities, survivors, families with children, and migrants	<ul style="list-style-type: none"> ➤ Sustainable and efficient Canada Pension Plan (CPP) and Old Age Security (OAS) programs 🗡️ 3-27 <ul style="list-style-type: none"> – Level of client service - Percentage of ISP telephone client demand answered – Speed of service - Processing of CPP applications within established service delivery standards – Speed of service - Processing of OAS applications within established service delivery standards – Level of client satisfaction - Percentage of clients satisfied with the services related to CPP and OAS



1. Human Resources Investment (HRI)

A. Financial Summary

Figure 1: Planned Spending

(millions of dollars)	Forecast	Planned Spending ¹		
	1997-98	1998-99	1999-00	2000-01
Gross operating expenditures ²	412.9	316.9	279.8	270.3
CRF Program funds				
Vocational Rehabilitation of Disabled Persons (VRDP) ³	231.4	0.0	0.0	0.0
Employability Assistance for People with Disabilities (EAPD) ³	0.0	193.0	193.0	193.0
Opportunities Funds for Persons with Disability	20.9	39.1	29.1	0.0
Literacy (excl. TAGS related)	27.5	28.4	28.4	28.4
Youth	261.6	298.3	245.0	270.6
Strategic Initiatives (excl. Aboriginal related)	49.6	32.9	0.0	0.0
The Atlantic Groundfish Strategy (TAGS) ⁴	288.7	118.5	5.9	3.8
Aboriginal ⁵	214.1	202.1	180.5	180.5
Transitional Jobs Fund (TJF)	128.1	106.0	0.0	0.0
Other programs ⁶	106.3	65.0	28.3	27.4
Sub-Total CRF Program funds	1,328.2	1,083.3	710.2	703.7
Statutory funds				
Canada Student Loans Program	700.3	856.4	953.7	919.9
Canada Study Grants/Special Opportunities Grants	26.0	144.7	144.7	144.7
Canada Education Savings Grant	0.0	150.0	200.0	275.0
Labour Adjustment Benefits	8.9	6.3	3.9	2.0
Post-Secondary Education and Canada Assistance Plan ⁷	39.2	0.0	0.0	0.0
Sub-Total Statutory Funds	774.4	1,157.4	1,302.3	1,341.6
Employment Benefits and Support Measures ⁸	1,745.7	1,946.7	2,074.0	2,190.5
Consolidated HRI and EI Part II Gross expenditures ⁹	4,261.3	4,504.4	4,366.4	4,506.0
Less: Employment Benefits and Support Measures	(1,745.7)	(1,946.7)	(2,074.0)	(2,190.5)
HRI Gross expenditures	2,515.5	2,557.7	2,292.4	2,315.5
Less: Recoverable from the EI Account	(266.9)	(182.3)	(166.3)	(156.7)
Net expenditures	2,248.6	2,375.4	2,126.0	2,158.8
Less: Revenue Credited to the CRF	(216.6)	(219.2)	(211.4)	(187.3)
Plus: Services Provided by other Departments	5.0	5.5	4.3	4.3
Net Cost of the Business Line	2,037.1	2,161.6	1,918.9	1,975.9

1. Includes additional funding announced in Budget 1998. See page 4-8 for additional information.
2. Excludes operating resources to be transferred to Provinces/Territories for LMDAs.
3. The EAPD program replaces the VRDP program. The 1997-98 Forecast includes \$63.4 million in prior year claims.
4. The majority of resources in 1999-2000 and beyond represent contribution funding for the Fishplant Older Workers Adjustment Program (FOWAP).
5. Includes all funds dedicated to Aboriginal programming including Regional Bilateral Agreements, First Nations/Inuit Child Care, and Strategic Initiatives.
6. Includes Sectoral Initiatives, and small programs which are for the most part sunsetting.
7. These programs were transferred in 1996-97 to the Department of Finance to form the Canada Health and Social Transfer. However, residual and/or adjustments to payments are necessary.
8. For more details on EI Part II, refer to Figures 2 and 3 on page 3-9.
9. Excludes Provincial and Territorial administrative charges related to LMDAs. See Figure 3 on page 3-9.



B. Business Line Profile

The objective of the Human Resource Investment (HRI) business line is to support the development of Canada's human resources and the effective functioning of the labour market and to reduce the dependence of individuals on Employment Insurance (EI) and other government income support payments.

This business line includes information and advisory services, grant, contribution, loan and statutory programs. These activities enable individuals, businesses, communities, and occupational and industrial sectors within the Canadian economy to identify and address their labour market needs. Financial assistance may also be made available to individuals to pursue their labour market goals.

HRDC carries out many activities under this business line through delivery mechanisms such as Human Resource Centres of Canada and through regional or national headquarters groups. Increasingly, goals are being achieved through partnerships with provinces and territories, Aboriginal, industry sector-based or community-based organizations.

C. Operating Environment

Labour Market Trends: Although 1997 was the second-strongest year of job creation for Canada in the 1990s, 1.3 million Canadians were unemployed at year-end. Almost all 1997 job growth was in jobs that required post-secondary qualifications. These trends increase demand for HRI programs as people seek opportunities to gain skills or experience and as communities or industries address rising skill needs. Some groups face particular challenges:

Young people face difficulties in getting the right combination of training and work experience and now face rising post-secondary education costs.

Aboriginal unemployment is 2.5 times the national average. Nearly 50% of residents of reserves receive social assistance and the percentage of Aboriginal peoples with low incomes is four times the national average. 30% of Aboriginal peoples are disabled, twice the national rate.

Disabled Canadians who are 15% of the population, have lower levels of employment for all age groups and are concentrated at the bottom of the income scale.

More than one million adults with disabilities are unemployed or out of the labour force. They face barriers that impede their participation in the labour market. The release of the Task Force on Disability Issues Report in October 1996 set high expectations among the disability community for federal action.

New Partnerships to Achieve Human Resource Investment Goals: The government is increasingly designing and delivering programs in conjunction with partners. Through Labour Market Development Agreements, many provinces and territories are taking on full responsibility for the management and delivery of certain types of programming. Aboriginal organizations have taken on similar roles through Regional Bilateral Agreements.



Other elements of this approach involve greater support for initiatives in which business and labour work together on shared concerns. Similar support is growing for building the capacity of communities to identify their priorities and then marshal resources to address them. Strengthening the ability of voluntary groups to play a role in community capacity development is one aspect of this approach that is expected to emerge.

Emerging Priorities: Ensuring a healthy start for children will continue to be a focus for federal-provincial cooperation. This reflects the evidence of long-term effects of early childhood experiences on health and well being.

Support for lifelong learning and literacy are essential elements in comprehensive social and economic development strategies to help Canadians adjust to a changing society, and to equip them to participate fully in the knowledge-based economy.

Advances in information technology continue to open new avenues for service delivery. The business line estimates that within 10 years, 80% of services will be delivered through automated information and self-serve processes, including the Internet.

D. Key Plans, Strategies and Expected Results

The Human Resource Investment business line has two major priorities for 1998-99 within its overall objective of investing in Canadians to enable them to live more contributing and rewarding lives as productive members of our society and economy:

1. Investing in the Future by Strengthening the Labour Market; and
2. Investing in the Future by Strengthening the Social Union.

For 1998-1999 and beyond, this business line will continue to be in a state of transition as the shift of program and service responsibilities to the provinces through Labour Market Development Agreements and other partnership agreements becomes more established. HRDC is being challenged to learn how to manage for results in an environment of asymmetrical program and service arrangements.

Many programs and services will continue with no significant changes of direction. Some, such as the Atlantic Groundfish Strategy, Strategic Initiatives and the Transitional Jobs Fund, are scheduled for completion during the year.

This business line uses two key indicators to assess performance.

- We expect our initiatives to help 220,000 clients to find work or become self-employed during 1998-1999, as described in detail below. However, it must be noted that a final projection will depend on discussions with provincial and territorial governments, Aboriginal organizations and other partners that were not complete as of mid-February, 1998.
- We estimate that our interventions will save \$936.7 million of unpaid EI Income Benefits because clients return to work before the end of their benefit entitlement period.



The business line is focusing efforts on improving performance management and defining success factors for all activities of the HRI business line including:

- Results targets;
- Means to report employment results and reduction in income support dependency irrespective of who delivers the service;
- Measures that reflect information, social development and learning results; and
- Quality services.

1. Investing in the Future by Strengthening the Labour Market

a) Helping Canadians Return to Work (both EI Part II and CRF programs)

The business line draws on funds under Part II of the Employment Insurance Act and from the Consolidated Revenue Fund to support programs and services for which it is responsible, but for which other partners often have design and delivery responsibility.

Client Group	Targets	
	<u>Participants</u>	<u>Found Work</u>
EI claimants and eligible former claimants	467,000	190,300
Aboriginal	29,550	14,800
Youth (excludes summer programs)	26,450	12,970
NOTE: Each category is not exclusive of the others and figures cannot be added to create a total.		
Community Adjustment Programming	Sustainable jobs created	Amount leveraged from community partners
Transitional Jobs Fund	6,000	\$127 million

Part II of the EI Act

The five Employment Benefits and three Support Measures under Part II of the Employment Insurance (EI) Act will be a primary source of these results. During 1998-1999 and beyond, many provinces and territories will exercise their right under new Labour Market Development Agreements to offer programming of their own design with similar goals in place of the HRDC benefits and measures. In the other provinces and territories, HRDC will deliver them, generally under co-managed agreements.



The five Employment Benefits are:	The three Support Measures are:
<ul style="list-style-type: none"> • Targeted Wage Subsidies • Self-Employment • Job Creation Partnerships • Targeted Earnings Supplements • Skills Loans and Grants 	<ul style="list-style-type: none"> • Employment Assistance Services • Labour Market Partnerships • Research and Innovation

Another Benefit, *Training Purchases*, helps individuals to acquire skills through courses purchased on their behalf. It will end in June 1999, consistent with the 1995 federal commitment to withdraw from labour market training.

Targeted Earnings Supplements will only be implemented after pilot research projects have been assessed. Skills Loans and Grants is being developed in concert with the provinces and territories. While implementation dates across the country will vary, the majority of provinces and territories are targeting September 1998 for full implementation.

For 1998-99, the EI Part II expenditure authority of \$2.0B represents 0.65% of total estimated insurable earnings of \$306.9B. This represents a lower level of expenditures than the 0.8% ceiling under the Act, estimated at \$2.496B.

Some of the savings generated by EI reform are included in these funds. By 2000-2001, it is expected that \$800M will be available for re-investment. For 1998-99, the re-invested amount will be \$600M.



Figure 2: 1998-99 Employment Insurance Plan

(millions of dollars)	Base	Re-Investment	Total Plan
Newfoundland	51.6	54.8	106.4
Nova Scotia	48.7	22.8	71.4
New Brunswick	46.4	31.6	78.0
Prince Edward Island	13.5	7.5	21.0
Quebec	341.5	186.1	527.6
Ontario	361.6	138.1	499.7
Manitoba	41.0	7.7	48.7
Saskatchewan	28.7	7.4	36.1
Alberta	79.5	26.9	106.5
Northwest Territories	2.5	1.9	4.4
British Columbia	133.2	113.8	247.0
Yukon	1.7	1.5	3.2
Sub-Total Provinces/Territories	1,150.0	600.0	1,750.0
Pan-Canadian Responsibilities ¹	250.0	0.0	250.0
EI Plan (Part II)	1,400.0	600.0	2,000.0
Transfers from Pan-Canadian Responsibilities: ²			
HRDC Operating Costs	(14.5)	0.0	(14.5)
LMDA Supplementary Administrative costs	(38.8)	0.0	(38.8)
Sub-Total Transfers	(53.3)	0.0	(53.3)
Funds available for Employment Benefits and Support Measures	1,346.7	600.0	1,946.7

1. Funds earmarked for Pan-Canadian priorities, such as Aboriginal programming, Youth programming, Sectoral and Innovations projects. The majority of these funds have been committed for specific interventions.
2. EI Part II funds are converted into HRDC operating costs for Human Resources Partnership Initiatives, Youth Initiatives, and LMDA Connectivity between federal and provincial/territorial systems. In addition, up to \$38.8 million of EI Part II funds have been earmarked in 1998-99 to offset incremental systems development costs, and office re-fit costs incurred with the implementation of LMDAs.

Figure 3: EI Plan - Multi-Year Information

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Base	1,150.0	1,150.0	1,150.0	1,150.0
Re-Investment	380.0	600.0	700.0	800.0
Pan-Canadian Responsibilities	250.0	250.0	250.0	250.0
EI Plan (Part II)	1,780.0	2,000.0	2,100.0	2,200.0
Less: Transfers from Pan-Canadian Responsibilities ¹				
HRDC Operating Resources	(15.0)	(14.5)	(14.5)	(9.5)
LMDA Supplementary Agreements	(19.3)	(38.8)	(11.5)	0.0
Employment Benefits and Support Measures	1,745.7	1,946.7	2,074.0	2,190.5
Provincial and Territorial administrative charges related to LMDAs ²				
Incremental Systems and Office re-fit	19.3	38.8	11.5	0.0
LMDA costs	7.8	87.4	87.4	87.4
	27.0	126.3	98.9	87.4

1. See Note 2 on Figure 2 above.
2. Reflects costs in support of LMDA for Provinces and Territories assuming responsibilities for the design and delivery of labour market development programs and services.



b) Improving Employment Opportunities for Youth, Aboriginal Peoples and Persons with Disabilities

In 1998-1999, the business line will continue to work to ensure that people in designated groups participate in programming and gain results that are comparable to their labour force participation, as noted in the most recent census. As the 1996 census data was not yet available as of mid-February 1998, targets for 1998-99 are based on the 1991 census:

Designated Group Targets			
Women	Persons with disabilities	Aboriginal Peoples	Visible Minorities
45.9%	3.0%	6.5%	9.1%

c) Improving National Employment, Occupational and Career Information

HRDC recognizes the value of information for Canadians. This business line will introduce a Human Resources Information Services Strategy and an Accountability Framework to demonstrate the quality and usefulness of HRDC information in assisting Canadians to achieve their goals. Beyond that, a number of specific projects will expand information products and extend their impact.

To provide quality information	To be demonstrated by:
Provide employment and career-related information for work seekers and employers looking for qualified workers or workplace information	750,000 searches by employers of worker profiles on the recruitment service 100,000 worker profiles on the recruitment system at any given time Matches to at least one worker client for 90% of employer requests on the recruitment service EI savings of \$50 million
Increase knowledge and understanding of the labour market	Improve and expand the corporate suite of local labour market information products available in all HRCCs Maintain and update National Occupational Classification Finalize pan-Canadian research on Essential Skills profiles for most jobs in Canada Complete skills analysis required to perform 25 major occupations Complete detailed human resource updates/analysis of 25 industrial sectors
Enhance the Human Resources Information Service with products and self service tools	5 new internet-based information products



2. Investing in the Future by Strengthening the Social Union:

a) Strengthening Social and Economic Participation of Youth, Persons With Disabilities and Aboriginal Peoples

Youth: The Youth Employment Strategy will continue to assist young people, particularly those at risk, with the tools to enhance their competitiveness in the Canadian and global economies. Through partnerships, youth will have the opportunity to access relevant labour market information, and acquire employability skills and work experience which will enable them to get a job or return to school.

Persons with Disabilities: The 1996 Task Force on Disability Issues made 52 recommendations. The government has committed itself to address as many as possible. Income support, labour market integration and promotion of equal citizenship are key issues for this business line.

Aboriginal Peoples: As part of the Government’s response to the Royal Commission on Aboriginal Peoples, this business line is focusing on activities that increase Aboriginal participation in the mainstream economy and reduce dependence on government transfer programs. The business line will also pursue Aboriginal components of the National Children’s Agenda and Youth Initiatives.

To create opportunities for:	To be demonstrated by:
<p>Voluntary Sector and Disabled Persons</p> <p>Increasing the knowledge of issues affecting persons with disabilities and persons served by the social services sector</p> <p>Youth</p> <ul style="list-style-type: none"> • Youth to gain work experience • Better access to information and services 	<p>Sustain funding to:</p> <ul style="list-style-type: none"> • 30 national disability and non-disability voluntary organizations • 120 disability and non-disability projects <p>26,450 youth will gain work experience</p> <p>Create a network of 5,000 community agencies to help youth access information</p> <p>30% of young Canadians surveyed are aware of the existence and usefulness of labour market information</p> <p>8,000 hits per week on the youth website</p> <p>1-800 number to reach 300,000 calls per year</p>



To create opportunities for:	To be demonstrated by:
<p>Persons with Disabilities</p> <ul style="list-style-type: none"> • Lead federal work on a disability partnership strategy to promote improved policy and program collaboration across the federal government • Develop and implement an Employability Assistance for Peoples with Disabilities initiative to replace the current Vocational Rehabilitation of Disabled Persons (VDRP) program <p>Aboriginal Peoples</p> <ul style="list-style-type: none"> • Develop Aboriginal Human Resources Development Strategy through which Aboriginal persons and provinces will deliver a range of federal human resources programming • Maintain partnerships with Aboriginal groups 	<p>Progress towards achieving the strategy</p> <p>Agreements with each province/territory</p> <p>Development and approval of provincial/territorial transition and expenditure plans</p> <p>Implement new arrangements to succeed current Regional Bilateral Agreements</p> <p>Implement an Aboriginal Human Resources Development Council</p> <p>53 Regional Bilateral Agreements and 3 Urban Aboriginal Employment Initiatives</p>

b) Learning and Literacy

This business line will focus on many aspects of lifelong learning to help Canadians adjust to a changing society, and to equip them to participate fully in the knowledge-based economy. It will work closely with Industry Canada to exploit the advantages of a “connected Canada,” providing access to information and tools to people in large urban centres and in rural Canada.

The business line will work with learning and literacy organizations, employer organizations, sector councils and worker organizations to promote a strong workplace learning culture. One priority will be to support the development of a Canadian literacy infrastructure that will strengthen literacy partnerships in Canada. Special attention will be given to family literacy initiatives as a way to promote adult literacy and develop strong literacy skills for the next generation, and to strengthening literacy programs by supporting research and the testing of new approaches.

Improvements to enable access to post-secondary education and a response to increased student debt will come through the development and implementation of the Canadian Opportunities Strategy, in particular, the Canada Study Grants and the Canada Education Savings Grant. Students with dependents will be provided with increased financial assistance. Families will be encouraged to save for their children’s education through the Canada Education Savings Grants. The Office of Learning Technologies (OLT) will continue its work with partners such as educational institutions, sector councils and community organizations to expand learning opportunities for adults through the use of technologies. It will work with partners to support research, testing and assessment related to the use of learning technologies, and to increase the availability and sharing of knowledge about



learning technologies. Particular attention will be put on learning in the workplace and community-based learning networks.

To address learning and literacy priorities:	To be demonstrated by:
Improve access to post secondary education	Provide financial assistance to 472,734 post secondary students
Support youth in furthering their education	48,650 students placed in career-related summer jobs
Influencing the learning system	Facilitate 10 business-education-provincial partnerships to develop relevant curricula Facilitate 5 National Sector Council-provincial education system partnerships to develop systems to ensure prior learning can be recognized
Support for research, testing and assessment in the use, availability and sharing of learning technologies	Support 50 projects demonstrating innovation
Support for literacy partnerships, the development of a Canadian Literacy electronic infrastructure and family literacy initiatives	Support 450 projects

Note: These results for the Learning and Literacy will be revised once we have greater clarity of the Canadian Opportunities Strategy.

c) To Address Aboriginal and related Child Care Priorities

This business line will work closely with other federal departments in the design and implementation of the National Children’s Benefit and with the provinces and territories to establish the National Re-investment Framework. It will continue to support research on child care issues through the Child Care Visions program as well as the development and maintenance of child care spaces in Aboriginal communities. The First Nations/Inuit Child Care developmental phase has been extended to December 31, 1998, addressing concerns that the development phase was not a full three years.

To address child care priorities:	To be demonstrated by:
Improve the child care system in First Nations and Inuit communities	Sustain 6,000 existing Aboriginal child care spaces
Increase knowledge of issues relating to child care	Support 50 child care research studies



d) Partnerships with Provinces, Territories and Others

This business line is the focal point for many efforts aimed at using partnerships to improve services to Canadians and to achieve policy objectives more effectively. A central goal is to encourage labour, business, provincial/territorial and Aboriginal partners to work together to address the human resources issues affecting them, to influence the efforts of governments to improve the Canadian learning system and to remove interprovincial barriers to worker mobility.

As noted under the HRCC Management and Joint Services business line, initiatives to co-locate services are either planned or underway in all provinces, except Quebec. Experience to date has demonstrated that no single co-location model will address the needs of all regions and communities.

These initiatives can help act as a catalyst for building the capacity and commitment of communities to address their opportunities and weaknesses. Part of this will involve enhancing the capacity of the voluntary sector to rally people and resources for economic development and job creation.

To address partnership priorities:	To be demonstrated by:
Increase private sector ownership of human resource issues	3 new sector councils

To construct effective partnerships:	To be demonstrated by:
Increase linkages between interprovincial and private sector partnerships	Sign 3-5 agreements to develop pan-Canadian career information Facilitate development of a national job bank of standardized apprentice exams



2. Employment Insurance Income Benefits (EIIB)

A. Financial Summary

Figure 4: Planned Spending – EIIB Operating Costs

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Operating expenditures	366.0	357.5	351.7	357.4
<i>Government Annuities Improvement Act</i> ¹	54.6	0.0	0.0	0.0
Revenue Canada Taxation - EI Act	102.9	101.7	102.4	101.4
Total gross expenditures ²	523.5	459.1	454.1	458.8
Less: Recoverable from the EI Account	(420.8)	(402.3)	(397.9)	(404.7)
Net Expenditure	102.7	56.8	56.2	54.1
Less: Revenue Credited to the CRF	(45.4)	(54.1)	(53.5)	(53.1)
Plus: Services Provided by other Departments	0.1	0.2	0.2	0.1
Net Cost of the Business Line	57.4	2.8	2.8	1.1

1. The *Government Annuities Regulations* were amended recently to prescribe the use of 1983 mortality tables instead of the 1949 version previously specified. This would enable actuaries to arrive at a better estimate of the government's outstanding obligations. Although the effect of the amended basis of calculation is an actuarial deficit of \$54.6M for the *Government Annuities Account*, there is no impact on the actual payments to annuitants.
2. This represents the total resources available to this business line in order to fulfill its operational obligations.

B. Business Line Profile

The objective of the Employment Insurance (EI) Income Benefits business line is to promote economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify for EI Income Benefits under the *Employment Insurance Act*, and to people eligible for payments under the *Government Annuities Act*, without placing an unnecessary burden on individuals, groups or regions.

This business line consists of three major functions with specific service objectives and measured outputs. They are:

- Claims processing: receiving applications for benefit, determining entitlement to benefits, and processing appeals;
- Claims pay: issuing benefit warrants; and,
- Insurance Control: preventing, detecting, and deterring fraud and abuse.

This business line is responsible for the delivery of approximately \$10.6 billion in Income Benefits under Part I of the EI Act (see the EI Account for additional information).



C. Operating Environment

Labour Market Trends: Claim loads are projected on the basis of the unemployment rate anticipated by the Department of Finance and by the number of applications expected for special benefits and work sharing.

Service Delivery Network: Employment Insurance Income Benefits will be a major component of all new service delivery models for HRDC. Federal-Provincial Labour Market Development Agreements and single-window and partnership models will mean different local delivery processes, but a commitment to consistent service standards. HRDC will continue to improve service delivery and cost-effectiveness.

Technology: EI Income Benefits are a priority in the government-wide commitment to ensure that computer systems are compatible with Year 2000 data. The business line is committed to achieving that compatibility by the end of 1998. As well, technology has already proven its capacity to improve the delivery of EI Income Benefits services to Canadians. This is expected to continue, with additional streamlined initiatives to enhance or add services.

D. Key Plans, Strategies and Expected Results

For 1998-1999, this business line does not anticipate major policy or program developments. It will continue to monitor and report on the impact of the new EI Act on individuals, employers, communities and the economy. It will continue the assessment and analysis of the policy framework, as well as work to improve program operations.

This business line uses three key indicators to assess performance.

- Get first payments issued to 90% of entitled claimants within 28 days of registration¹.
- Hear or adjourn 90% of appeals within 30 days.
- Produce total savings worth \$612 million from our work against fraud and abuse in 1998-1999.

The accuracy of processing EI claims is the fourth important aspect that is being watched closely.

¹ It should be noted that some claims cannot be paid within four weeks for reasons such as:

- the claimant did not qualify for benefits;
- monies paid by an employer that prevent payment;
- the claimant did not return the first claimant report on time;
- an indefinite disentitlement or disqualification that prevents payment;
- a Family Order requires HRDC to pay a spouse a portion of benefits; and
- Benefits have been assigned to a provincial or municipal welfare authority to repay their advance against future EI benefits.



In addition to key results, this business line will continue to emphasize other efforts to ensure effective claims management and to provide quality service to Canadians.

Activity / Priority	Expected Results
Claims Processing	Productivity of 1,200 claims processed per productive full-time equivalent
Enquiries	95% of enquiries answered on first attempt for clients using our automated telephone services
Claims Pay	22.7 million warrants to be issued
Centralized Operations	2 million Social Insurance Number cards to be issued 142,000 Government Annuities contracts to be administered 40,000 applications for premium reductions related to Employer Wage Loss Insurance Sickness plans

The EIIB business line has three other major sets of priorities for 1998-99:

1. Policy Initiatives

This business line will monitor the impacts of recent EI Act changes, address related policy issues to consolidate recent changes and look ahead to possible future improvements that would ensure consistent and fair application of the principles of the EI Act.

Activity / Priority	Expected Results
Monitoring aspects of EI Reform	Review and analyze EI issues, such as: <ul style="list-style-type: none"> • Small Weeks Adjustment Projects • EI coverage
Consistent policy interpretation	Improve understanding and the consistency of application of policies under the new EI Act such as: <ul style="list-style-type: none"> • appeals simplification project • the use of EI during labour disputes • partnerships with Revenue Canada with respect to insurability rulings
Continued modernization	Begin work to keep the EI Act current and effective such as: <ul style="list-style-type: none"> • plain language drafting of the EI Act • next quinquennial review of the EI economic regions



2. Improving Operations

The operational focus will be to continue to make improvements in the quality of service to Canadians and to achieve greater productivity and quality by promoting best practices as part of our processes.

Activity / Priority	Expected Results
<p>Further reduce employer paperburden</p> <p>Automate employee tools to speed access to information and processing</p> <p>Review Processes</p>	<p>Develop a laser-printed Record of Employment form to simplify processes for employers</p> <p>Convert reference documents into electronic formats to assist employees with decision making and improving productivity</p> <p>The Multi-tasking Project will improve service provided to the client by reducing the number of levels of service required for many tasks ie : First stop service implemented in all HRCCs for up to 40 tasks</p> <p>ISO 9002 certification: 2 HRCC offices expected to achieve certification and at least 10 more offices across the country to begin the process</p>
<p>Use technology to improve service</p>	<p>Meet the priority to ensure that systems will work properly with Year 2000 data, while continuing to work on other client service projects, such as:</p> <ul style="list-style-type: none"> • providing clients with the ability to report biweekly by telephone and have their payments deposited directly to their bank accounts • improving the automated telephone enquiry system to improve client satisfaction



3. Program Integrity

Investigation and control activities will continue to prevent abuse and ensure that benefits go only to those who qualify. In addition to on-going control efforts, there are three priorities that should help strengthen program integrity.

Activity / Priority	Expected Results
Develop and maintain good internal and external relations	Enhance relationships with provinces through such initiatives as Investigative Services and Labour Market Development Agreements
Improve service to clients	Improve many existing tools, including a new Automatic Earnings Reporting System (AERS) that would encourage more employers to participate in a key process that controls abuse Improve consistency of program integrity activities across the country
Meet savings objectives	Research and develop new detection programs to improve the effectiveness of program integrity efforts



3. HRCC Management & Joint Services

A. Financial Summary

Figure 5: Planned Spending

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Total gross expenditures	204.4	192.9	186.9	183.7
Less: Recoverable from the EI Account	(165.8)	(148.9)	(148.2)	(144.0)
Net Expenditure	38.6	43.9	38.7	39.7
Less: Revenue Credited to the CRF	(13.9)	(15.4)	(15.8)	(15.8)
Plus: Services Provided by other Departments	1.2	1.5	1.2	1.3
Net Cost of the Business Line	25.8	30.0	24.2	25.2

B. Business Line Profile

The objective of the HRCC Management and Joint Services business line is to provide general management and administrative support for the delivery of HRDC programming from all business lines at the local, area and regional levels. This includes the reception and direction of clients, either in person or by telephone, administrative support, as well as program advice and guidance through policy and procedure development.

C. Operating Environment

The new federal-provincial/territorial Labour Market Development Agreements and increased partnerships mean that HRDC is using a more diverse range of local delivery structures, especially "single-window" models. Some are based on full integration of services in one location, with one management structure. Others retain separate HRDC, provincial/territorial and local organizational structures.

D. Key Plans, Strategies and Expected Results

The expected result for this business line is effective and efficient program delivery and client services. For 1998-1999 and beyond, this business line will continue to be the focus for developing different models of service delivery across Canada. Consistent with the Service Delivery Network and the new HRDC long-term vision, HRCC directors and regional offices will be encouraged to pursue the partnerships that best achieve community, provincial/territorial and national objectives.

Where partnerships lead to co-location or full integration of HRDC and provincial/territorial services, the priority will be to improve services with the least disruption possible. This process will require management of complex issues relating to staff and financial, administrative and computer systems.



4. Labour

A. Financial Summary

Figure 6: Planned Spending

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Operating	140.1	139.1	137.3	136.9
Grants and Contributions	2.7	3.9	3.9	3.9
Statutory Transfer Payments	0.0	0.0	0.0	0.0
Total gross expenditures	142.8	143.0	141.2	140.7
Less: Revenues credited to the vote	(36.7)	(36.0)	(35.3)	(35.0)
Net Expenditure	106.1	107.0	105.9	105.7
Less: Revenue Credited to the CRF	(1.1)	(1.1)	(1.1)	(1.1)
Plus: Services Provided by other Departments	2.1	2.2	2.3	2.3
Net Cost of the Business Line	107.0	108.1	107.0	106.9

B. Business Line Profile

The objective of the Labour business line is to promote and sustain stable industrial relations and a safe, fair, and productive workplace within the federal labour jurisdiction; and more generally, to collect and disseminate labour and workplace information and to foster constructive labour-management relations. Within the business line are four service lines, each with its own objective.

Industrial Relations — a stable industrial relations climate.

Labour Operations — a safe, healthy and equitable work environment.

Federal Workers' Compensation — fair, equitable and uniform processing of claims.

Legislation, Policy, Research and Management — develops policies and legislation that respond to the emerging needs of workers and employers, and the changing nature of the workplace and society; improves cooperation on labour issues with unions, business, and governments in Canada and internationally; and provides and promotes access to workplace information.



C. Operating Environment

Canada's workplaces are affected by an increasingly competitive economic climate linked to globalization, technological change, and changing skill requirements. They are affected by social trends as workers balance job expectations with family and community responsibilities. Employers are increasingly striving for greater flexibility in the workplace, while workers are aiming for greater security of work, income and new working arrangements.

Another important factor is the growing interest in intergovernmental partnerships. Federal, provincial and territorial governments all exercise jurisdiction over labour issues and all recognize their common needs and priorities in this field. They are doing more to share information about policy development, research and training issues. They are combining their resources to support workplace projects and the examination of innovative alternatives that improve the functioning of workplaces.

D. Key Plans, Strategies and Expected Results

For 1998-1999 and beyond, this business line will continue to emphasize legislative, policy and program responses to the changing workplace needs of employers and workers in Canada. It will continue to strengthen the responsibility and capacity of workplace parties to address these and other issues cooperatively, with less need for direct government involvement. This approach will also help deal with resource constraints within the business line and fit with the long-term HRDC vision.

The Labour business line uses three key indicators to assess performance.

- For Part I of the *Canada Labour Code*: Percentage of collective bargaining disputes settled without work stoppage (target is 90%).
- For Part II of the *Canada Labour Code*: Percentage of non-compliance situations (excluding situations of danger) voluntarily resolved through the acceptance of assurances of voluntary compliance (AVCs) (target is 90%).
- For Part III of the *Canada Labour Code*: Percentage of unjust dismissal complaints settled by inspectors (target is 75%).

The Labour business line has three major sets of priorities for 1998-99:

1. Updating Federal Labour Legislation, Regulations and Policies

Many federal laws, regulations and policies covering federally regulated workplaces are under review or amendment. The goals are generally to reflect current needs and priorities, to increase the degree to which labour and management resolve workplace issues without government intervention, and to manage the costs of providing services better.



Activity / Priority	Expected Results
<p>Support Bill C-19, <i>An Act to amend the Canada Labour Code (Part I)</i> (collective bargaining in the federally-regulated private sector)</p>	<p>Support the legislative process for this Bill and provide advice and support to the Minister of Labour on the new Canada Industrial Relations Board that the Bill proposes</p>
<p>Support possible amendments to the <i>Canada Labour Code Part II</i> (Occupational Safety and Health)</p>	<p>Review and revise regulations, policies and procedures after any changes to Part I of the <i>Code</i></p>
<p>Support possible amendments to the <i>Canada Labour Code Part III</i> (Labour standards in federally-regulated undertakings, including most federal Crown corporations, but not the federal public service)</p>	<p>Continue to work with clients with a view to reintroducing possible amendments to Part II, reflecting the Bill amending Part II that was on the Order Paper when Parliament prorogued in 1997</p>
<p>Support possible amendments to the <i>Canada Labour Code Part III</i> (Labour standards in federally-regulated undertakings, including most federal Crown corporations, but not the federal public service)</p>	<p>Review Part III of the <i>Canada Labour Code</i> with the Labour Standards Client Consultation Committee to identify possible areas of change</p>
<p>Support possible amendments to the <i>Government Employees' Compensation Act</i> (Injury Compensation)</p>	<p>An Advisory Committee will review and propose changes to the GECA</p>
<p>Support possible amendments to the <i>Government Employees' Compensation Act</i> (Injury Compensation)</p>	<p>Begin implementation of cost recovery of compensation costs from federal departments on April 1, 1998, increasing managerial accountability and ultimately reducing work-related accidents</p>
<p>Address issues arising from the changing workplace</p>	<p>Consider strategies to:</p> <ul style="list-style-type: none"> • Increase security for workers, particularly those in contingent working arrangements • Promote innovative workplace practices that support workers and increase productivity • Accommodate new working arrangements to meet the needs of employers for flexibility, as well as the family and community responsibilities of workers • Support continuous learning in the workplace
	<p>Activities include research projects, demonstration projects, partnering arrangements and the development and dissemination of best practices</p>



2. Delivering Quality Services

The Labour business line will explore and implement approaches that will enable it to continue to deliver quality services within existing resources. The points noted below are in addition to the on-going work of the Program in support of resolving collective bargaining disputes, providing workplace information, promoting labour-management cooperation, conducting activities related to labour standards, workplace equity, occupational safety and health and fire safety.

Activity / Priority	Expected Results
Service Delivery Initiatives	Examples for 1998-1999 include: providing self-help kits to labour standards complainants and instituting a mechanism to screen and resolve non-complex complaints at first point of contact
Using Technology	Explore ways to offer direct access to Labour information, publications and databases, including further development of the Program's website
Employment Equity	Send out the final sections of ministerial guidelines on the <i>Employment Equity Act</i> to assist organizations with planning and implementing employment equity plans Improve the computerized reporting system that employers use to report information under the <i>Act</i>
Workplace Information	Enhance workplace information products, particularly by launching several newly designed publications in 1998 and by reviewing the format for gathering and disseminating information Develop and implement improved methodological specifications for products Take advantage of the ability to apply publication revenues to product and service enhancements and development, e.g., the development of a new automated information system for storing, searching and retrieving the actual text of collective agreements



3. Partnerships and Policy Leadership

The Labour business line will continue to strengthen improved partnerships with provincial and territorial labour departments on policy development and operational issues. It will continue its work with international and national organizations, such as the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD) and the North American and Canada-Chile Commissions for Labour Cooperation, as well as client groups and the Canadian Association of Administrators of Labour Legislation (CAALL).

Activity / Priority	Expected Results
Promote cooperation between the federal, provincial and territorial governments on workplace issues	Pursue greater cooperation with other governments in Canada through CAALL and projects such as the Labour Information Sharing System, mutual assistance arrangements and special projects related to the changing workplace
Expand partnerships with other federal departments	<p>A possible partnership with Health Canada could supplement the services provided by the Program's Industrial Hygiene Laboratory, as would partnerships with provincial occupational safety and health regulators' laboratories</p> <p>Finalize a revised Memorandum of Understanding with Transport Canada on extended jurisdiction operational safety during 1998-99 to address, among other things, an improved application of Part II of the <i>Canada Labour Code</i></p>
Support First Nations capacity on Labour Program delivery	Negotiate arrangements with First Nations organizations on the delivery of parts of the federal Labour Program
Promote labour cooperation internationally	Encourage broader application of the cooperative approach addressing labour interests in the global environment, particularly in the context of trade negotiations in the Americas and other international and regional forums



5. Income Security

A. Planned Spending

Figure 7: Planned Spending			
(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Operating expenditures	287.3	254.7	245.9
Statutory transfer payments			
Old Age Security basic (OAS)	17,096.0	17,714.0	18,325.0
Guaranteed Income Supplement (GIS)	4,742.0	4,817.0	4,885.0
Spouse's Allowance (SPA)	390.0	386.0	383.0
Subtotal	22,228.0	22,917.0	23,593.0
Total gross expenditures	22,515.3	23,171.7	23,838.9
Less: Recoverable from CPP (Operating)	(177.4)	(149.8)	(143.7)
Net Expenditure	22,337.9	23,022.0	23,695.2
Less: Revenue Credited to the CRF	(15.6)	(18.1)	(18.3)
Plus: Services Provided by other Departments	3.6	4.2	4.2
Net Cost of the Business Line	22,325.9	23,008.1	23,681.1

B. Business Line Profile

The objective of the Income Security business line is to promote and strengthen the income security of Canadians through the administration and delivery of Canada Pension Plan (CPP) and Old Age Security (OAS) programs, providing benefits to seniors, persons with disabilities, survivors and migrants.

CPP benefits include Retirement Pensions, Disability Benefits, Children's Benefits, Surviving Spouse's Benefits, and Death Benefits. OAS benefits include the basic OAS pension, the Guaranteed Income Supplement (GIS) and the Spouse's Allowance (SPA).

In 1998-99, this business line will provide \$41 billion in benefits (including the benefits paid under CPP – see page 3-41) to more than 4.6 million Canadians and 118,000 people abroad, issuing over 6.8 million payments monthly.



C. Operating Environment

Two key external factors will influence the business line. First is an aging society. It is projected that 26% more Canadians will collect Income Security Program benefits in 2007, than in 1997. The other factor centres on the changing needs and expectations of Canadians with disabilities. The CPP Disability Program is an important source of income for more than 280,000 persons with disabilities. It is affected by the increasing attention given to ways to support them in returning to the workforce.

D. Key Plans, Strategies and Expected Results

For 1998-1999 and beyond, this business line will contribute to ensuring the long-term sustainability of Canada's retirement income system. This will include support for legislative measures such as the proposed Seniors Benefit, as well as analysis of further potential changes to the CPP. The business line will also continue efforts to strengthen management of the CPP Disability program, largely through partnerships with other disability program providers, improvements in reassessment activities and expansion of rehabilitation efforts. These initiatives will require continuing improvements to program management and information systems.

This business line uses four key indicators to assess performance.

- 95% of callers to our 1-800 telephone service will be able to get through without a busy signal and 95% of callers who connect with our 1-800 telephone service and who want to talk to a service delivery agent, will be able to do so within three minutes.
- We intend to process CPP applications within 16 days, on average.
- We intend to process OAS applications within 16 days, on average.
- We will introduce survey mechanisms to track client satisfaction with our CPP and OAS services.



Provide Canada Pension Plan and Old Age Security benefits, while planning for the Seniors Benefit - In 1998-1999 and beyond, this business line will implement activities that were mandated by Parliament's 1997 amendments to the Canada Pension Plan. It will continue to support the government's overall initiatives to update Canada's retirement income system.

Activity / Priority	Expected Results
Sustainable and efficient Canada Pension Plan (CPP)	<p>Support the work of the new CPP Investment Board</p> <p>Inform the 10 million CPP contributors of their contributions and future benefits by providing an annual statement of contributions</p> <p>Begin the 3-year CPP statutory review, as part of new legislative provisions, to ensure a sustainable and efficient Plan</p>

Activity / Priority	Expected Results
Sustainable and efficient Old Age Security (OAS) Program	<p>Provide support to the ministers of HRD and Finance on the proposed Seniors Benefit</p> <p>Inform 3.8 million seniors of options regarding their future retirement income under the Seniors Benefit, in partnership with other government departments and seniors' organizations</p> <p>Ensure that more than 90% of GIS benefits for the clients who are eligible for renewal, are renewed in 1998 without interruption of benefits</p> <p>Amend all OAS-related publications to ensure plain language, consistency and accuracy</p> <p>Review OAS delivery to ensure the consistent application of the legislation and regulations across all regions</p> <p>Pursue innovative service delivery arrangements with other governments that provide income support to seniors, to improve service and gain administrative efficiencies</p>



Continue to strengthen management of CPP Disability benefits - The business line will continue its efforts to ensure that CPP Disability benefits go to people with continuing eligibility and its initiatives that help more people receiving these benefits to re-enter the labour force.

Activity / Priority	Expected Results
Sustainable and efficient Canada Pension Plan (Disability)	<p>Expected saving of \$91 million by conducting reassessments over the 1998-99 to 2000-01 period</p> <p>Promote and provide rehabilitation services for 2,400 people through an investment of \$18 million over the 1998-99 to 2000-01 period</p> <p>Expand partnerships with other income support programs to explore innovative ways of doing business, to reduce administrative costs and to improve client service</p> <p>Process within one month all applications or requests for reconsideration, where all supporting documentation has been received</p> <p>Implement a formal quality assurance program</p>

Continue ongoing work to improve service to the public and improve program management - This business line will continue to take steps that improve client service as outlined in the following chart.

Activity / Priority	Expected Results
Improve management information	Better support for decisions on legislative change, strategic planning, program management and service delivery
Improve communications	Clearer contents in client correspondence so that clients can better understand their rights and obligations
Control abuse	Program integrity initiatives will identify \$14.6 million in savings for an investment of \$2.1 million and identify mechanisms to correct erroneous payments and reduce future losses
Improve technology	<p>Continue Year 2000 compliance activities</p> <p>Review operating platform and network capacity to ensure continued productivity</p> <p>Study possible integration with HRDC corporate systems</p> <p>Systems development to support legislative changes, improve systems for application and adjudication processing and improve information sharing capabilities with external partners</p>



6. Corporate Services

A. Financial Summary

Figure 8: Planned Spending

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Operating expenditures	241.5	207.0	192.6	181.1
Accommodation and other PWGSC	169.0	168.9	168.1	167.7
Total gross expenditures	410.5	375.9	360.6	348.8
Less: Recoverable from the EI and CPP accounts	(302.8)	(266.9)	(262.3)	(256.8)
Net Expenditure	107.6	108.9	98.3	92.0
Less: Revenue Credited to the CRF	(14.9)	(18.5)	(18.8)	(19.2)
Plus: Services Provided by other Departments	3.2	3.8	3.4	3.1
Net Cost of the Business Line	95.9	94.2	82.8	75.8

B. Business Line Profile

The objective of the Corporate Services business line is to provide executive direction, policy development and management support services to the department. Results are present in timely and effective support for the achievement of government-wide, corporate and business line objectives. They must be consistent with achievement of the standards of equity, efficiency and accountability required by legislation and policy.

This business line includes:

- **Policy and Communications** develops and evaluates policies and programs and provides communications services that enable the department to achieve corporate and business line objectives.
- **Corporate Management and Services** provides corporate management, administrative, financial, and human resources services. These help departmental clients to achieve their business line objectives, consistent with overall government policies.
- **Systems** is responsible for the overall management of informatics, in support of departmental mission and objectives, including service to Canadians.





C. Operating Environment

Corporate Services will continue to be affected by overall restraint efforts throughout the federal government, affecting the resources that can be applied to priorities and reinforcing the need for efficiency.

D. Key Plans, Strategies and Expected Results

Policy and Communication

Strategic Policy

In 1998-99, Strategic Policy (SP) will continue to provide policy development advice and recommendations to senior management and the Minister of HRD. Expected areas of activity include:

- Working with provincial/territorial governments on the social union, with a particular emphasis on addressing the issues of child poverty, child development, and employment opportunities for persons with disabilities
- Working with provincial/territorial governments and other stakeholders to create learning opportunities and employment experiences for young people and youth at risk
- Addressing aging and retirement issues, including the proposed Seniors Benefit and the Canada Pension Plan
- Assisting Aboriginal Canadians with initiatives such as National Framework Agreements, childcare initiatives and urban employment programs.

SP will continue its applied research, evaluation and data development work. These help establish and improve the effectiveness of programs and policies for Canadians.

SP will also be engaged in other policy-related areas such as interprovincial labour mobility, life-long learning and issues facing older workers, the role of the voluntary sector, and continued monitoring and analysis of the impact of the new *Employment Insurance Act*. Efforts will also be made to increase the dissemination of information and improve and expand the knowledge and information focus for federal activities in labour market and social policy.

Communications

Communications develops advice, strategies, and products that help inform Canadians about HRDC legislation, proposals, programs, and services. During 1998-1999, it will continue to provide strategic and program communications support to ensure that the public, media and other parties are well-informed about HRDC policies, programs and services. It will work with Ministers' offices and departmental officials to help them identify public concerns and perceptions that might affect policy and program choices.



Corporate Management and Services

Financial and Administrative Services (FAS)

Implementation of the Corporate Management System, integrating HRDC's human resources, administrative, financial and accounts receivable systems will continue. Additional modules and enhancements will be developed as required.

FAS will continue to identify and eliminate financial and administrative barriers in order to assist managers and employees to achieve results and improve service. FAS will also continue to ensure that managers are aware of their responsibilities and accountabilities in light of modern comptrollership.

FAS will continue to implement the Accounts Receivable Strategy. This will:

- Promote fair, consistent and equitable treatment of all HRDC debtors
- Harmonize HRDC policies, systems and procedures
- Identify opportunities for productivity gains and savings and
- Set management processes for HRDC receivables.

Internal Audit Bureau (IAB)

The Internal Audit Bureau provides objective information and solution-oriented advice to help managers achieve business objectives and fulfill responsibilities. Projects will support the following priorities:

- The department's "Supporting People" initiative
- The government's initiative to modernize comptrollership in:
 - risk management
 - control systems
 - ethics and values
 - performance measurement
- Information technology & systems priorities
- Program delivery risks

Human Resources Branch

In 1998-99, Human Resources Branch (HRB) has a number of priorities in addition to delivering quality services to departmental clients. An important one is planning for and implementing elements of the new human resources structures and policies that will support the new long-term vision of HRDC. These are consistent with HRDC's objective of building workplaces that encourage continuous learning and that meet the objectives of the government's La Relève and the department's Supporting People initiatives.

A major focus will be implementation of the Integrated Human Resources Model. This is designed to improve and streamline human resource processes. It will enable HRDC to build a more flexible human resources environment. One expected result will be broader work descriptions. Staffing reform will try to simplify the current staffing process, while respecting legal, regulatory and policy requirements.



The Integrated Model will also include implementation of the new Universal Classification Standard and the introduction of Competency - Based Management. These will include the development of profiles of work carried out within the department. The profiles will be the basis of activities including learning and development and human resource planning.

HRB will assist the department to manage the human resource issues stemming from the Labour Market Development Agreements with the provinces.

International Affairs

The International Affairs Branch coordinates international activities within the Department and, in conjunction with the private sector, markets human resources development expertise internationally. These activities:

- Ensure coherence and continuity in HRDC's international activities
- Enhance Canada's reputation abroad
- Increase exports of Canadian services
- Contribute to the improvement of the quality of governance and the delivery of social services in developing countries

Systems

The 1998-99 Systems Plan is based on five major areas of activity: Year 2000 (Y2K), maintenance of the current levels of service to the public, new legislation or government initiatives, Labour Market Development Agreements and post-Y2K planning.

Addressing the Y2K issue is the most significant systems priority. The Department has established a deadline of January 1, 1999, for making all its mission-critical systems Y2K compliant. Top priority is being placed on pay-related systems, for example, those processing Employment Insurance, Canada Pension Plan and Old Age Security benefits. Other systems, including regional and local, are being prioritized and will be converted once the mission-critical systems are compliant.

Our plan to upgrade the Department's existing information technology infrastructure will partly be realised due to the necessity to purchase IT equipment which is Y2K compliant.



Specified Purpose Accounts

1. Employment Insurance Account

A. Description of the Account

The EI Account is established within the Consolidated Revenue Fund by the *Employment Insurance Act* to record transactions related to the EI Program. The EI Program is a compulsory and contributory social insurance program.

The *Employment Insurance Act* replaced the *Unemployment Insurance Act* and the *National Training Act*, when it came into force on June 30, 1996. Support for the direct purchase of training courses under the *National Training Act* is being phased out over three years.

The Employment Insurance system consists of Income Benefits and Employment Benefits. Both have been designed to reflect the contemporary labour market and to reinforce the value of work.

- **Income Benefits** under Part I of the EI Act provide temporary income replacement for claimants while they look for work and also for sickness, pregnancy or care of newborn or adopted children and self-employed fishers. All part-time work now counts towards determining eligibility for benefits.
- **Employment Benefits** under Part II of the EI Act consist of a set of Employment Benefits and Support Measures that can be tailored to meet the needs of individuals and local circumstances. The emphasis is on flexibility and employment results. Provincial and territorial governments can either assume direct responsibility for the design and delivery of these benefits or take part in co-management arrangements under Labour Market Development Agreements with the federal government.

The Account is entirely financed by employee and employer premiums. The EI Act requires that premiums be set at a level that will, to the extent possible, ensure enough revenue over a business cycle to pay authorized amounts and maintain relatively stable rate levels throughout that period. This requirement results in a need for a surplus in the EI Account to grow to a level that is large enough to accommodate the increase in costs associated with higher unemployment during a recession.

Benefits and administration costs are paid out of the Consolidated Revenue Fund and charged to the EI Account. A surplus in the Account generates interest at a rate established by the Minister of Finance, which is currently set at 90% of the three-month Treasury Bill rate. Whenever the Account is in a deficit position, the Minister of Finance, when requested by the Canada Employment Insurance Commission, may authorize advances to the Account. As established by the Minister of Finance, advances are repayable with interest at the comparable Crown corporation lending rates.



B. Comparative Financial Information

Figure 9 presents a status of the Account over a two-year period, while Figure 10 shows benefit payments from 1989-90 to 1998-99.

Figure 9: Summary of the EI Account

(millions of dollars)		
	Forecast 1997-98	Planned 1998-99
Income Benefits (Part I of the Act)		
Regular	8,517	8,899
Sickness	425	431
Maternity	711	722
Parental	446	453
Adoption	5	5
Fishers	231	241
Work Sharing	12	20
	10,347	10,771
Benefit Repayments ¹	(125)	(158)
Sub-total - Income Benefits	10,222	10,613
Employment Benefits and Support Measures (EB&SM)		
- Federal Government	1,698	1,182
- Provincial and Territorial Governments ²	48	765
	11,968	12,560
Total Benefit Payments ¹	11,968	12,560
Provincial and Territorial charges related to LMDAs		
Administration - Federal Government Departments	27	126
Recoveries of costs in relation to Social Insurance Numbers	1,277	1,126
	(7)	(7)
Total costs	13,265	13,805
Revenue		
Premium Revenue ³	19,076	19,054
Interest	350	742
Penalties	50	50
	19,476	19,846
Total revenue	19,476	19,846
Surplus (deficit)		
Current Year	6,211	6,041
Cumulative	13,512	19,553

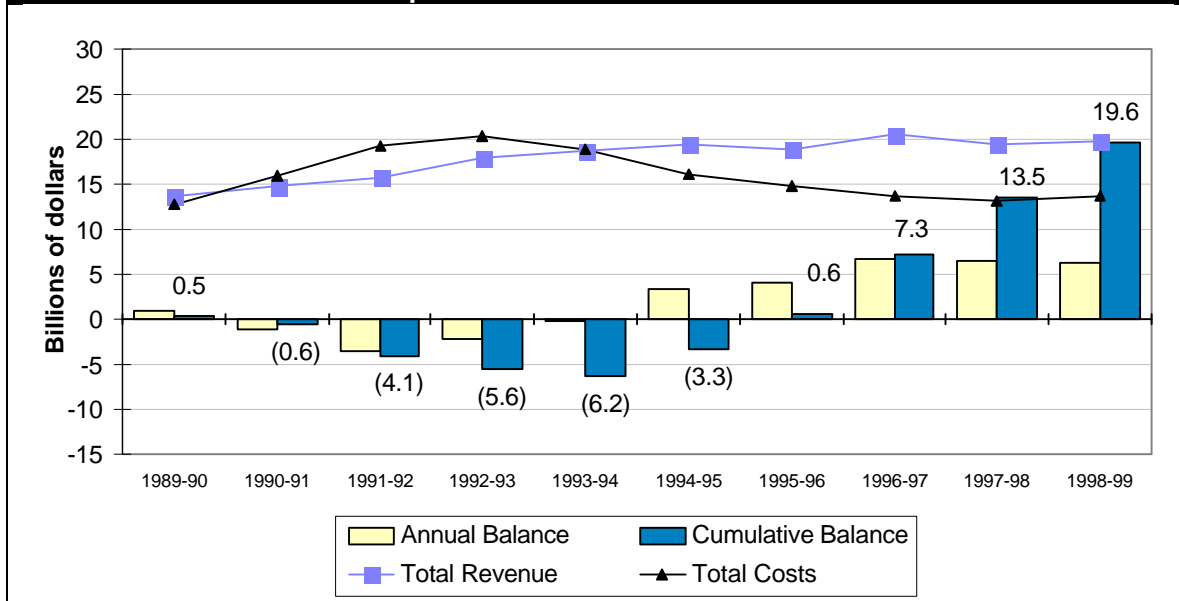
1. EI Benefits in the summary financial statements of Government of Canada reflect the amount of benefit repayments received in the fiscal year (on a cash basis).

2. Represents contributions to provinces and territories to deliver similar Employment Benefits and Support Measures.

3. The UI/EI premiums reported in the summary financial statements of the Government of Canada include the penalties collected but exclude the premium contributions made by the Government of Canada as an employer. In addition, they are recorded on a cash basis.



Table 10: EI Revenue and Expenditure Trend



C. Highlights of Financial Changes

The main financial changes expected in 1998-99 are as follows:

- Benefits are expected to increase by \$592 million or 4.9%. About two-thirds of this increase relates to Income Benefits under Part I explained by labour force and wage growth, and one-third to Employment Benefits and Support Measures.
- Premiums are expected to be almost the same over the two fiscal years. The increase in employment and earnings, combined with the reduction in the value of the premium relief under the New Hires Program, will offset the reduction in premium rates that occurred on January 1, 1998. The annual maximum insurable earnings of \$39,000 will be the same as in 1997-98.
- The EI Account is expected to have a surplus of \$6.0 billion, which could bring the cumulative surplus balance to \$19.6 billion by March 31, 1999. (see Figure 10).



The major factors affecting regular benefits and premium revenue are summarized in the following tables.

Figure 11: Factors Affecting Benefits

	1997-98	1998-99	% change
Benefits (\$ million)	11,968	12,560	4.9
Number of Regular Beneficiaries (000)	591	609	3.1
Average Weekly Benefits (\$)	255	258	1.2

Figure 12: Factors Affecting Premium Revenue

Fiscal Year	1997-98	1998-99	% change
Premiums (\$ million)	19,076	19,054	(0.1)
Total Insurable Earnings (\$ million)	298,650	306,906	2.8
Calendar Year	1997	1998	% change
Premium Rate (% insurable earnings)*	2.90%	2.70%	(6.9)
Maximum Insurable Earnings (\$)	39,000	39,000	0

* Employer's rate is 1.4 times the employee's rate.

D. Highlights of the EI System

The following are the major features of the EI Program.

Amount of Work Required to Qualify for Benefits

- Claimants require 420 to 700 hours of work during their qualifying period. The exact number of hours required is called the "variable entrance requirement." It is determined by the rate of unemployment in a claimant's region at the time of application. In general, the higher the rate of unemployment, the fewer number of hours of work required.
- New entrants and re-entrants require 910 hours of work.
- Claimants who commit EI fraud are subject to higher entrance requirements. The degree of violation—minor, serious, very serious or repeat violation—increases the minimum number of hours required to establish a claim by 1.25, 1.5, 1.75 or 2 times the normal minimum hours of work required.
- Claims for sickness, maternity or parental benefits require a minimum of 700 hours of work.



Determining the Benefit Rate and Entitlement

Weekly benefits for most claimants are 55% of their average insured earnings during their last 26 weeks of work. The average insurable earnings are based on the actual weeks of work but are subject to a minimum divisor of 14 to 22 weeks that is tied to the regional rate of unemployment. The basic benefit rate of 55% can be reduced as low as 50% depending on the number of weeks of benefits that the claimant drew in the previous five-year period. That reduction is based only on weeks of regular benefits paid to claims beginning on or after June 30, 1996.

- Claimants may receive benefits for 14 to 45 weeks, depending upon their hours of insurable employment and the regional unemployment rate.
- Claimants with a combined family income of less than \$25,921 and who qualify to receive the Child Tax Benefit (CTB) will receive a Family Supplement based on their CTB. Their benefit rates can be increased to a maximum of 70% in 1998. By the year 2000, this maximum is scheduled to reach 80%; however, the actual weekly amount of benefits cannot exceed the maximum weekly rate noted below.
- The maximum weekly benefit rate is \$413 until the end of the year 2000.

Work Sharing

Claimants may receive benefits while on work-sharing agreements. Work-sharing agreements between HRDC, employees and employers attempt to avoid temporary layoffs by using EI benefits as partial income replacement.

Fishers' Benefits

- Fisher claims have a duration and benefit rate that depend both on the earnings from fishing and the regional rate of unemployment. All fisher claims have a 31-week maximum qualifying period and a maximum entitlement of 26 weeks of benefits. These can be claimed from October 1st to June 15th for summer fishers' benefits, and April 1st to December 15th for winter fishers' benefits.
- Benefit rates for fisher claims are determined by a 14 to 22 divisor that depends on the regional rate of unemployment, without considering the actual weeks worked. They are also subject to reduction down to 5% of the claimant's insured earnings, depending on their use of benefits in the past, as for regular claims.

Benefit Repayments

- When the net annual income of an EI claimant exceeds 1.25 times the annual maximum insurable earnings (the repayment threshold), they are required to pay 30% (the repayment rate) of the benefits received that make up the excess. However, the repayment threshold for claimants for Regular or Fishers' benefits can decrease to the same level as the annual maximum insurable earnings, and the repayment rate can increase up to 100%, depending on the weeks of regular and fishing benefits that the claimant drew in the previous five-year period. (However, only those weeks of benefit after June 30, 1996 are counted).



Premiums

Premium Rate-Setting: Section 66 of the EI Act requires that the Commission shall, with the approval of the Governor-in-Council on the recommendation of the Minister and the Minister of Finance, set the premium rate each year. In setting the rate, the Commission will, to the extent possible, ensure that there will be enough revenue over a business cycle to pay the amounts authorized to be charged to the EI Account and maintain relatively stable rate levels throughout the business cycle.

Premium Rate: To ensure an adequate surplus in the Account, even under the worst possible economic scenario, the 1998 premium rate for employees is set at 2.70% of weekly insurable earnings, while the employers' portion is calculated at 1.4 times (or 3.78%) of the employee rate. Premiums are paid on all normally insurable earnings from the first dollar earned to the current yearly maximum insurable earnings of \$39,000.

Premium Reduction: Employers with qualified wage-loss insurance plans are entitled to premium reductions. They are required to share this reduction with their employees. In addition, there is an extended premium relief in 1997 and 1998, under the New Hires Program, to all firms with employer premiums of less than \$60,000 in 1996. The rate of rebate was 100% in 1997 and is 25% in 1998, subject to a maximum of \$10,000 per employer in each year. Workers with annual earnings of \$2,000 or less can receive a refund of their EI premiums through the income tax system. For 1999 and 2000, the government is proposing to give employers a premium holiday for additional young Canadians, between the ages of 18 and 24, hired in 1999 and 2000. The employers will be allowed to stop paying premiums when they reach the 1998 level of payroll, or they can claim a rebate when filing their tax forms.

Employment Benefits and Support Measures

The **Employment Benefits** include Targeted Wage Subsidies, Targeted Earnings Supplements, Self-Employment, Job Creation Partnership, and Skills Loans and Grants.

The **Support Measures** include Employment Assistance Services, Labour Market Partnerships and Research and Innovation.

The planned spending for Employment Benefit and Support Measures in 1998-99 is set at \$2.0 billion or 0.65% of the total estimated insurable earnings of \$306.9 billion. This represents a lower level of expenditures than the 0.8% ceiling imposed under section 78 of the EI Act. Other details on Employment Benefits and Support Measures are presented under the Human Resources Investment business line.

The *Employment Insurance Act* authorizes the federal government to make payments to the governments of the provinces and territories for implementing Employment Benefits and Support Measures. The maximum federal contribution for 1998-99 is \$765 million under Labour Market Development Agreements for New Brunswick, Quebec, Manitoba, Alberta and Northwest Territories.



E. Administrative Costs

Section 77 of the EI Act specifies that the costs of administering the Act, are to be charged to the EI Account. These costs include administration fees or costs paid for services provided to HRDC, the costs of Employment Services, and payments to provincial governments for administering similar employment benefits and support measures.

The Minister of Human Resources Development is responsible for reporting on the EI Program to Parliament. However, administration of the Program is shared by the Department of National Revenue. The last is responsible for collecting premiums and benefit repayments and for decisions concerning insurability under the Act. Since HRDC administers a number of programs, its costs of administering the EI Act have to be identified separately.

Figure 13: 1998-99 Administrative Costs of the EI Act

(millions of dollars)	Forecast 1997-98	Planned Spending 1998-99
HRDC		
Human Resources Investment	266.9	182.3
EI Income Benefits	420.8	402.3
HRCC Management and Joint Services	165.8	148.9
Human Resources Investment and Insurance	853.6	733.6
Corporate Services	278.1	239.7
Labour	1.2	0.8
Total - HRDC	1,132.9	974.1
Department of Justice - Tax Court	4.9	4.3
Treasury Board Secretariat and CRF		
Costs related to		
Insurance Premium	35.1	35.3
Employee Benefit Plan	104.6	112.2
Total Government Departments	1,277.5	1,125.9

In addition, the administrative costs that provincial and territorial governments incur to implement Employment Benefits and Support Measures under the Labour Market Development Agreements can be charged to the EI Account. Administrative costs in New Brunswick, Quebec, Manitoba, Alberta and Northwest Territories in 1998-99 are projected to be \$126.3 million.



2. Canada Pension Plan

A. Description of the Plan

1. Introduction

The Canada Pension Plan (CPP) provides benefits to contributors and their families. It covers employed and self-employed persons between the ages of 18 and 70 who earn at least a minimum amount during a calendar year. Approximately 9.6 million Canadians contribute annually to the Plan and approximately 3.7 million people receive benefits. Of them, some 408,000 recipients will qualify for more than one monthly benefit.

The Plan operates in all provinces and territories. Quebec also has the Quebec Pension Plan. The benefits and provisions under the CPP include retirement pensions, disability, survivor and death benefits. Benefits increase each January to reflect increases in the Consumer Price Index.

The CPP is self-supporting. It is a separate account from general revenue in the Accounts of Canada. It is financed through mandatory contributions from employees, employers and self-employed persons, as well as through earnings on the investments of the Canada Pension Plan Investment Fund.

2. Financial Summary

The following figures summarize the financial transactions of the Canada Pension Plan Account and the balances of the Account between 1997-98 and 2000-01.

Figure 14: Canada Pension Plan Account-Receipts and Disbursements

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Receipts				
Contributions	12,640	14,765	17,080	19,823
Interest	3,949	3,827	3,702	3,493
Total Receipts	16,589	18,592	20,782	23,316
Disbursements				
Benefit payments	17,398	18,084	18,889	19,797
Administrative expenses	327	305	301	306
Total Disbursements	17,725	18,389	19,190	20,103
Increase/(Decrease) in CPP Account	(1,136)	203	1,592	3,213

Source of information: Fiscal years data is provided by the Department of Finance (receipts), ISP (benefit payments), and participating departments (administrative expenses).



**Figure 15: Canada Pension Plan Accounts-Balance of Funds**

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Year-end Balances				
Investment Fund	32,459	32,167	33,537	36,518
Operating balance	4,160	4,655	4,877	5,109
CPP Account total	36,619	36,822	38,414	41,627

Source of information: See notes on Figure 14.

3. Operation of the Account

The Canada Pension Plan Account is a separate account established in the Accounts of Canada to record the receipts and disbursements of the Plan. Its balance represents the excess of contributions and interest over benefits and expenditures accumulated since its inception in 1966.

Receipts of the Canada Pension Plan come from the contributions and the interest income. Disbursements include benefit payments and administrative expenditures. The authority to spend is limited to the balance in the Account. The Account is audited annually by the Auditor General of Canada.

The CPP Account consists of the operating balance and the Canada Pension Plan Investment Fund. The operating balance is maintained at a level to meet anticipated benefit payments and administrative charges from the Account for the next three-month period. These funds may not be invested in provincial securities and earn interest on their average daily balance. Excess funds are invested in securities of the provincial and territorial governments, provincial and Crown agencies, and the Government of Canada.

The share of the total CPP contributions credited to a province or territory during the preceding ten years determines the distribution of investments among the provinces and territories. Funds not accepted by the provinces, as well as excess funds received from Armed Forces personnel and other employees outside of Canada are invested in Government of Canada securities. Interest earned on the investments is credited to the CPP Account. Funds derived from the redemption of securities are reinvested unless required to meet anticipated benefit payments and administrative charges for the next three-month period.

Following public consultations, federal and provincial finance ministers reached agreement on how to make the Canada Pension Plan sustainable, fair and affordable for future generations. Legislation was tabled on September 28, 1997 that will strengthen the Plan's financing, improve its investment practices and moderate growth in costs. The bill was proclaimed into force on December 29, 1997. The CPP Investment Board portions of the legislation are not scheduled to be proclaimed into force until April 1, 1998. The bill has been formally ratified by the supporting provinces.



At present, the CPP has a fund equal to about two years of benefits. With the legislative changes, the fund will grow substantially from about two years of benefits to about four or five years of benefits over the next two decades. A new investment policy for the CPP will be developed. CPP funds will be invested in a diversified portfolio of securities in the best interests of contributors and beneficiaries. This new policy will be consistent with the investment policies of most other pension plans in Canada, and with the QPP. The fund will be managed professionally at arm's length from governments by an Investment Board accountable to both the public and governments through regular reports. The Board will be subject to investment rules similar to other pension funds in Canada.

The Minister of Human Resources Development (HRDC) is accountable for reporting on the operations and status of the CPP. Four other departments participate in CPP administration: the Department of Finance, Revenue Canada (RC), Public Works and Government Services Canada (PWGSC) and the Office of the Superintendent of Financial Institutions (OSFI). The Department of Finance is responsible for managing the funds of the CPP Account that are available for investment. The major responsibilities of the other departments are outlined in Figure 30. Costs incurred by HRDC, RC, PWGSC, OSFI and Finance in administering the Program are recoverable from the Account. For convenience, presentation of the full report on the Canada Pension Plan is included as part of the Estimates of the Department of Human Resources Development.

B. Canada Pension Plan Receipts

1. Contributions

Contributions to the Plan are compulsory. They are based on employee earnings between a minimum level (the Year's Basic Exemption) and a maximum (the Year's Maximum Pensionable Earnings). The contribution rates are set out in the 25-year schedule of contribution rate changes. This schedule is subject to review and extension by federal and provincial finance ministers every five years.

2. Interest Income

Interest earned on the investments and the operating balance is credited to the Canada Pension Plan Account.

The operating balance earns interest on its average daily balance. The interest paid on these funds is calculated by averaging the unweighted average yields at tender on three-month Treasury Bills during the month the interest is paid, less one eighth of one percent.

The interest rate on the provincial securities is determined by the Minister of Finance based on the average yield to maturity of all outstanding Government of Canada obligations with terms of 20 years or more.



C. Canada Pension Plan Disbursements

1. Benefit payments

Retirement pensions: Contributors may begin receiving Canada Pension Plan retirement pensions as early as age 60 or delay receipt until age 70 on an actuarially adjusted basis. Applicants who are between 60 and 65 must have entirely or substantially stopped working when they begin to receive the retirement pension. Contributors over age 65 need not have stopped working to qualify.

Pensions are adjusted by 0.5% for each month between the date the pension begins and the month of the contributor's 65th birthday. Those contributors who begin receiving a retirement pension at age 60 will receive 70% of the usual amount that would be payable at age 65, while those who delay receiving a pension until age 70 will receive 130% of the amount payable at age 65.

Spouses who are at least 60 years of age and who have both applied for any Canada Pension Plan retirement pensions to which they may be entitled, can share their pensions. In this event, the retirement benefits earned during the period of cohabitation are divided equally between the two spouses as long as they remain together.

Disability Benefits: Disability benefits are payable to contributors who meet the minimum contributory requirements and whose disability prevents them from working regularly at any job in a substantially gainful manner and will do so for a prolonged period.

Surviving Spouse's Benefits: A contributor's surviving legal or common-law spouse may be eligible for a monthly pension if the contributor has contributed for a minimum period and, if at the time of the contributor's death, the spouse was at least 35 years old or was under age 35 and either had dependent children or was disabled. Payments continue in the event that the surviving spouse remarries.

Children's Benefits: Monthly benefits are payable on behalf of the children of contributors who are receiving a Canada Pension Plan disability benefit or who die. The amount is a flat rate and is payable until the child reaches age 18 or up to age 25 if he or she attends school or university full-time.

Death Benefits: A lump-sum benefit is payable to the estate of the deceased contributor provided sufficient contributions have been made.



Benefits by Category and by Type

Figure 16 shows the financial requirements for each of the three benefit categories and where applicable, the individual types of benefits within these categories.

Figure 16: Benefits Payments by Category and Type				
(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Retirement pensions	11,719	12,366	13,022	13,748
Disability benefits				
Disability pensions	2,523	2,494	2,509	2,547
Benefits to children of disabled contributors	247	243	243	246
Disability benefits total	2,770	2,737	2,752	2,793
Survivor benefits				
Surviving spouse's benefits	2,441	2,549	2,667	2,799
Orphans' benefits	203	205	209	213
Death benefits	265	227	239	244
Survivor benefits total	2,909	2,981	3,115	3,256
Total	17,398	18,084	18,889	19,797

Source of information: See notes on Figure 14.

Canada Pension Plan benefits are largely related to earnings. Benefits are largely based on career-average earnings, which tend to be higher for each group of new beneficiaries and have been changing over the years as the participation of females in the labour force increases.

Benefits such as children's benefits are not based on earnings. Instead, they are considered a fixed amount that all children receive. Disability and survivor benefits contain a fixed-rate or flat-rate portion in addition to an earnings-related portion. The Plan has a ceiling on earnings that changes every year. This ceiling limits the amount of benefits people receive, as well as the amount of contributions that must be paid into the Plan.

2. Administrative Expenses

The cost to administer the CPP is recoverable from the Account by the five departments responsible for delivering CPP services as reflected in Figure 17. Costs are allocated to the CPP based on the costing principles approved by Treasury Board. The underlying characteristics of the costing principles are that the charges have a causal relationship to the CPP for their occurrence and are traceable.

Administrative expenses for 1998-99 are estimated at \$305.2 million. This represents a decrease of 6.8% over the 1997-98 forecasts.



Figure 17 details the administrative expenses for each department by fiscal year.

Figure 17: Administrative Expenses					
(millions of dollars)					
Service provided by Department	Type of Administrative Service	Forecast 1997-98	Planned Spending ²		
			1998-99	1999-00	2000-01
Human Resources Development Canada (HRDC)	Plan administration, operations, records, etc.	202.1	177.0	169.1	171.1
Treasury Board Secretariat	Insurance premiums and recoverable contributions to the Employee Benefit Plan-HRDC	20.5	23.3	23.5	23.1
Human Resources Development Canada- EI Account	Assignment of Social Insurance Numbers and maintenance of the central index ¹	1.2	1.2	1.2	1.2
Public Works and Government Services	Cheque issue, EDP services and accommodation	30.8	27.7	27.7	27.7
Revenue Canada Taxation	Collection of contributions	71.0	73.8	76.8	80.4
Office of the Superintendent of Financial Institutions	Actuarial services	1.1	1.5	1.5	1.6
Finance Canada	Investment services ³	0.6	0.8	0.7	0.7
Total		327.3	305.2	300.5	305.7

1. Net figures after deducting prior year's recoveries from the Quebec Pension Plan.
2. Administrative expenses of the participating departments are derived from current spending plans.
3. Finance Canada investment service charges were added beginning in 1997-98.

D. Long-Term Forecast

Since 1987, the CPP legislation has required a 25-year schedule of contribution rates with a required review every five years by the federal and provincial finance ministers. The review determines whether any adjustments to the remaining 20 years of the schedule are necessary and to extend the contribution schedule by five years. At each review, the schedule is extended for an additional five years. This happens through legislation or agreement among finance ministers, or automatically under a formula that ensures that the plan will have a reserve equal to approximately two years' worth of benefits. Amendments to the rate schedule or the automatic regulation require the approval of at least two thirds of the provinces with at least two thirds of the population of all the provinces.



Figure 18 shows the forecast of receipts and disbursements affecting the Canada Pension Plan Account for the period between the fiscal year 2001-2002 and 2010-11 based on the Office of the Superintendent of Financial Institutions' CPP Sixteenth Actuarial Report as at September 24, 1997. The Account/Expenditures Ratio reflects the size of the account relative to the expenditures.

Figure 18: Forecast of Receipts and Disbursements

Fiscal Year	Contribution	Investment			Year-end	Year-end
	Rate	Contributions	Income	Expenditures	Account	Account/ Expenditures
	%	\$ millions				ratio
2001-02	8.60/9.40	26,643	4,814	23,607	57,121	2.27
2002-03	9.40/9.90	30,522	5,242	25,207	67,678	2.51
2003-04	9.90	33,564	5,851	26,918	80,176	2.79
2004-05	9.90	35,597	6,658	28,756	93,675	3.05
2005-06	9.90	37,691	7,512	30,726	108,151	3.29
2006-07	9.90	39,884	8,485	32,848	123,672	3.52
2007-08	9.90	42,196	9,550	35,166	140,253	3.72
2008-09	9.90	44,604	10,705	37,687	157,875	3.91
2009-10	9.90	47,149	11,933	40,397	176,560	4.08
2010-11	9.90	49,800	13,238	43,289	196,308	4.23

Source: Based on the Canada Pension Plan Sixteenth Actuarial Report as at September 24, 1997, issued by the Office of the Superintendent of Financial Institutions.



SECTION IV



**Supplementary
Information**





**Figure 1: Spending Authorities - Human Resources Development
Ministry Summary Part II of the Estimates**

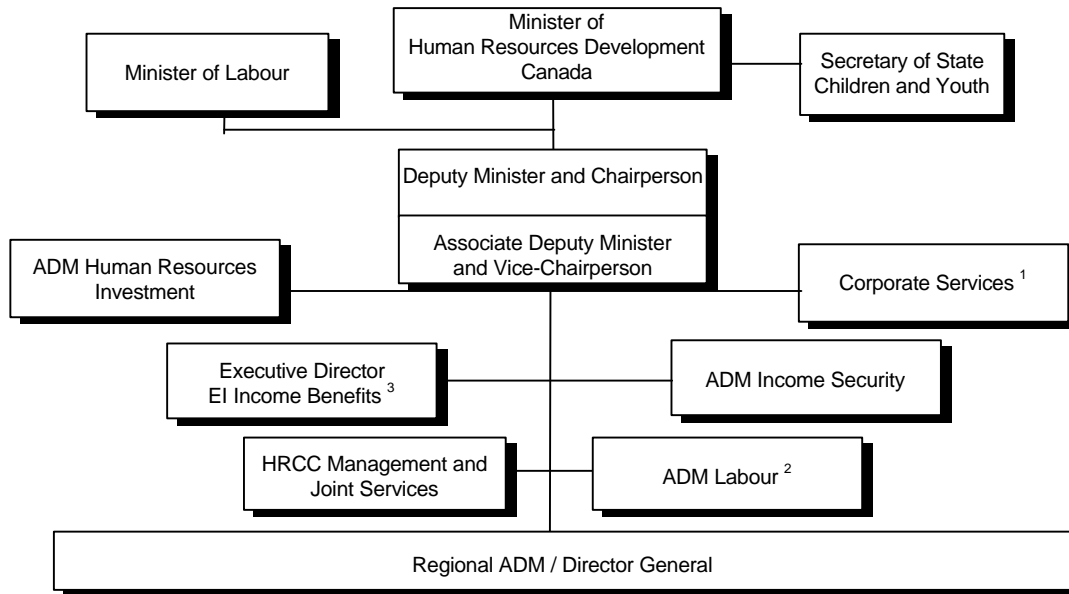
Vote (thousands of dollars)	Main Estimates	
	1998-99	1997-98
Corporate Services Program		
1 Program expenditures	82,636	42,901
(S) Minister of Human Resources Development - Salary and motor car allowance	49	49
(S) Minister of Labour - Salary and motor car allowance	49	49
(S) Contributions to employee benefit plans ¹	26,208	21,445
Total Program	108,942	64,444
Human Resources Investment and Insurance Program		
5 Operating expenditures	131,745	108,044
10 Grants and contributions	1,018,347	1,436,788
(S) Interest payments under the <i>Canada Student Loan Act</i>	5,500	47,000
(S) Liabilities under the <i>Canada Student Loan Act</i>	292,609	222,000
(S) Interest and other payments under the <i>Canada Student Financial Assistance Act</i>	508,291	347,400
(S) <i>Canada Student Financial Assistance Act</i> - Special Opportunity Grants	44,700	34,700
(S) Supplementary Retirement Benefits - Annuities agents' pensions	35	35
(S) Labour Adjustment Benefits payments	6,326	8,900
(S) Contributions to employee benefit plans ¹	102,579	97,453
Total Program	2,110,132	2,302,320
Labour Program		
15 Program expenditures	44,795	44,760
(S) Payments of compensation respecting government employees and merchant seamen	55,496	56,907
(S) Contributions to employee benefit plans	6,682	5,396
Total Program	106,973	107,063
Income Security Program		
20 Program expenditures	76,806	92,167
(S) Old Age Security payments	17,714,000	17,140,000
(S) Guaranteed Income Supplement payments	4,817,000	4,778,000
(S) Spouse's Allowance payments	386,000	390,000
(S) Contributions to employee benefit plans ¹	28,149	19,738
Total Program	23,021,955	22,419,905
Total Department - Main Estimates	25,348,002	24,893,732
Plus: Initiatives announced in the Budget 1998 ²	365,000	-
Items not in Main Estimates or Budget 1998	1,000	-
Adjusted Net Budgetary	25,714,002	24,893,732
Specified purpose accounts:		
Employment Insurance costs	13,804,787	14,659,876
Canada Pension Plan costs	18,389,171	17,799,886
- Employee Benefit Plan recoverable from EI and CPP accounts	(130,217)	(115,860)
Total Planned spending	57,777,743	57,237,634

1. Partially recoverable from EI and CPP Accounts.
2. See figure 7 for additional information on Budget 1998.



1. Organizational Structure

Figure 2: Planned Spending by Organization and Business Lines



BUSINESS LINES/PROGRAMS (millions of dollars)		PLANNED SPENDING 1998-99
Human Resources		
Investment	2,557.7	2,557.7
EI Income Benefits	459.1	459.1
HRCC Management and Joint Services	192.9	192.9
Sub-total HRI&I Program		3,209.7
Labour	143.0	143.0
Income Security	23,171.7	23,171.7
Corporate Services	375.9	375.9
Gross Budgetary	2,557.7 459.1 192.9 143.0 23,171.7 375.9	26,900.3
Revenue credited to the Vote	(182.3) (402.3) (149.0) (36.0) (149.8) (266.9)	(1,186.3)
Net Budgetary	2,375.4 56.8 43.9 107.0 23,021.9 109.0	25,714.0
Specified Purpose Accounts		
Employment Insurance		13,804.8
Canadian Pension Plan		18,389.2
- Departmental Employee Benefit Plan recoverable from EI and CPP Accounts		(130.2)
Total HRDC		57,777.8
HRDC (FTEs)	3,311 7,436 2,248 672 3,565 2,842	20,074

1. Includes the Commissioners for Workers and Employers, the Senior ADM Service Delivery, the Director General Ministerial and Corporate Affairs, the ADM Strategic Policy, the ADM International Affairs, the ADM Communications, the ADM Financial and Administrative Services, the ADM Systems, the ADM Human Resources, and the Senior General Counsel.
2. Includes the Senior Assistant Deputy Minister Legislative Review Canada Labour Code and the ADM Labour.
3. Includes Executive Director for Special Initiatives.



2. Personnel Requirement

Figure 3: Planned Full Time Equivalents (FTEs) by Program and Business Line

Full-Time Equivalent	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Business Lines				
Human Resources Investment	5,224	3,311	3,174	3,160
EI Income Benefits	7,731	7,436	7,344	7,268
HRCC Management & Joint Services	2,437	2,248	2,244	2,244
HRI&I Program	15,392	12,995	12,762	12,672
Labour	672	672	672	672
Income Security	3,555	3,565	3,502	3,432
Corporate Services	2,974	2,842	2,834	2,833
Total	22,593	20,074	19,770	19,609

3. Capital Expenditures

Figure 4: Capital Spending* by Business Line

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Business Lines				
Human Resources Investment	6.6	6.4	N/A	N/A
EI Income Benefits	28.4	27.4	N/A	N/A
HRCC Management & Joint Services	19.2	18.5	N/A	N/A
HRI&I Program	54.2	52.3	N/A	N/A
Labour	0.8	1.1	N/A	N/A
Income Security	9.8	12.5	N/A	N/A
Corporate Services	11.3	13.7	N/A	N/A
Total	76.1	79.6	N/A	N/A

* Amounts reflected in this table correspond to acquisition of capital goods.
N/A - Not available.





4. Additional Financial Information

Figure 5: Departmental Summary of Standard Objects of Expenditures

(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Personnel			
Salaries and wages	879.2	800.8	771.5
Contributions to employee benefit plans	144.0	164.6	163.5
Compensation respecting government employees and merchant seamen	77.7	75.9	74.3
Ministers' salary and motor car allowance	0.1	0.1	0.1
	<u>1,101.0</u>	<u>1,041.4</u>	<u>1,009.4</u>
Goods and Services			
Transportation and Communications	127.7	101.6	N/A
Information	24.8	25.6	N/A
Provincial administration of government employees and seamen compensation legislation	14.9	14.5	N/A
Professional and special services	315.8	249.1	N/A
Rental of buildings	163.2	163.2	N/A
Other rentals	24.4	15.4	N/A
Purchased repair and upkeep	13.1	12.4	N/A
Utilities, materials and supplies	30.2	21.9	N/A
Capital Expenditures	76.1	79.6	N/A
Other government departments' salary expenses/general damages to claimants - third-party compensation claims	1.0	1.0	N/A
Other subsidies and payments	31.8	12.9	N/A
	<u>823.1</u>	<u>697.2</u>	<u>655.2</u>
Total operating	1,924.1	1,738.6	1,664.6
Grants and Contributions			
Voted	1,330.9	1,087.2	714.1
Statutory	23,057.0	24,074.4	24,895.3
	<u>24,387.9</u>	<u>25,161.6</u>	<u>25,609.4</u>
Gross Expenditures	26,312.0	26,900.3	27,274.0
Revenue credited to the Vote			
EI Account	(1,132.9)	(974.1)	(950.2)
CPP Account	(202.1)	(177.0)	(169.1)
Agencies	(35.5)	(35.2)	(34.5)
	<u>(1,370.5)</u>	<u>(1,186.3)</u>	<u>(1,153.8)</u>
Net Budgetary Expenditures	24,941.5	25,714.0	26,120.3

N/A - not available.



Figure 6: Program Resources by Program and Business Line of the Estimate Year

(millions of dollars)							Detail of Appropriation	
1998-99 Planned Spending - Budgetary							Statutory	Non Statutory
FTE's	Operating	Grants and Contributions	Gross Total	Revenue to the Vote	Net Planning Spending			
Business Lines / Programs								
Human Resources Investment	3,311	316.9	2,240.8	2,557.7	(182.3)	2,375.4	1,188.4	1,187.0
EI Income Benefits	7,436	459.1	-	459.1	(402.3)	56.8	54.5	2.3
HRCC Management and Joint Services	2,248	192.9	-	192.9	(148.9)	43.9	18.2	25.7
Sub-total	12,995	968.9	2,240.8	3,209.7	(733.6)	2,476.1	1,261.0	1,215.1
Labour	672	139.1	3.9	143.0	(36.0)	107.0	62.2	44.8
Income Security	3,565	254.7	22,917.0	23,171.7	(149.8)	23,022.0	22,945.1	76.8
Corporate Services	2,842	375.9	-	375.9	(266.9)	108.9	26.3	82.6
Total	20,074	1,738.6	25,161.6	26,900.3	(1,186.3)	25,714.0	24,294.7	1,419.3
Other Revenues and Expenditures								
Revenue credited to the CRF					(326.5)	(326.5)		(326.5)
Estimated Cost of Services by other Depart.				17.3		17.3		17.3
Net cost of the Department				26,917.6	(1,512.8)	25,404.8	24,294.7	1,110.1
Specified purpose accounts								
Employment Insurance Account								
Expenditures				13,804.8				
Revenues				(19,846.0)				
Current year surplus (deficit)				6,041.2				
Canada Pension Plan Account								
Expenditures				18,389.2				
Revenues				(18,592.0)				
Current year surplus (deficit)				202.8				





Figure 7: Details of Transfer Payments by Business Line

(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Grants – Business Lines			
Human Resources Investment			
(S) Labour Adjustment Benefits	8.9	6.3	3.9
(S) Canada Study Grants/Special Opportunities Grants ¹	26.0	144.7	144.7
(S) Canada Education Savings Grant ¹	0.0	150.0	200.0
Grant to provide income support to fishers affected by the East Coast groundfish crisis	280.6	110.6	0.0
Grants to improve employability and to promote employment opportunities	10.0	10.0	10.0
National Welfare Grants ²	2.0	0.0	0.0
Literacy	29.5	30.4	28.6
Disabled Persons Participation ²	3.2	0.0	0.0
Social Development Partnerships	0.0	5.2	5.2
	360.2	457.2	392.4
Labour			
Fire Prevention Canada	0.0	0.0	0.0
Fire safety organizations	0.0	0.0	0.0
Occupational Safety and Health program objectives	0.0	0.0	0.0
Standards-writing associations	0.0	0.0	0.0
(S) Merchant seamen compensation	0.0	0.0	0.0
	0.1	0.1	0.1
Income Security			
(S) Old Age Security	17,096.0	17,714.0	18,325.0
(S) Guaranteed Income Supplement	4,742.0	4,817.0	4,885.0
(S) Spouse's Allowance	390.0	386.0	383.0
	22,228.0	22,917.0	23,593.0
Total Grants	22,588.3	23,374.3	23,985.5

Footnotes are displayed on next page.

Continued on next page.



Figure 7: Details of Transfer Payments by Business Line - Cont'd

(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Contributions - Business Lines			
Human Resources Investment			
(S) Interest payments under CSL Act	11.0	5.5	3.0
(S) Liabilities under CSL Act	395.9	299.6	243.6
(S) Interest payments and liabilities under CSFA Act ¹	293.3	551.3	707.1
Sub-total CSL	700.3	856.4	953.7
(S) Canada Assistance Plan	36.0	0.0	0.0
(S) Post-Secondary Education Payments	3.3	0.0	0.0
Payments to facilitate the efficient functioning of the Canada labour market ¹	655.3	648.1	427.1
Vocational Rehabilitation of Disabled Persons	231.4	0.0	0.0
Employability Assistance for People with Disabilities ¹	0.0	193.0	193.0
New Brunswick Works	1.2	0.0	0.0
Child Care - Visions and First Nations/Inuit	46.7	41.2	41.2
Learning Initiatives & Academic Mobility	3.9	3.2	2.3
Office of Learning Technology	3.2	3.2	2.8
Strategic Initiatives	61.2	38.5	0.0
	1,742.4	1,783.6	1,620.1
EI Income Benefits			
(S) Actuarial Deficit - Government Annuities Act	54.6	0.0	0.0
Labour			
Labour-Management Partnerships Program	1.6	1.6	1.6
Labour Commission	1.0	2.2	2.2
	2.6	3.8	3.8
Total Contributions	1,799.6	1,787.4	1,623.9
Grand Total Grants and Contributions	24,387.9	25,161.6	25,609.4

1. Items announced in the Budget 1998 included above:

(millions of dollars)

	1998-99	1999-00	2000-01
Canada Study Grants	100	100	100
Canada Student Loans Program	50	145	150
Canada Education Savings Grant	150	200	275
Youth at risk	50	75	100
Employability Assistance for People with Disabilities	15	20	20
	365	540	645

Note: The operating resources related to these items have yet to be identified, but will be funded from the announced levels.

2. These programs are now part of the Social Development Partnerships Initiatives.





Figure 8: Details of Revenues by Program

(millions of dollars)	Forecast	Planned Spending		
	1997-98	1998-99	1999-00	2000-01
Revenue credited to the Vote				
Human Resources Investment	266.9	182.3	166.3	156.7
EI Income Benefits	420.8	402.3	397.9	404.7
HRCC Management and Joint Services	165.8	148.9	148.2	144.0
HRI&I Program	853.6	733.6	712.4	705.4
Labour	36.7	36.0	35.3	35.0
Income Security	177.4	149.8	143.7	146.0
Corporate Services	302.8	266.9	262.3	256.8
Total Revenue credited to the Vote	1,370.5	1,186.3	1,153.8	1,143.3
Revenue credited to the CRF				
Human Resources Investment				
Refunds of previous years' expenditures				
Student loan recovery	169.7	175.0	169.5	148.0
Student loan-set-off	20.0	20.0	19.0	18.0
Recovery of employee benefit costs	26.7	24.1	22.8	21.1
Others	0.2	0.2	0.2	0.2
	216.6	219.2	211.4	187.3
EI Income Benefits				
Recovery of employee benefit costs	45.4	54.1	53.5	53.1
HRCC Management and Joint Services				
Recovery of employee benefit costs	13.9	15.4	15.8	15.8
Labour				
Service fees	1.1	1.1	1.1	1.1
Income Security				
Recovery of employee benefit costs	15.6	18.0	18.2	17.9
Others	0.0	0.0	0.0	0.0
	15.6	18.1	18.3	17.9
Corporate Services				
Recovery of employee benefit costs	14.9	18.5	18.8	19.2
Total Revenue credited to the CRF	307.6	326.5	318.9	294.5



Figure 9: Net Cost of Programs for 1998-99

(millions of dollars)	Forecast	Planned Spending	
	1997-98	1998-99	1999-00
Human Resources Investment			
Gross Expenditures	2,515.5	2,557.7	2,292.4
Revenue credited to the Vote	(266.9)	(182.3)	(166.3)
	2,248.6	2,375.4	2,126.0
Revenue credited to the Consolidated Revenue Fund	(216.6)	(219.2)	(211.4)
Estimated Cost of Services provided by departments	5.0	5.5	4.3
Net Cost	2,037.1	2,161.6	1,918.9
Employment Insurance Income Benefits			
Gross Expenditures	523.5	459.1	454.1
Revenue credited to the Vote	(420.8)	(402.3)	(397.9)
	102.7	56.8	56.2
Revenue credited to the Consolidated Revenue Fund	(45.4)	(54.1)	(53.5)
Estimated Cost of Services provided by departments	0.1	0.2	0.2
Net Cost	57.4	2.8	2.8
HRCC Management and Joint Services			
Gross Expenditures	204.4	192.9	186.9
Revenue credited to the Vote	(165.8)	(148.9)	(148.2)
	38.6	43.9	38.7
Revenue credited to the Consolidated Revenue Fund	(13.9)	(15.4)	(15.8)
Estimated Cost of Services provided by departments	1.2	1.5	1.2
Net Cost	25.8	30.0	24.2
Labour			
Gross Expenditures	142.8	143.0	141.2
Revenue credited to the Vote	(36.7)	(36.0)	(35.3)
	106.1	107.0	105.9
Revenue credited to the Consolidated Revenue Fund	(1.1)	(1.1)	(1.1)
Estimated Cost of Services provided by departments	2.1	2.2	2.3
Net Cost	107.0	108.1	107.0
Income Security			
Gross Expenditures	22,515.3	23,171.7	23,838.9
Revenue credited to the Vote	(177.4)	(149.8)	(143.7)
	22,337.9	23,022.0	23,695.2
Revenue credited to the Consolidated Revenue Fund	(15.6)	(18.1)	(18.3)
Estimated Cost of Services provided by departments	3.6	4.2	4.2
Net Cost	22,325.9	23,008.1	23,681.1
Corporate Services			
Gross Expenditures	410.5	375.9	360.6
Revenue credited to the Vote	(302.8)	(266.9)	(262.3)
	107.6	108.9	98.3
Revenue credited to the Consolidated Revenue Fund	(14.9)	(18.5)	(18.8)
Estimated Cost of Services provided by departments	3.2	3.8	3.4
Net Cost	95.9	94.2	82.8
Total HRDC			
Gross Expenditures	26,312.0	26,900.3	27,274.0
Revenue credited to the Vote	(1,370.5)	(1,186.3)	(1,153.8)
	24,941.5	25,714.0	26,120.3
Revenue credited to the Consolidated Revenue Fund	(307.6)	(326.5)	(318.9)
Estimated Cost of Services provided by departments	15.2	17.3	15.5
Net Cost of the Department	24,649.1	25,404.8	25,816.9



5. Listing of Statutes and Regulations

A. Statutes and Regulations Currently in Force

Acts

<i>Canada Assistance Plan Act</i>	(R.S., c. C-1)
<i>Canada Labour Code</i>	(R.S. 1985, c. L-2)
<i>Canada Pension Plan</i>	(R.S., c. C-5)
<i>Canada Student Financial Assistance Act</i>	(1994, c. 28)
<i>Canada Student Loans Act</i>	(R.S., c. S-17)
<i>Canadian Centre for Occupational Health and Safety Act</i>	(R.S. 1985, c. C-13)
<i>Corporations and Labour Unions Returns Act, section 16</i>	(R.S. 1985, c. C-43)
<i>Department of Human Resources Development Act</i>	(1996, c. 11)
<i>Employment Equity Act</i>	(1995, c. 44)
<i>Employment Insurance Act</i>	(1996, c. 23)
<i>Fair Wages and Hours of Labour Act</i>	(R.S.1985, c. L-4)
<i>Family Orders and Agreements Enforcement Assistance Act Part 1</i>	(1986, c. 5)
<i>Federal-Provincial Fiscal Arrangements Act</i>	(R.S. 1985, s. F-8 1995, c. 17, s. 45)
<i>Government Annuities Act</i>	(R.S., 1970, c. G-6)
<i>Government Annuities Improvement Act</i>	(1974-75-76, c. 83)
<i>Government Employees Compensation Act</i>	(R.S. 1985, c. G-5)
<i>Hazardous Materials Information Review Act</i>	(R.S. 1985, (3 rd Supp.) c. 24) (Part III, para- graphs 28(2)(d) and 43(2)(a))
<i>Hudson Bay Mining and Smelting Co. Act</i>	(1947, c. 62)
<i>Labour Adjustment Benefits Act</i>	(R.S. 1985, c. L-1)
<i>Merchant Seamen Compensation Act</i>	(R.S. 1985, c. M-6)
<i>Non-smokers' Health Act</i>	(R.S., 1985 (4 th Supp.) c. 15)
<i>Old Age Security Act</i>	(R.S., c. D-6)
<i>Status of the Artist Act, Part II</i>	(1992, c. 33)
<i>Unemployment Assistance Act</i>	(R.S., 1970, c. U-1)
<i>Vocational Rehabilitation of Disabled Persons Act</i>	(R.S., c. V-7)
<i>Wages Liability Act</i>	(R.S.1985, c. W-1)



Orders

Coal Mining Safety Commission Exemption Orders
Merchant Seaman Compensation Order, 1992
Uranium Mines (Ontario) Employment Exclusion Order
Order Designating the Appropriate Authority for a Province with Respect to the Act (under *Canada Student Financial Assistance Act*)

Regulations

Canada Assistance Plan Regulations
Canada Pension Plan Regulations
Canada Student Financial Assistance Regulations
Canada Student Loans Regulations
Employment Equity Regulations
Employment Insurance Regulations
Fair Wages and Hours of Labour Regulations
Federal Provincial Fiscal Arrangements Regulations
Government Annuities Regulations
Government Annuities Improvement Regulations
Non-smokers' Health Regulations
Old Age Security Regulations
Regulations pursuant to the *Canada Labour Code*
Regulations pursuant to the *Government Employees Compensation Act*
Regulations pursuant to the *Labour Adjustment Benefit Act*
Regulations pursuant to the *Hudson Bay Mining and Smelting Co. Limited Act*
Status of the Artist Regulations

B. Current Initiatives: Regulations

HRDC has no Major Regulatory Initiatives to report in this document however, the following is a list of the Regulatory Initiatives that will be initiated.

Status of the Artist Act -- Professional Category Regulations
Canada Labour Code -- Ontario Hydro Nuclear Facilities Regulations
Canada Labour Code -- Uranium Mines -- Saskatchewan
Canada Labour Code -- New Brunswick Power Corporation (Nuclear)
Canada Labour Code -- Quebec Hydro (Nuclear)
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- Part XVI (First Aid)
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- Building Safety
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- Diving Safety



Canada Labour Code – Canada Occupational Safety and Health Regulations
-- Electrical Safety
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- Levels of Sound
Canada Labour Code – Coal Mining
Canada Labour Code – Motor Vehicle Operators Hours of Work Regulations
Canada Labour Code – Industrial Relations Regulations
Canada Labour Code – Canada Labour Standards Regulations
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- Boilers and Pressure Vessels
Canada Labour Code -- Oil and Gas Occupational Safety and Health Regulations
Canada Labour Code -- Aviation Occupational Safety and Health Regulations
Canada Labour Code -- Marine Occupational Safety and Health Regulations
-- Hazardous occurrence investigation recording and reporting (marine)
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- miscellaneous amendments to Parts VIII, X, and XII
Canada Labour Code -- Canada Occupational Safety and Health Regulations
-- requirements to establish Prevention Program Regulations
Canada Labour Code – Canada Occupational Safety and Health Regulations
– requirements to establish Prevention Program Regulations
Canada Labour Code – On Board Trains Occupational Safety and Health Regulations
Canada Student Loan Regulations
Canada Pension Plan Regulations
Old Age Security Regulations



6. References

Further information on some subjects discussed in HRDC's Report on Plans and Priorities is available in separate reports. The following is a list of these reports. These and other departmental information and publications can be obtained from HRDC's Public Enquiries Centre (1-819-994-6313) or from the Canada Communications Group Publishing Centre (1-819-956-4800).

- Departmental Performance Report 1996-97;
- The Public Accounts;
- Employment Insurance Account, Report on the financial transactions;
- Annual Report of the Canada Pension Plan;
- *Employment Equity Act* – Annual Report



A

Aboriginal Peoples, 3-10, 3-11, 3-13
Administrative Costs - CPP Account, 3-45
Administrative Costs - EI Account, 3-40

C

Child Care Priorities, 3-13
Corporate Management and
Services, 3-32

D

Delivering Quality Labour Services, 3-24

E

EIIB - Improving Operations, 3-18
EIIB - Policy Initiatives, 3-17
EIIB - Program Integrity, 3-19
Employment Benefits and Support
Measures, 3-7, 3-39

H

Helping Canadians Return to Work, 3-7
Highlights of the EI Account, 3-36, 3-37

I

Improve ISP Service to the Public, 3-29
Improving National Employment,
Occupational and Career
Information, 3-10
Investing in the Future by Strengthening
the Labour Market, 3-7
Investing in the Future by Strengthening
the Social Union, 3-11

L

Labour Market Trends, 3-5, 3-16
Learning and Literacy, 3-12

M

Management of CPP Disability
Benefits, 3-29

N

New Partnerships to Achieve Human
Resource Investment Goals, 3-5

P

Partnerships and Policy Leadership, 3-25
Partnerships to Achieve Human Resource
Investment Goals, 3-5
Partnerships with Provinces, Territories
and Others, 3-14
Persons with Disabilities, 3-10, 3-11
Policy and Communications, 3-31

S

Service Delivery Network, 3-16, 3-20
Sustainable and efficient CPP and OAS
Program, 3-28
Systems, 3-33

U

Updating Federal Labour Legislation,
Regulations and Policies, 3-22

Y

Youth, 3-10, 3-11

